

REQUEST FOR LEGISLATIVE ACTION

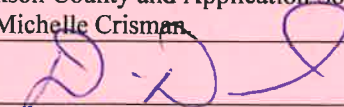
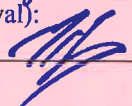
Completed by County Counselor's Office:

Res/Ord No.: 19620

Sponsor(s): Crystal Williams

Date: October 23, 2017

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Twelve Month Contract with Two Twelve Month Options to Extend for the furnishing of Cafeteria Plan Administration as an optional employee benefit for use by the Human Resources Department to Application Software, Inc. (ASI Flex) of Columbia, MO under the terms and conditions of Request for Proposal 56-17.</u></p>																																																	
BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Amount authorized by this legislation this fiscal year:</td><td></td></tr> <tr> <td>Amount previously authorized this fiscal year:</td><td></td></tr> <tr> <td>Total amount authorized after this legislative action:</td><td></td></tr> <tr> <td>Amount budgeted for this item * (including transfers):</td><td></td></tr> <tr> <td>Source of funding (name of fund) and account code number:</td><td></td></tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input checked="" type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Human Resources Estimated Use: \$9000/year</p> <p>Prior Year Budget (if applicable): Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:		Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:		Amount budgeted for this item * (including transfers):		Source of funding (name of fund) and account code number:																																								
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PRIOR LEGISLATION	<p>Prior ordinances and (date): Prior resolutions and (date): 16741, October 2008; 18646, October 2014</p>																																																	
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Katie Bartle, Senior Buyer, 816-881-3465</p>																																																	
REQUEST SUMMARY	<p>The Human Resources Department requires a Contract for Cafeteria Plan Administration due to the current contract expiring. Purchasing issued Request for Proposal 56-17 in response to those requirements.</p> <p>Thirty-eight notifications were distributed, and six responses were received. The responses were evaluated by a committee of personnel from the Human Resources Department as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Respondent</th><th>Price PEPM*</th><th>Pricing 30 points</th><th>Experience, Qualifications, and References 30 points</th><th>Staff to be Assigned to Contract 30 points</th><th>Exceptions to Terms and Conditions 10 points</th><th>Total Score 100 points</th></tr> </thead> <tbody> <tr> <td>Discovery Benefits, Fargo, ND</td><td>\$3.50</td><td>15</td><td>14</td><td>13</td><td>10</td><td>52</td></tr> <tr> <td>Wage Works, San Mateo, CA</td><td>\$3.00</td><td>22</td><td>8</td><td>9</td><td>10</td><td>49</td></tr> <tr> <td>NueSynergy Leawood, KS</td><td>\$3.00</td><td>24</td><td>22</td><td>22</td><td>10</td><td>78</td></tr> <tr> <td>ASI Flex Columbia, MO</td><td>\$2.90</td><td>28</td><td>26</td><td>27</td><td>10</td><td>91</td></tr> <tr> <td>P&A Group Buffalo, NY</td><td>\$2.95</td><td>22</td><td>17</td><td>16</td><td>10</td><td>65</td></tr> <tr> <td>Frates Benefit Administrators Oklahoma City, OK</td><td>\$3.00</td><td>22</td><td>15</td><td>8</td><td>10</td><td>55</td></tr> </tbody> </table> <p style="text-align: center;">*Per Employee Per Month</p>	Respondent	Price PEPM*	Pricing 30 points	Experience, Qualifications, and References 30 points	Staff to be Assigned to Contract 30 points	Exceptions to Terms and Conditions 10 points	Total Score 100 points	Discovery Benefits, Fargo, ND	\$3.50	15	14	13	10	52	Wage Works, San Mateo, CA	\$3.00	22	8	9	10	49	NueSynergy Leawood, KS	\$3.00	24	22	22	10	78	ASI Flex Columbia, MO	\$2.90	28	26	27	10	91	P&A Group Buffalo, NY	\$2.95	22	17	16	10	65	Frates Benefit Administrators Oklahoma City, OK	\$3.00	22	15	8	10	55
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	<p>Pursuant to Section 1054.6 of the Jackson County Code, 1984, the Director of Finance and Purchasing recommends the award of Cafeteria Plan Administration to Application Software, Inc. (ASI Flex) of Columbia, MO as the best proposal received.</p> <p>The award is made on an as needed basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases is subject to annual appropriations.</p>	
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) N/A <input checked="" type="checkbox"/> Business License Verified (Purchasing & Department) <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
COMPLIANCE	<input type="checkbox"/> MBE Goals <input type="checkbox"/> WBE Goals <input type="checkbox"/> VBE Goals <p style="text-align: center;">No goals were assigned</p>	
ATTACHMENTS	<p>Attached are pertinent pages of the proposal from Application Software, Inc. (ASI Flex), a copy of the Agreement between Jackson County and Application Software, Inc. (ASI Flex), and the Award Recommendation from Michelle Crisman.</p>	
REVIEW	Department Director: 	Date: 10/13/17
	Finance (Budget Approval):  <i>If applicable</i>	Date: 10/12/17
	Division Manager:	Date:
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- ☐ This expenditure was included in the annual budget.
- ☐ Funds for this were encumbered from the _____ Fund in ____.
- ☐ There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- ☐ Funds sufficient for this expenditure will be/were appropriated by Ordinance #
- ☐ Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- ☒ This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- ☐ This legislative action does not impact the County financially and does not require Finance/Budget approval.

ATTACHMENT I

DESCRIPTION OF REQUIRED SERVICES

Indicate by each number in each section whether or not you are able to provide the described service.

A. Claims Administration

	Item	YES	NO
1.0	The administrator will be responsible for verifying coverage from the initial enrollment data of each plan year and any subsequent changes which are transmitted to it by Jackson County, Missouri. Claims can only be paid to participants in the plan.	✓	
2.0	The administrator must provide all claim forms and return envelopes, fax options, and online options.	✓	
3.0	The administrator must process all claims on a direct claim basis with no verification of claims by Jackson County, Missouri. Claims must be processed, on average, within one business day.	✓	
4.0	The administrator must administer unreimbursed medical expense (eye exams, dental visits, prescription drugs, insurance copays and deductibles, etc.), dependent care, and parking accounts.	✓	
5.0	The Claims Administrator will be responsible for processing claims daily.	✓	
6.0	The administrator must review each claim and determine the appropriate benefit payment based on the terms and conditions of Jackson County Missouri Flexible Benefits Plan in a manner which will ensure compliance with all applicable state and federal regulations.	✓	
7.0	The administrator must be able to recognize actual accrual of employee contributions in the determination of reimbursement amounts.	✓	
8.0	The administrator must have the capacity to accept contribution information transmitted electronically or in a hard copy format by Jackson County Missouri.	✓	
9.0	The administrator must be able to reimburse claims through direct deposit if a debit card option is not elected.	✓	
10.0	A listing of checks, or direct bank deposits to participating bank accounts, issued to pay claims must be made available to Jackson County, Missouri no less frequently than monthly.	✓	
11.0	The administrator must provide with each payment an explanation of the benefit paid which clearly identifies the details of each submitted claim included in any payment.	✓	
12.0	The administrator must be able to respond to questions from employees by making available telephone access and staff who can address issues which are raised from time to time. Such access must at least be available during the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday.	✓	
13.0	The administrator must maintain enrollment, claim and contribution accrual data in machine readable format that would allow for transfer of claim information to another administrator at the termination of the contract.	✓	
14.0	The administrator must agree to make every effort to facilitate the transfer of claims data to another administrator at the culmination of the contract.	✓	
15.0	The administrator must review the current Summary Plan Description and recommend changes if necessary.	✓	
16.0	The administrator will be required to bill the County on a monthly basis.	✓	
17.0	The administrator must inform the participant when a claim is denied.	✓	

B. Data Analysis and Reporting Requirements

	Item	YES	NO
1.0	The administrator must provide Jackson County, Missouri with at least quarterly reports of each participant's status in each FSA account. Such reports, for each employee, should include:	✓	
	Participation election amount	✓	
	Actual accrual of contributions year to date	✓	
	Reimbursements year to date	✓	
	Pending claim amounts	✓	
	Net FSA account amounts (contributions less reimbursements) year to date	✓	
2.0	The administrator must provide a report (in electronic format, if requested) of Dependent Care contributions by participant at the end of the plan year for W-2 reporting purposes. The administrator must provide reports (in electronic format, if requested) of any other information on FSA participants required for regulatory compliance.	✓	
3.0	The administrator must provide each plan participant with a status report of participation on each account no less frequently than semi-annually. A status report must also be sent to the employee, no less than ten days after the administrator is alerted to an employee's coverage termination (or break) due to employment termination (or leave status), or alerted to an employee's coverage resumption, or COBRA participation. The report must include a reminder regarding the forfeiture risk born by the employee and applicable dates for claims accrual and reimbursement filing restrictions. A composite status report must be prepared for those employees participating in both the Unreimbursed Medical Expenses and Dependent Care account.	✓	

C. Administration Services

	Item	YES	NO
1.0	The administrator must provide assistance with the development of plan language provisions and communication materials to employees. This would include, but not be limited to, plan documents, brochures, articles, paycheck stuffers, tapes and meetings. It is expected that plan documents will be reviewed and updated periodically to remain in full legislative compliance.	✓	
2.0	The administrator must maintain a knowledge base of all applicable regulatory Compliance requirements and advise Jackson County, Missouri of those as they develop or change.	✓	
3.0	The administrator must assist Jackson County, Missouri in performing, measuring, and meeting all applicable regulatory tests such as non-discrimination testing. A discrimination test must be conducted at least annually.	✓	
4.0	The administrator must provide analysis and commentary on plan participation and activity. This service should include advice regarding enrollment procedures, plan maximums and minimums, and other plan design features.	✓	
5.0	All correspondence and periodic reports to Jackson County, Missouri employees shall be sent to the participants either electronically by text alerts and e-mails; or by USPS mail, based on each participant's choice.	✓	

ATTACHMENT II
MINIMUM QUALIFICATIONS

1. Company has been in existence for at least 10 years:

☒ Since 1983 YES ☐ NO

2. Company has direct experience in administering an FSA plan for at least 10 years

☒ Since 1983 YES ☐ NO

3. Company must be licensed in Missouri and Kansas:

As an independent third-party benefit administrator, ASIFlex is not required to be licensed. However, we have included our Missouri Certificate of Good Standing.

List states: _____

4. Company has multiple current commercial clients of similar size as Jackson County (at least 3 other clients of comparable size).

a. Pima County – Tucson, AZ

b. Nevada System of Higher Learning – Las Vegas, NV

c. Shook Hardy & Bacon Law Firm – Kansas City, MO

5. Dedicated Service Representative will be available to assist with account inquiries:

☒ YES ☐ NO

6. Do you accept claims by:

In addition to the checked items below, ASIFlex also accepts claims via its innovative FlexMinder service for certain integrated carriers, and can also offer direct provide payment.

☒ Debit Card ☒ Online Submission ☒ Mobile Apps ☒ Fax ☒ Mail

7. Company offers participants online access to account statements and ability to file claims only.

In addition to online access, participants can access account statements and submit claims via the ASIFlex Mobile app.

☒ YES ☐ NO

8. Company provides employer online portal to have on-demand management reports and participant account access:

☒ YES ☐ NO

9. Company provides participant immediate and direct access to customer service representatives (speak to a live CSR) without navigating phone trees:

Easy and direct access to CSRs provided Monday through Saturday. Hours are 7 am to 7 pm CT Monday through Friday; and 9 am to 1 pm CT on Saturday.

☒ YES ☐ NO

ATTACHMENT III

GENERAL QUESTIONS

1. Do you have a minimum participation requirement for any of your programs?

There is no minimum participation requirement.

2. Is there a minimum dollar amount for which claims will be issued?

There is a check minimum of \$25. Claims less than this amount will accumulate until the amount equals or exceeds \$25, and will then be paid; except if the plan year limit is met mid-year and if the runout period is completed. The minimum applies only to checks; it does not apply to electronic reimbursement methods.

3. Are you willing to allow representatives of Jackson County, Missouri to audit your records affecting the activity of Jackson County, Missouri participants?

Yes. We only ask that ample notice is provided to ASIFlex and that activity is conducted during non-peak periods.

4. Debit Card questions:

a. What transactions require substantiation? Which ones do not?

The Internal Revenue Service, through Revenue Rulings 2003-43, 2006-69 and 2007-02 issued guidelines that specify the manner in which FSA debit cards can be used to pay tax-favored benefit account claims. Under certain circumstances, the payments made with the cards can be accepted without further manual review (i.e., a paper claim and substantiating documentation) and under other circumstances can be accepted only with manual review of the claim.

Debit card transactions can be accepted by the FSA administrator without any follow up documentation if the merchant is an acceptable merchant type such as a physician's office or hospital and at least one of four other criteria are met. Transactions are electronically substantiated if:

- The dollar amount of the transaction at a health care provider equals the dollar amount of the co-payment or any combination of any known co-pays up to five times the highest known co-pay, for the employer-sponsored medical, vision or dental plan that participant has elected;
- The expense is a recurring expense that matches expenses previously approved as to amount, provider, and time period (e.g., for an employee who pays a monthly fee for orthodontia at the same provider for the same amount);
- A claims feed is provided from the medical, vision and/or dental provider and claims information can be matched to debit card transactions; or
- The merchant maintains a compliant Inventory Information Approval System (IIAS) for over-the-counter and prescription medication (this system is allowable only if the merchant approves only qualifying items; all other purchased items must be paid for in a split tender transaction.)

Any payment that does not meet the above criteria must be reviewed for compliance like any other claim. ASIFlex offers educational material and information on www.asiflex.com/debitcards.

b. Is your Debit Card a smartcard?

Yes. The card is a limited-use card that can be used with a variety of health reimbursement plans. Due to the restrictions provided by Revenue Rulings 2003-43, 2006-69 and 2007-02, ASIFlex is offering a debit card program structured in the following way:

ASIFlex's FSA debit card is restricted to purchases at known health care providers (such as health clinics, hospitals, etc.) and retailers that have implemented an appropriate Inventory Information Approval System (IIAS) management system. At the point-of-sale, the ASIFlex Card confirms the merchant is an eligible merchant according to the merchant category code (MCC) coded into the vendor's credit card processing system and/or the individual merchant identification number. If a purchase is attempted at a vendor that has

an allowable MCC, and the participant has available funds, the transaction will be approved. If a participant attempts a purchase at a merchant that does not have an acceptable MCC and does not meet the aforementioned IIAS, the purchase will be declined and the participant will have to provide an alternate form of payment. For all approved transactions, ASIFlex will then attempt to retroactively match the purchase amount with known co-pay amounts for FSA participants. In order to adjudicate the known co-pay amounts, the client will have to provide ASIFlex with a data file that details the known co-pay amounts of each plan, and identify those enrolled in the plans. If a participant purchases an item that does not match the employer plan co-pay or is not an auto-adjudicated purchase, ASIFlex will send the participant notification that substantiating documentation must be submitted to ASIFlex. Participant email is required for purposes of communication and sending requests, and the email can be a work or personal address.

Please note that the Revenue Ruling 2006-69 explicitly stated that healthcare FSA debit card transactions tendered at non-healthcare providers without the inventory control system are not allowed and stated that merchants such as grocery stores and/or whole sale clubs must have this system in place by 1/1/2007 in order for FSA debit card purchases to be allowed. In December, 2006, the IRS issued Revenue Ruling 2007-02 and provided grocery stores and other similar merchants with a reprieve, extending the requirement for implementing the IIAS until January 1, 2008. As of January 1, 2008, FSA debit card purchases cannot be allowed at retail outlets that do not have this inventory system in place. Additionally, RR 2008-104 states that retail outlets that are pharmacies or drugstores must implement IIAS by July 1, 2009, or the debit card must be declined.

How IIAS Works - Peter goes to Walgreens to purchase Band-Aids and a six pack of Coke. When he gets to the counter, Peter swipes his FSA debit card for the total purchase amount of \$13.00. The Walgreens point-of-sale (POS) system confirms that the tender type is an FSA spending card and allows the Band-Aids to be purchased with the card. The POS then splits out the Coke since it is not an FSA eligible expense and the cashier asks Peter to pay \$3.00 in a separate tender type for the soda. Since Walgreens has the appropriate IIAS in place and does not allow any items to be purchased with the FSA debit card that are not eligible for reimbursement, Peter will not have to submit any documentation to ASIFlex for follow-up. Additionally, Walgreens will maintain an auditable database with detailed transaction information, in the event that the client, or the participant, undergoes an IRS audit.

c. Is the Debit Card available for both Medical and Dependent Care accounts?

ASIFlex's card product is not available for use with dependent care spending accounts. While IRS Revenue Ruling 2006-69 created a safe harbor for dependent care expenditures purchased with the FSA debit card, the process for substantiating these purchases is quite cumbersome and confusing for participants. Instead of adding additional costs to the administration and consternation amongst participants, ASIFlex has chosen to focus on reimbursement via next-day claim processing and payment, with no additional monthly costs to dependent care participants.

d. Are there fees for initial card(s)? How is the fee charged (PEPM or by participant)? Do fees apply for lost or replacement cards?

The ASIFlex Card is offered as a value-added service, at no cost to the employer or plan participant. The cards are issued in sets of two; and have a five-year expiration date. The participant may order additional or replacement card sets for only \$5.00 each which is billed to the HCFSA. Participants should keep the card for the five years and any new plan year elections will be loaded to the card annually. FSA participants have a number of other claim submission options including mobile app, online, or toll-free fax.

e. Can you interact and communicate with participants via e-mail?

Yes. ASIFlex requires email to communicate with card holders; and can also communicate via text alerts. Each participant can manage and update these personal settings through his/her online account.

f. Can the debit cards be used for medical and/or dental deductibles? Office visit copays? Prescription copays?

Yes. ASIFlex's FSA debit card is restricted to purchases at known health care providers (such as health clinics, hospitals, etc.) and retailers that have implemented an appropriate Inventory Information Approval System (IIAS) management system. This includes out-of-pocket expenses for deductibles, coinsurance,

copays for office visits or prescriptions, and qualified over-the-counter health care products.

g. What is the process for turning a debit card "off" if a claim is unsubstantiated?

Use of the card is not paperless! Although the card may provide an easy way to pay, it does not negate the need to provide back-up documentation to substantiate certain card transactions. In many cases, the IRS requires the participant to submit documentation.

ASIFlex sends three requests for card documentation as follows:

- Initial Notice – Sent approximately five days after ASIFlex receives notice of the card transaction
- Reminder Notice – Sent 21 days after the first request
- De-activation Notice – Sent 21 days after the reminder notice and card is inactivated, and future claim submissions may be offset by the outstanding amount

ASIFlex has included a Quick Guide on www.asiflex.com/debitcards that explains the timeline above, and how to submit documentation.

IRS guidelines provide specific correction procedures for plan sponsors to recoup money from participants for card transactions that have not been substantiated. The employer must treat the improper payment as a debt that must be repaid. This repayment can be satisfied by:

- Requiring repayment of the amount to the plan
- Withholding the amount from the participant's compensation (employers should check with their legal counsel regarding state law)
- Offsetting the amount with a substitute valid claim

If the amount is not satisfied within a reasonable time, the card must be deactivated until it is satisfied.

If none of these actions is successful, the employer must treat the payment as any other business indebtedness by taking the same steps it would take to collect an equivalent business debt. As a last resort, the employer may forgive the indebtedness and report the amount as wages on Form W-2. Note: The IRS has cautioned that treating an improper payment (i.e., an unsubstantiated card transaction) as uncollectible should be the exception and not a routine process. To assist employers, ASIFlex provides an "Outstanding Card Transaction" report listing participants who have outstanding card transactions.

h. Do you have an insured protection for lost or stolen cards? What fees apply to this protection?

Unlike regular debit or credit cards, the ASIFlex Card is a limited use card. Lost or stolen cards should be reported to ASIFlex as soon as possible and will be permanently cancelled. A new card can be issued upon request for \$5.00 which is billed to the health care FSA of the participant. Participants can view account activity on-demand, 24/7 via the secure ASIFlex Mobile app or online at asiflex.com. The VISA® cardholder agreement includes this provision:

Your Liability for Unauthorized Transactions: Contact us at once if you believe your Card has been lost or stolen. Telephoning is the best way to minimize your possible losses. If you believe your Card has been lost or stolen, or that someone has transferred or may transfer money from your Card Account without your permission, call your plan claims administrator at the number on the back of your Card. Under VISA U.S.A. Operating Regulations, your liability for unauthorized Visa debit transactions on your Card Account is \$0.00 if you notify us promptly and you are not grossly negligent or fraudulent in the handling of your Card. If you notify us within two (2) business days of unauthorized Visa debit transactions, you can lose no more than \$50.00 if someone used your Card without your permission. If you do not notify us within two (2) business days after you learn of the loss or theft of your Card and we can prove that we could have stopped someone from using your Card without your permission if you had promptly notified us, you could lose as much as \$500.00. Also, if you become aware of and/or your statement shows transactions that you did not make, notify us at once. If you do not notify us within sixty (60) days after you become aware of the transaction and/or after the statement was made available to you, you may not get back any value you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the value if you had notified us in time and you are grossly negligent or fraudulent in the handling of your Card. If your Card has been lost or stolen, we will close your Card Account to keep losses down.

5. What account balance statements are available to participants (paper, online, etc.)?

a. How often are statements issued?

Account statements can be sent to participants quarterly, semi-annually, annually; or made available online only. These options can be discussed during the renewal/implementation process.

b. Are account balances readily accessible on demand?

Yes. Participant can access account balance statements 24/7 via the ASIFlex Mobile App or online at asiflex.com

6. Are employees' account balances displayed on the reimbursement check or direct deposit notification each time a claim is submitted?

Yes. In addition to the above options, account balance information is provided with each reimbursement.

7. If you have an online system, are the plan SPDs and other required disclosures integrated into the system?

ASIFlex provides a full-service educational website for plan participants. The site is educational and not client-specific.

8. How do you handle such costs for an employee who ceases participation mid-year? Is the charge discontinued when:

- a. Coverage ceases?**
- b. Coverage ceases + 90 days grace period?**
- c. End of plan year?**
- d. End of plan year+ 90 days grace period?**
- e. Other? Please describe.**

Administrative fee billings are produced at the end of each calendar month and are posted to the secure employer portal on the first of each month. For example, the January 2018 billing will be posted on February 1, 2018. Participants are billed through the end of the calendar month following termination or cessation of participation. There is not additional fee billed during the runout period if the individual participates in both plan years; except upon contract termination.



ATTACHMENT IV
RATE QUOTATION FORM

Pricing should be Unit Cost per Employee per Month

Provide pricing in a separate sealed envelope within the original Request for Proposal Package

	INITIAL TWO YEAR RATE	YEARS THREE - FIVE
Medical/Dental Expense Account Based on 136 participants*	\$2.90	\$2.90
Dependent Care Account Based on 19 participants*	\$2.90	\$2.90
Parking Account	N/A	N/A
Debit Card Option	FREE	FREE
Monthly Administrative Charge	FREE	FREE
Lump Sum Start-Up Costs	FREE	FREE
Lump Sum Renewal Costs	FREE	FREE
Total Projected Annual Costs	\$5,394	\$5,394

**One fee billed for any Section 125 FSA participation; one account or two. Fees are guaranteed for five years, January 1, 2018 through December 31, 2022. Included continued use of ASIFlex online open enrollment system.*

Submitted by:

ASIFlex
201 West Broadway, Bldg. 4C
Columbia, MO 65203
800.659.3035
ASIFlex.com

BID: 56-17 DATE: 9/12/17 COMMODITY: Cafeteria Plan		Frates Benefit Administrators	P&A Group	ASI Flex	WageWorks	NueSynergy	Discovery Benefits
NO	DESCRIPTION	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
1.0	Proposal for FSA and H.S.A	see bid	see bid	see bid	see bid	see bid	see bid

CERTIFICATION OF BID OPENING
BIDS WERE PUBLICLY
OPENED AND RECORDED
ON: Sept 12, 2017
Mark Spino
CLERK OF THE LEGISLATURE
[Signature]
PURCHASING



REQUEST FOR PROPOSAL 56-17 Evaluation Matrix

RFP NAME: Cafeteria Plan

DEPARTMENT NAME: Human Resources

No	Respondent	Pricing	Experience, Qualifications and References	Staff to be Assigned to Contract	Exceptions to Terms and Conditions	Total Score
		30 points	30 points	30 points	10 points	
1	Discovery Benefits	10	10	10	10	40
2	Wage Works	15	5	5	10	35
3	NueSynergy	20	20	20	10	70
4	ASI Flex	25	25	25	10	85
5	P&A Group	20	10	8	10	48
6	Frates Benefit Administrators	15	10	5	10	40
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COMMENTS:						
Instructions:						

• Up to 30 pts ea max total score 100

K. Swain



REQUEST FOR PROPOSAL 56-17 Evaluation Matrix

RFP NAME: Cafeteria Plan

DEPARTMENT NAME: Human Resources

No	Respondent	Pricing	Experience, Qualifications and References	Staff to be Assigned to Contract	Exceptions to Terms and Conditions	Total Score
		30 points	30 points	30 points	10 points	
1	Discovery Benefits -	15	13	13	10	51 0.0
2	Wage Works -	25	10	12	10	57 0.0
3	NueSynergy	25	20	21	10	76 0.0
4	ASI Flex	28	27	28	10	73 0.0
5	P&A Group	23	18	18	10	69 0.0
6	Frates Benefit Administrators	25	15	10	10	60 0.0
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

COMMENTS:

Instructions:



Michelle

REQUEST FOR PROPOSAL 56-17 Evaluation Matrix

RFP NAME: Cafeteria Plan

DEPARTMENT NAME: Human Resources

No	Respondent	Pricing	Experience, Qualifications and References	Staff to be Assigned to Contract	Exceptions to Terms and Conditions	Total Score
		30 points	30 points	30 points	10 points	
1	Discovery Benefits	• 20	• 18	• 15	10	63 0.0
2	Wage Works	• 26	• 10	• 10	10	56 0.0
3	NueSynergy	• 27	• 25	• 25	10	87 0.0
4	ASI Flex	• 30	• 27	• 27	10	94 0.0
5	P&A Group	• 23	• 23	• 23	10	69 0.0
6	Frates Benefit Administrators	• 25	19	• 10	10	64 0.0
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

COMMENTS:

Instructions:

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (the Agreement) is made and entered into as of this ____ day of October, 2017, by and between Jackson, County, Missouri (hereinafter Client) and Application Software, Inc., dba ASI and ASIFlex (hereinafter ASIFlex).

Background

For Cafeteria Plan. Client has requested ASIFlex to provide administrative services for the following Benefit Programs, as described in Attachment A, offered under an Internal Revenue Code §125 Cafeteria Plan established by Client:

- Health Flexible Spending Arrangement (Health FSA)
- Dependent Care Assistance Program (DCAP)

The Health FSA and DCAP will hereinafter be collectively referred to as the Program.

In consideration of the mutual promises and conditions contained in this Agreement, Client and ASIFlex agree as follows:

Section 1 Effective Date and Term

Applies to All Services

1.1 Effective Date

The effective date of this Agreement is January 1, 2018 (Effective Date).

1.2 Term

The initial term shall be the 12 month period commencing on the Effective Date. This Agreement will renew automatically for successive periods of 12 months unless this Agreement is terminated in accordance with the provisions of Section 9.

Section 2 Scope of Undertaking

Applies to All Services

2.1 Scope of Undertaking

Client has sole and final authority to control and manage the operation of the Program. ASIFlex is and shall remain an independent contractor with respect to the services being performed hereunder and shall not for any purpose be deemed an employee of Client. ASIFlex and Client shall not be deemed partners, engaged in a joint venture or governed by any legal relationship other than that of independent contractor.

ASIFlex does not assume any responsibility for the general policy design of the Program, the adequacy of its funding, or any act or omission or breach of duty by Client. ASIFlex shall not in any way be deemed an

insurer, underwriter, or guarantor with respect to any benefits payable under the Program. ASIFlex generally provides reimbursement services only and does not assume any financial risk or obligation with respect to claims for benefits payable by Client under the Program.

Except as otherwise expressly set forth herein, nothing herein shall be deemed to constitute ASIFlex as a party to the Program or to confer upon ASIFlex any authority or control respecting management of the Program, authority or responsibility in connection with administration of the Program, or responsibility for the terms or validity of the Program. Nothing in this Agreement shall be deemed to impose upon ASIFlex any obligation to any employee of Client or any person who is participating in the Program (Participant).

2.2 Non-Discretionary Duties

Except as otherwise expressly set forth herein, the services to be performed by ASIFlex under this Agreement shall be ministerial in nature and will generally be performed in accordance with the terms of the Benefit Programs established by the Client.

2.3 Limited Fiduciary Duties (*Applies to Health FSA only*)

Notwithstanding the foregoing, pursuant to Section 405(c)(1) of ERISA (if applicable), Client delegates to ASIFlex certain functions which might be deemed to be of a fiduciary nature, including authority to determine claims for benefits as set forth in Section 4, and to pay Program benefits by checks written (or other draft payment or debit) on a bank account established and maintained in the name of Client for the payment of Program benefits claims as set forth in Section 6, as further modified by Attachment A.

The parties agree that ASIFlex is fiduciary of the Program only to the limited extent necessary to perform such limited fiduciary duties as expressly delegated under this Agreement. ASIFlex shall not be deemed a fiduciary in connection with any other duty or responsibility in the administration of the Program.

Section 3 Client's Responsibilities

Applies to All Services

3.1 General Fiduciary Duties

Except as otherwise specifically delegated to ASIFlex in this Agreement, Client has the sole authority and responsibility for the Program and its operation, including the authority and responsibility for administering, construing and interpreting the provisions of the Program and making all determinations thereunder. Client gives ASIFlex the authority to act on behalf of Client in connection with the Program, but only as expressly stated in this Agreement or as mutually agreed in writing by Client and ASIFlex. Client is considered the Plan Administrator and Named Fiduciary of any Program benefits subject to ERISA.

3.2 Funding

Client shall promptly fund an account maintained for the payment of Program benefits as described in Section 6.

3.3 Information to ASIFlex

Upon request, Client agrees to provide ASIFlex with information necessary for ASIFlex's performance of duties and obligations under this Agreement, including information concerning the Program and the

eligibility of individuals to participate in and receive Program benefits. ASIFlex shall be entitled to rely, without investigation or inquiry, upon any written or oral information or communication of the Client or its agents. Such information shall be provided to ASIFlex in the time and in the manner agreed to by Client and ASIFlex. ASIFlex shall have no responsibility with regard to benefits paid in error due to Client's failure to timely update such information.

Client also agrees to provide ASIFlex with frequent updated reports summarizing eligibility data (Eligibility Reports). Unless otherwise agreed by Client and ASIFlex, the Eligibility Reports should be provided to ASIFlex by electronic medium. The Eligibility Reports shall specify the effective date for each Participant who is added to or terminated from participation in the Program.

Client shall be responsible for ensuring the accuracy of its Eligibility Reports, and bears the burden of proof in any dispute with ASIFlex relating to the accuracy of any Eligibility Reports.

ASIFlex incurs no liability to Client or any Participant as a consequence of an inaccurate Eligibility Report. Additionally, ASIFlex is under no obligation to credit Client for any claims expenses or administrative fees incurred or paid to ASIFlex as a consequence of Client failing to review Eligibility Reports for accuracy.

ASIFlex shall assume that all such information is complete and accurate and is under no duty to question the completeness or accuracy of such information. Eligibility Reports are considered Protected Health Information (PHI) and, when transmitted by or maintained in electronic media shall be considered electronic PHI, and subject to the Privacy and Security Rules under HIPAA, and Section 5 of this Agreement.

3.4 Plan Documents

Client is responsible for the Program's compliance with all applicable federal and state laws and regulations and shall provide ASIFlex with all relevant documents, including but not limited to, the Program documents and any Program amendments. Client will notify ASIFlex of any changes to the Program at least 30 days before the effective date of such changes.

If requested by Client in Section 4.8, ASIFlex will provide sample plan documents and forms for review by Client and Client's legal counsel, including plan document/summary plan description, election forms and other documents. ASIFlex will customize such documentation only to the extent to incorporate Client's responses to certain plan design questions submitted by ASIFlex. In addition, ASIFlex will provide sample document changes to reflect revisions in applicable legislation or regulations. Although ASIFlex has taken steps to ensure that its sample documents and forms are of high quality and generally comply with the applicable laws, it cannot be aware of all of the facts and circumstances that may apply to the Client or the Program.

Client acknowledges that ASIFlex is not providing tax or legal advice and that Client should ask its legal counsel to review such documents for legal and tax compliance. Client bears sole responsibility for determining the legal and tax status of the Program. Further, ASIFlex is not a law firm and has no authority to provide legal advice.

3.5 Liability for Claims

Client is responsible for payment of claims made pursuant to, and the benefits to be provided by, the Program. ASIFlex does not insure or underwrite the liability of Client under the Program. Except for expenses specifically assumed by ASIFlex in this Agreement, Client is responsible for all expenses incident to the Program.

3.6 Financial and Medical Records

In order to permit Client and/or ASIFlex to perform their obligations under this Agreement, personal financial records or medical records may be requested. If required by law or regulation, the Client must either, in accordance with applicable state and federal law:

- Notify each Participant and provide each Participant an opportunity to opt out (if required); or
- Obtain from each Participant written authorization for release of the requested records.

3.7 HIPAA Privacy

Client shall provide ASIFlex with the following documents, where required or applicable:

- Notice of Privacy Practices;
- Any subsequent changes to the Notice of Privacy Practices;
- Certification that Client amended the plan document as regulated by the Privacy Rule to permit disclosure of PHI to Client for plan administrative purposes;
- Certification that Client agrees to the conditions set forth in the plan amendment;
- Copies of any authorizations of Participants or beneficiaries to use or disclose PHI (and any later changes to or revocations of such authorizations);
- Notice of any restriction on the use or disclosure of PHI that Client agrees to under the Privacy Rule; and
- Notice of any requests that communications be sent to a Participant or beneficiary by an alternative means or at an alternative location that Client agrees to under the Privacy Rule.

Client shall not request ASIFlex to use or disclose PHI in any manner that would not be permissible under the Privacy or Security Rules if done by Client, except that ASIFlex may use or disclose PHI for purposes of Data Aggregation and the management and administrative activities of ASIFlex, as provided in Section 5 of this Agreement.

Section 4 ASIFlex's Responsibilities

Sections 4.1 through 4.12 Apply to All Services

4.1 Delegated Responsibilities

ASIFlex's responsibilities shall be as expressly delegated to ASIFlex in this Agreement (including the obligations listed in any Attachment to this Agreement) or any other written and signed Agreement between Client and ASIFlex. ASIFlex generally provides certain reimbursement and recordkeeping services, as described further below.

4.2 Service Delivery

ASIFlex agrees to provide customer service personnel by telephone during ASIFlex's normal business hours. ASIFlex also agrees to provide electronic administrative services 24 hours per day, 7 days per week. However, ASIFlex websites shall occasionally be unavailable in cases of required maintenance. Scheduled maintenance notices will be published in advance of closure.

ASIFlex will not be deemed in default of this Agreement, nor held responsible for any cessation, interruption or delay in the performance of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, natural disaster, acts of God, labor controversy, civil disturbance, disruption of the public markets, war or armed conflict, or the inability to obtain sufficient materials or services required in the conduct of its business, including Internet access, or any change in or the adoption of any law, judgment or decree.

4.3 Benefits Payment

ASIFlex agrees to, on behalf of Client, operate under the express terms of this Agreement and the Program. ASIFlex makes the initial determination if persons covered by the Program (as described in the Eligibility Reports) are entitled to benefits under the Program and shall pay Program benefits in its usual and customary manner, to Participants as set forth in this Section 4.

Client agrees that:

- ASIFlex has no responsibility or obligation with respect to Prior Reimbursement Requests and/or Prior Administration;
- Client shall indemnify and hold ASIFlex harmless for any liability relating to Prior Reimbursement Requests and Prior Administration;
- Client will be responsible for processing Prior Reimbursement Requests (including any run-out claims submitted after the Effective Date) and maintaining legally required records of all Prior Reimbursement Requests and Prior Administration sufficient to comply with applicable legal (e.g., IRS substantiation) requirements.

4.4 Bonding

ASIFlex has, and will maintain, a fidelity bond and/or ERISA bond (where applicable) for all persons involved in collecting money or making claim payments, and all officers of the company. This bond covers the handling of Client's and Participants' money and must protect such money from losses by dishonesty, theft, forgery or alteration, and unexplained disappearance.

4.5 Reporting

ASIFlex agrees to make available to Client each month via electronic medium (unless otherwise agreed by the parties) a master report showing the payment history and status of Participant claims and the amounts and transactions of Participant accounts during the preceding month.

For those Program benefits subject to HIPAA, Client must provide certification that the plan document requires the Client to comply with applicable Privacy and Security Rules under HIPAA before ASIFlex will make available the reports provided for in this Section to the Client. ASIFlex agrees to also make available to Participants each month via electronic medium a report showing their individual payment history and status of claims and the amounts and transactions in their individual accounts during the preceding month.

For those Program benefits subject to HIPAA, Client is responsible for ensuring that any beneficiary of the Participant who submits a claim agrees to the disclosure of PHI to the Participant, if required by the Privacy Rule.

4.6 Claims Appeals

ASIFlex agrees to refer to Client or its designee, Plan Administrator, and/or Named Fiduciary for the following:

- The second and final level of appeal of an adverse benefit determination; and
- Any class of claims Client may specify, including:
 - o Questions of eligibility or entitlement of the claimant for coverage under the Program;
 - o Questions with respect to the amount due; or
 - o Any other appeal.

4.7 Forfeited Funds

Any unclaimed benefit payments (e.g. uncashed benefit checks) are deemed forfeited.

- Client may use forfeited funds to offset reasonable administrative expenses.

4.8 Additional Documents

Client requests that ASIFlex furnish Client with sample documents for review by Client with its legal counsel, for creation of customized documentation for the Program to be approved and executed by Client, including summary plan description, plan document and plan amendments; and sample administrative forms needed for ASIFlex to perform its duties under this Agreement.

4.9 Communication

ASIFlex agrees to provide development of certain communication information.

4.10 Recordkeeping

ASIFlex agrees to maintain for the duration of this Agreement the usual and customary books, records and documents ASIFlex has prepared or received possession in the performance of its duties hereunder. These books, records, and documents, including electronic records, are the property of Client, and Client has the right of continuing access to them during normal business hours at ASIFlex's offices with reasonable prior notice. If this Agreement terminates, ASIFlex may deliver, or at Client's request, will deliver all such books, records, and documents to Client, subject to ASIFlex's right to retain copies of any records it deems appropriate. Client shall be required to pay ASIFlex reasonable charges for transportation or duplication of such records.

4.11 Standard of Care; Erroneous Payments

ASIFlex shall use reasonable care and due diligence in the exercise of its powers and the performance of its duties under this Agreement. If ASIFlex makes any payment under this Agreement to an ineligible person, or if more than the correct amount is paid, ASIFlex shall make a diligent effort to recover any payment made to or on behalf of an ineligible person or any overpayment. However, ASIFlex will not be liable for such payment, unless ASIFlex would otherwise be liable under another provision of this Agreement.

ASIFlex owes a duty of care only to the Client, which duty is one of reasonable care under the attendant circumstances. ASIFlex is not liable for any mistake of judgment or for any action taken in good faith unless such mistake or action results in a breach of such duty of care.

4.12 Notices to Client

ASIFlex shall provide to Client all notices (including any required opt-out notice) reflective of its privacy policies and practices as required by state and/or federal law (including the Gramm-Leach-Bliley Act).

Section 5 Compliance with Privacy and Security Rules Under HIPAA

Applies to All Services, except DCAP

5.1 Compliance with Privacy and Security Rules Under HIPAA

Contemporaneously with this Agreement, Client and ASIFlex have entered into a Business Associate Agreement pursuant to HIPAA and the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH Act).

Section 6 Payment of Benefits and Funding Responsibility

Applies to All Services

6.1 Payment of Benefits

Client authorizes ASIFlex to pay Program benefits by checks written (or other draft payment or debit) each day or at such other interval as mutually agreed upon. ASIFlex will notify Client of the amount needed to pay approved benefit claims, and Client shall agree to allow ASI to debit the Client's bank account to reimburse ASI for such payments. Alternatively, Client may pay or transfer into ASI's bank account the amount needed for the payment of Program benefits. Client shall enter into such agreements and provide instructions to its bank as are necessary to implement this Section. ASIFlex has sole authority to provide whatever notifications, instructions, or directions are necessary to accomplish the disbursement of such Program funds to, or on behalf of, Participants in payment of approved claims.

6.2 Funding of Benefits

Funding for any payment on behalf of the Participants under the Program, including, but not limited to, all benefits to Participants in accordance with the Program, is the sole responsibility of Client, and Client agrees to accept liability for, and provide sufficient funds to satisfy, all payments to Participants under the Program, including claims for reimbursement for covered expenses, if such expenses are incurred and the claim is presented for payment during the terms of this Agreement.

6.3 Representation of Plan Assets

Client further represents and agrees that:

- Neither it nor any of its employees, directors, representatives, fiduciaries, or employee benefits plans (or any entity performing services for Client or such plans) nor any of its predecessors, successors, or assigns have represented, or will represent to any Participant or beneficiary of the Program, that a separate account, fund, or trust is being held on behalf of the Program that may be used to provide or secure benefits under the plan; and
- Client shall advise the Participants and beneficiaries of the Program that the benefits under the Program shall at all times be paid out of the general assets of the Client.

Client is responsible for payment of claims made pursuant to, and the benefits to be provided by, the Program. ASIFlex does not insure or underwrite the liability of the Client under the Program. Except for expenses required for ASIFlex to be in the business of providing services under this Agreement and expenses specifically assumed by ASIFlex in this Agreement, Client is responsible for all expenses incident to the Program.

6.4 Debit Card

ASIFlex agrees to:

- Process debit card swipes reported to ASIFlex on behalf of the Client;
- Request receipt notification on all swipes not eligible for electronic adjudication under the current IRS guidelines;
- Report to the debit card provider any account reimbursements that are a result of activities mentioned above; and
- Request data from debit card providers each business day to ensure participants are properly reimbursed for their expenses.

Any interchange shared between the debit card provider and ASIFlex will be retained wholly by ASIFlex. Any fees charged to ASIFlex by the debit card provider shall be the responsibility of ASIFlex, unless noted in Attachment A of this Agreement. ASIFlex currently contracts with Evolution Benefits for the ASIFlex Debit Card. Under this Agreement, ASIFlex reserves the right to change card providers during the year, providing at least 90 day notice to the Client.

Section 7 Indemnification

Applies to All Services

7.1 Indemnification by Client

Upon ASIFlex's adherence to the standard of care set forth in Section 4, Client shall indemnify ASIFlex and hold it harmless from and against all loss, liability, damage, expense, attorneys' fees or other obligations, resulting from, or arising out of, any act or omission of Client in connection with the performance of its duties hereunder. In addition, Client shall indemnify ASIFlex and hold it harmless from and against any

liability, expense, demand, or other obligation, resulting from, or out of any premium charge, tax or similar assessment (federal or state), for which the Program or Client is liable.

Client agrees to reimburse ASIFlex for all attorney's fees and costs incurred by ASIFlex as a result of any collection action taken by ASIFlex to recover overdue service charges required to be paid in accordance with this Agreement or any Attachment hereto.

7.2 Indemnification by ASIFlex

Upon Client's adherence to the standard of care set forth in Section 3, ASIFlex shall indemnify Client and hold it harmless from and against all loss, liability, damage, expense, attorneys' fees or other obligations, resulting from, or arising out of, any act or omission of ASIFlex in connection with the performance of its duties hereunder.

Section 8 Service Charges

Applies to All Services

8.1 Service Charges

The amounts of the monthly services charges of ASIFlex are described in the Attachments. ASIFlex may change the amount of such service charges by providing at least 60 days written or electronic notice to Client. ASIFlex may also change the monthly service charges as of the date any change is made in the Program.

8.2 Billing of Service Charges

All services charges of ASIFlex, whether provided for in this or any other Section, shall be billed separately from statements for payment of claims so that proper accounting can be made by Client of the respective amounts paid for claims and for administrative expenses.

8.3 Payment of Service Charges

ASIFlex will determine all service charges under this Section and bill Client monthly. Alternatively, if the parties agree, ASIFlex may deduct payment for monthly service charges from the bank account maintained by Client as described in Section 6. Client shall make payment to ASIFlex within 10 business days of receipt of notice of the amount due, or such amount will automatically be deducted from the bank account maintained by Client as described in Section 6.

Section 9 General Provisions

Applies to All Services

9.1 Severability; Headings

If any term of this Agreement is declared invalid by a court, the invalid term will not affect the validity of any other provision, provided that the basic purposes of this Agreement are achieved through the remaining valid provisions. The headings of sections and subsections contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.2 Compliance; Non-Waiver

Failure by Client or ASIFlex to insist upon strict performance of any provision of this Agreement will not modify such provision, render it unenforceable, or waive any subsequent breach. No waiver or modification of any of the terms or provisions of this Agreement shall be valid unless in each instance the waiver or modification is accomplished pursuant to the amendment provisions of Section 9 below.

9.3 Assignment; Amendment

Neither Client nor ASIFlex can assign this Agreement without the other party's written consent. This Agreement may be amended only by written agreement of duly authorized officers of Client and ASIFlex.

9.4 Audits

Each party is authorized to perform audits of the records of payment to all Participants and other data specifically related to performance of the parties under this Agreement upon reasonable prior written notice to the other. Audits shall be performed during normal working hours. Audits may be performed by an agent of either party provided such agent signs an acceptable confidentiality agreement and business associate agreement required by HIPAA and the HITECH Act. Each party agrees to provide reasonable assistance and information to the auditors. Each party also agrees to provide such additional information and reports as the other party shall reasonably request.

9.5 Non-Disclosure of Proprietary Information

- **General.** Client and ASIFlex each acknowledge that in contemplation of entering into this Agreement (and as a result of the contractual relationship created hereby), each party has revealed and disclosed, and shall continue to reveal and disclose to the other, proprietary and/or confidential information of such party. Client and ASIFlex agree that each party shall:
 - Keep such proprietary and/or confidential information of the other party in strict confidence;
 - Not disclose proprietary and/or confidential information of the other party to any third parties or to any of its employees not having a legitimate need to know such information; and
 - Not use proprietary and/or confidential information of the other party for any purpose not directly related to and necessary for the performance of its obligations under this Agreement (unless required to do so by a court of competent jurisdiction or a regulatory body having authority to require such disclosure).
- **Confidential Information Defined.** Information revealed or disclosed by a party for any purpose not directly related to and necessary for the performance of such party's obligations under this Agreement shall not be considered confidential information for purposes hereof:
 - If, when, and to the extent such information is or becomes generally available to the public without the fault or negligence of the party receiving or disclosing the information; or
 - If the unrestricted use of such information by the party receiving or disclosing the information has been expressly authorized in writing and in advance by an authorized representative of the other party.

For purposes of this Section, confidential information is any information in written, human-readable, machine-readable, or electronically recorded form (and legended as confidential

and/or proprietary or words of similar import) and information disclosed orally in connection with this Agreement and identified as confidential and/or proprietary (or words of similar import); and programs, policies, practices, procedures, files, records, and correspondence concerning the parties' respective businesses or finances. The terms and conditions of this Section 9 shall survive the termination of this Agreement.

- All of Client's obligations under this section are subject to provisions of the Missouri Open Records Act, Chapter 610, RSMo. Client is authorized to make any disclosure of any information, including Confidential Information, that Client reasonably believes is required under the Act.

9.6 Notices and Communications

- **Notices.** All notices provided for herein shall be sent by either:
 - Confirmed facsimile;
 - Guaranteed overnight mail, with tracing capability;
 - Certified mail; or
 - First class United States mail, with postage prepaid, addressed to the other party at their respective addresses set forth below or such other addresses as either party may designate in writing to the other from time to time for such purposes.

All notices provided for herein shall be deemed given or made when received.

- **Addresses.**
 - Client's address for notices as described above is:

415 E. 12th Street, Room 104
Kansas City, Missouri 64106
 - ASIFlex's address for notices as described above is:

ATTN: John Riddick
201 W. Broadway, Suite 4-C
Columbia, MO 65203
- **Communications.** Client agrees that ASIFlex may communicate confidential, protected, privileged or otherwise sensitive information to Client through a named contact designated by Client (Named Contact) and specifically agrees to indemnify ASIFlex and hold it harmless:
 - For any such communications directed to Client through the Named Contact attempted via facsimile, mail, telephone, e-mail or any other media, acknowledging the possibility that such communications may be inadvertently misrouted or intercepted; and
 - From any claim for the improper use or disclosure of any PHI by ASIFlex if such information is used or disclosed in a manner consistent with its duties and responsibilities hereunder.

9.7 Termination of Agreement

- **Automatic.** This Agreement automatically terminates on the earliest of the following:
 - The effective date of any legislation which makes the Program and/or this Agreement illegal;
 - The date Client or ASIFlex becomes insolvent, or bankrupt, or subject to liquidation, receivership, or conservatorship; or
 - The termination date of the Program. This termination is subject to any Agreement between Client and ASIFlex regarding payment of benefits after the Program is terminated.
- **Optional.** This Agreement may be terminated as of the earliest of the following:
 - By ASIFlex upon the failure of Client to pay any service charges within 10 business days after they are due and payable as provided in Section 8;
 - By ASIFlex upon the failure of Client to perform its obligations, including its obligations as Plan Administrator and/or Named Fiduciary where applicable, as such terms are defined in ERISA, and in accordance with this Agreement, including the provisions of Section 3;
 - By Client upon the failure of ASIFlex to perform its obligations in accordance with this Agreement, including the provisions of Section 4;
 - By either Client or ASIFlex, as of the end of the term of this Agreement, by giving the other party 30 days written notice; or
 - By either Client or ASIFlex, upon a material breach of the other party's duties under this Agreement, or upon non-material breaches of a recurrent nature, after 30 days notice in the event of a material breach, or 60 days notice in the event of a non-material breach of a recurrent nature, and the right to cure such breach by the breaching party.
- **Limited Continuation After Termination.** If the Program is terminated, Client and ASIFlex may mutually agree in writing that this Agreement shall continue for the purpose of payment of Program benefits, expenses, or claims incurred prior to the date of Program termination. In addition, Client and ASIFlex may mutually agree in writing that this Agreement shall continue for the purpose of payment of any claims for which requests for reimbursements have been received by ASIFlex before the date of such termination.

If this Agreement is continued in accordance with this subsection, Client shall pay the monthly service charges incurred during the period that this Agreement is so continued and a final termination fee equal to the final month's service charge.

- **Survival of Certain Provisions.** Termination of this Agreement does not terminate the rights or obligations of either party arising out of the period prior to such termination. The indemnity, confidentiality, privacy, and security provisions of this Agreement shall survive its termination.

9.8 Complete Agreement; Governing Law

This Agreement (including the Attachments) is the full Agreement of the parties with respect to the subject matter hereof and supersedes all prior Agreements and representations between the parties. This Agreement shall be construed, enforced and governed by the laws of the State of Missouri.

In Witness Whereof, Client and ASIFlex have caused this Agreement to be executed in their names by their undersigned officers, the same being duly authorized to do so.

Jackson County, Missouri

By: _____

Title: Chief Financial Officer

Application Software, Inc.

By: James F. Jackson

Title: VP & General Counsel

Glossary

For the purposes of this Agreement, the following words and phrases have the meanings set forth below.

Wherever appropriate, the singular shall include the plural and the plural shall include the singular.

Agreement means this ASIFlex Administrative Services Agreement, including all Attachments hereto.

Code means the Internal Revenue code of 1986, as amended.

DCAP has the meaning given in the Recitals.

Eligibility Reports has the meaning described in Section 3.

Client has the meaning given in the recitals.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Effective Date has the meaning given in Section 1.

Electronic PHI has the meaning assigned to such term under HIPAA.

Health FSA has the meaning given in the Recitals.

HIPAA means the Health Insurance Portability and Accountability Act of 1996, as amended.

Named Fiduciary means the named fiduciary as defined in ERISA §402(a)(1).

Participant has the meaning given in Section 2.

Plan means the Health FSA or DCAP, as applicable.

Plan Administrator means the administrator as defined in ERISA §3(16)(A).

Prior Administration means services arising prior to the Effective Date.

Prior Reimbursement Requests means claims incurred prior to the Effective Date.

Program has the meaning given in the Recitals.

Protected Health Information or **PHI** has the meaning assigned to such term under HIPAA.

ATTACHMENT A SERVICE CHARGES

Capitalized terms used in this Attachment but not defined have the meanings given in the Agreement to which this Attachment is attached.

Client has established a Code §125 Cafeteria Plan to allow eligible employees who make a proper election to pay for their share of certain benefit plan coverage with pre-tax salary reductions. Client has delegated certain administrative responsibilities with respect to the selected benefit options. Depending upon the benefit options chosen by the Client, the Client has established:

- a Code §125 Cafeteria Plan under which a Code §105 Health FSA is offered; and
- a Code §125 Cafeteria Plan under which a Code §129 Dependent Care Assistance Program is offered.

As set forth in Section 8, the applicable service charges shall be as follows:

Standard Services Charges*	Cost
FSA PPM** Service Charge	\$ 2.90
HRA PPM Service Charge	N/A
QTP PPM Service Charge	N/A

Additional Service Charges	Cost
Set-Up Fee	\$0
Sample Documents and Forms	Included at no charge
Staff Training	Included at no charge
Online Enrollment	Included at no charge
Open Enrollment Meetings - Notes:	\$250 per day, plus travel expenses
Non-discrimination Testing (Must be requested by Client)	Included at no charge
Form 5500 Preparation (Must be requested by Client)	Included at no charge
Debit Card (Must be requested by Client)	\$0

***There is a \$50.00 per month minimum service charge.**

****PPM = per participant per month**

If the Client terminates the services, there will be a charge for a runoff period, should the Client choose to request one. This charge will be negotiated at the time of termination.

Services Included

Client is responsible for all legal requirements and administrative obligations with regard to the benefit options selected, except for the following administrative duties specifically delegated to ASIFlex:

- ASIFlex shall make available (by electronic medium and paper copy) enrollment forms and instructions.
- Upon receiving instructions from Client with regard to a Participant's change in status or other event that permits an election change under IRS regulations, ASIFlex shall make the requested change in the Participant's election as soon as possible.
- If requested, ASIFlex shall prepare the information necessary to enable Client to satisfy its Form 5500 filing obligation with regard to the Health FSA option chosen by Client. Client shall be responsible for reviewing the information provided by ASIFlex to ensure its accuracy, and Client shall prepare and submit any Form 5500.
- If requested, ASIFlex shall assist Client in preparing preliminary, mid-year, and final nondiscrimination tests for the Health FSA and DCAP options chosen by Client:
 - o Key employee concentration testing required under Code §125;
 - o The 55% average benefits test required under Code §129; and
 - o The 25% shareholder concentration test required under Code §129.
- ASIFlex shall make initial decisions with regard to Participant claims and disburse any benefit payments that it determines to be due normally within 3 days, but in no case later than within 30 business days, of the day on which ASIFlex receives the claim. Benefit payments shall be made by check or ACH payable to the Participant. Claims of less than \$25.00 may be carried forward and aggregated with future claims until the total amount is equal to or greater than \$25.00, except that any remaining amount shall be paid after the end of the Plan Year without regard to the \$25.00 threshold.
- ASIFlex shall notify Participants with regard to any claims that are denied due to inadequate substantiation or data submission and provide an adequate period of time for the Participant to resubmit the claim. If the Client is subject to ERISA, ASIFlex shall follow the requirements of ERISA with regard to denial of claims.
- ASIFlex shall provide its standard reporting package for exchanging information.

Services Not Included

- Client's compliance with COBRA portability provisions.
- Determining whether Client's Health FSA and DCAP documents are in compliance with the Code or any other applicable state, federal, or local statutes or regulations.
- Determining if and when an event has occurred under the IRS permitted election change regulations such that a change in election is permitted under the Health FSA and DCAP.

- Client's responsibility for the determination on the second and any final level of appeal.

Jackson County, Missouri

Application Software, Inc.

By: _____

By: James J. Jackson

Title: Chief Financial Officer

Title: VP & General Counsel

APPROVED TO FORM:

ATTEST:

W. Stephen Nixon
County Counselor

Mary Jo Spino
Clerk of the Legislature

REVENUE CERTIFICATE

This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases is subject to annual appropriations.

Date

Chief Financial Officer