

STATE OF NEBRASKA SERVICE CONTRACT AMENDMENT

State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, Nebraska 68508

Telephone: (402) 471-6500
Fax: (402) 471-2089

CONTRACT NUMBER
89260 04

PAGE 1 of 2	ORDER DATE 02/25/20
BUSINESS UNIT 65080007	BUYER JULIE SCHILTZ (AS)
VENDOR NUMBER: 1552476	
VENDOR ADDRESS: APPLICATION SOFTWARE INC DBA ASI FLEX PO BOX 6044 COLUMBIA MO 65205-6044	

THE CONTRACT PERIOD IS:

JULY 01, 2020 THROUGH JUNE 30, 2023

THIS SERVICE CONTRACT HAS BEEN AMENDED PER THE FOLLOWING INFORMATION:

THIS CONTRACT IS NOT AN EXCLUSIVE CONTRACT TO FURNISH THE SERVICES SHOWN BELOW, AND DOES NOT PRECLUDE THE PURCHASE OF SIMILAR SERVICES FROM OTHER SOURCES.

THE STATE RESERVES THE RIGHT TO EXTEND THE PERIOD OF THIS CONTRACT BEYOND THE TERMINATION DATE WHEN MUTUALLY AGREEABLE TO THE VENDOR/CONTRACTOR AND THE STATE OF NEBRASKA.

Contract to supply and deliver Administration of a Flexible Spending Account Program and COBRA and Retiree Benefits Services to the State of Nebraska as per the attached specifications for the contract period July 1, 2020 through June 30, 2023. The contract may be renewed for four (4) additional one (1) year periods when mutually agreeable to the vendor and the State of Nebraska.

Vendor Contact: Anita Spencer
Phone: 573-999-6632
Cellular: 573-999-6632
Fax: 573-442-4435
E-Mail: aspencer@asiflex.com

(mel 01/29/2020)

Amendment one (1) as attached. (mel 02/25/20)

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
1	ADMIN FEE FY 2020/2021 FSA, COBRA AND RETIREE INITIAL TERM	193,200.0000	EA	0.9500	183,540.00
2	ADMIN FEE FY 2021/2022 FSA, COBRA AND RETIREE INITIAL TERM	193,200.0000	EA	0.9500	183,540.00
3	ADMIN FEE FY 2022/2023 FSA, COBRA AND RETIREE INITIAL TERM	193,200.0000	EA	0.9500	183,540.00
4	ADMIN FEE FY 2023/2024	193,200.0000	EA	0.9500	183,540.00

2/29/20
2/25/20
BUYER
MATERIEL ADMINISTRATOR

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Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
	FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 1				
5	ADMIN FEE FY 2024/2025 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 2	193,200.0000	EA	0.9500	183,540.00
6	ADMIN FEE FY 2025/2026 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 3	193,200.0000	EA	0.9500	183,540.00
7	ADMIN FEE FY 2026/2027 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 4	193,200.0000	EA	0.9500	183,540.00
	Total Order				1,284,780.00


BUYER INITIALS

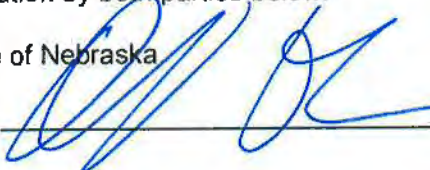
AMENDMENT ONE
Flex Spending Account and COBRA and Retiree Benefits for the State of Nebraska
Between
The State of Nebraska and Application Software, Inc.

This Amendment (the "Amendment") is made by the State of Nebraska and Application Software, Inc., parties to Contract 89260 O4, and upon mutual agreement and other valuable consideration, the parties agree to and hereby amend the contract as follows:

Line	Description	Estimated Quantity	Unit of Measure	Unit Price	Unit Price
1	ADMIN FEE FY 2020/2021 FSA, COBRA AND RETIREE INITIAL TERM	193,200.0000	EA	0.95	183,540.0000
2	ADMIN FEE FY 2021/2022 FSA, COBRA AND RETIREE INITIAL TERM	193,200.0000	EA	0.95	183,540.0000
3	ADMIN FEE FY 2022/2023 FSA, COBRA AND RETIREE INITIAL TERM	193,200.0000	EA	0.95	183,540.0000
4	ADMIN FEE FY 2023/2024 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 1	193,200.0000	EA	0.95	183,540.0000
5	ADMIN FEE FY 2024/2025 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 2	193,200.0000	EA	0.95	183,540.0000
6	ADMIN FEE FY 2025/2026 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 3	193,200.0000	EA	0.95	183,540.0000
7	ADMIN FEE FY 2026/2027 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 4	193,200.0000	EA	0.95	183,540.0000

This amendment and any attachments hereto will become part of the Contract. Except as set forth in this Amendment, the Contract is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this amendment and the Contract or any earlier amendment, the terms of this amendment will prevail.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date of execution by both parties below.

State of Nebraska
 By: 
 Name: Doug Carlson

Title: Materiel Administrator

Date: 2/28/2020

Contractor: Application Software, Inc.
 By: 
 Name: Jan L. Jackson

Title: VP & General Counsel

Date: 2/25/2020

STATE OF NEBRASKA SERVICE CONTRACT AWARD

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VENDOR NUMBER: 1552476	
VENDOR ADDRESS: APPLICATION SOFTWARE INC DBA ASI FLEX PO BOX 6044 COLUMBIA MO 65205-6044	

AN AWARD HAS BEEN MADE TO THE VENDOR/CONTRACTOR NAMED ABOVE FOR THE SERVICES AS LISTED BELOW FOR THE PERIOD:

JULY 01, 2020 THROUGH JUNE 30, 2023

THIS CONTRACT IS NOT AN EXCLUSIVE CONTRACT TO FURNISH THE SERVICES SHOWN BELOW, AND DOES NOT PRECLUDE THE PURCHASE OF SIMILAR SERVICES FROM OTHER SOURCES.

THE STATE RESERVES THE RIGHT TO EXTEND THE PERIOD OF THIS CONTRACT BEYOND THE TERMINATION DATE WHEN MUTUALLY AGREEABLE TO THE VENDOR/CONTRACTOR AND THE STATE OF NEBRASKA.

Original/Bid Document 6171 Z1

Contract to supply and deliver Administration of a Flexible Spending Account Program and COBRA and Retiree Benefits Services to the State of Nebraska as per the attached specifications for the contract period July 1, 2020 through June 30, 2023. The contract may be renewed for four (4) additional one (1) year periods when mutually agreeable to the vendor and the State of Nebraska.

Vendor Contact: Anita Spencer
Phone: 573-999-6632
Cellular: 573-999-6632
Fax: 573-442-4435
E-Mail: aspencer@asiflex.com

(mel 01/29/2020)

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
1	ADMIN FEE FY 2020/2021 FSA, COBRA AND RETIREE INITIAL TERM	16,100.0000	EA	0.9500	15,295.00
2	ADMIN FEE FY 2021/2022 FSA, COBRA AND RETIREE INITIAL TERM	16,100.0000	EA	0.9500	15,295.00
3	ADMIN FEE FY 2022/2023 FSA, COBRA AND RETIREE INITIAL TERM	16,100.0000	EA	0.9500	15,295.00
4	ADMIN FEE FY 2023/2024 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 1	16,100.0000	EA	0.9500	15,295.00
5	ADMIN FEE FY 2024/2025	16,100.0000	EA	0.9500	15,295.00

2/3/20
PK
1/30/20
BUYER
2/3/2020

MATERIEL ADMINISTRATOR

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BUSINESS UNIT 65080007	BUYER JULIE SCHILTZ (AS)
VENDOR NUMBER: 1552476	

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
	FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 2				
6	ADMIN FEE FY 2025/2026 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 3	16,100.0000	EA	0.9500	15,295.00
7	ADMIN FEE FY 2026/2027 FSA, COBRA AND RETIREE OPTIONAL RENEWAL YEAR 4	16,100.0000	EA	0.9500	15,295.00
Total Order					107,065.00


 BUYER INITIALS

ADDENDUM ONE to Contract Award
Terms and Conditions
Contract 89260 O4 Flexible Spending Account and COBRA and Retiree Benefits
Between
The State of Nebraska and Application Software, Inc.

The following clauses, Addendum One of Contract 89260 O4 have been reviewed and agreed upon between Application Software, Inc. "Contractor" and the State of Nebraska "State". This addendum will become part of the contract for Flexible Spending Account and COBRA and Retiree Benefits. The clauses of this Addendum shall supersede, prevail and govern in the case of any inconsistencies with the clauses indicated in Sections II - IV of the Request for Proposal.

By signing this Addendum the Contractor guarantees compliance with the provisions stated herein, agrees to the clauses and certifies Contractor maintains a drug free work place environment.

II. TERMS AND CONDITIONS

Bidders should complete Sections II through VII as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the solicitation, contractor is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and contractor fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this solicitation. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this solicitation.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

The contract resulting from this Request for Proposal shall only incorporate the following documents:

The contract resulting from this solicitation shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the solicitation;
3. Questions and Answers;
4. Contractor's proposal (Solicitation and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to solicitation and any Questions and Answers, 4) the original solicitation document and any Addenda, and 5) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or five (5) calendar days following deposit in the mail.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

C. BUYER REPRESENTATIVE (POC)

The State reserves the right to appoint a Buyer's Representative to manage [or assist the Buyer in managing] the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the Contractor will be provided a copy of the appointment document, and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar

provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

E. BEGINNING OF WORK

The contractor shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

F. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

G. CHANGE ORDERS OR SUBSTITUTIONS

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the solicitation. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

In the event any product is discontinued or replaced upon mutual consent during the contract period or prior to delivery, the State reserves the right to amend the contract or purchase order to include the alternate product at the same price.

*****Contractor will not substitute any item that has been awarded without prior written approval of SPB*****

H. VENDOR PERFORMANCE REPORT(S)

The State may document any instance(s) of products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or solicitation specifications. The State Purchasing Bureau may contact the Vendor regarding any such report. Vendor performance report(s) will become a part of the permanent record of the Vendor.

I. NOTICE OF POTENTIAL CONTRACTOR BREACH

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a

waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

J. BREACH

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby. OR In case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

K. NON-WAIVER OF BREACH

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

L. SEVERABILITY

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

M. INDEMNIFICATION

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY (Optional)

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent

such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this solicitation.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

N. ATTORNEY'S FEES

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

O. PERFORMANCE BOND

The Contractor will be required to supply a cashier's check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the cashier's check or bond must be established dollar amount of \$200,000 The check or bond will guarantee that the Contractor will faithfully perform

all requirements, terms and conditions of the contract. If the Contractor chooses to provide a cashier's check, the check must show an expiration date on the check. Cashier's checks will only be allowed for contracts for three (3) years or less, including all renewal options. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or cashier's check will be returned when the contract has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

P. ASSIGNMENT, SALE, OR MERGER

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

Q. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

R. FORCE MAJEURE

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

S. CONFIDENTIALITY

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C.

552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

T. EARLY TERMINATION

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
 - g. Contractor intentionally discloses confidential information;
 - h. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

U. CONTRACT CLOSEOUT

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;

4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters. The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the contractor's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract. The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
2. The completed United States Attestation Form should be submitted with the solicitation response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this solicitation.

D. COOPERATION WITH OTHER CONTRACTORS

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. PERMITS, REGULATIONS, LAWS

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and

permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

G. INSURANCE REQUIREMENTS

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. **COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$5,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
Independent Contractors	Included
Abuse & Molestation	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$2,000,000 per occurrence
PROFESSIONAL LIABILITY	
Professional liability (Medical Malpractice)	Limits consistent with Nebraska Medical Malpractice Cap
Qualification Under Nebraska Excess Fund	
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$1,000,000
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies shall	

name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured.”

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Administrative Services
Attn: Wellness & Benefits Administrator
1526 K Street, Suite 110
Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto. Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

H. NOTICE OF POTENTIAL CONTRACTOR BREACH

If Contractor breaches the contract or anticipates breaching the contract the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

I. ANTITRUST

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

J. CONFLICT OF INTEREST

By submitting a proposal, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed

mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

K. STATE PROPERTY

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

L. SITE RULES AND REGULATIONS

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

M. ADVERTISING

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

N. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.htm> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

O. DISASTER RECOVERY/BACK UP PLAN

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

P. DRUG POLICY

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

Q. WARRANTY

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this

warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

Neb. Rev. Stat. §§81-2403 states, "[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency."

B. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor

C. INVOICES

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. The State can support a daily invoice and process ACH transfers within three (3) business days. The State cannot support a pre-funded account. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

Invoices for payments must include:

Monthly invoice (for the Flexible spending administration fees. The fees should be invoiced after the end of the month. (For example, the August admin fees would be invoiced 9/1/19.)

Flexible Spending daily reimbursement documentation must be emailed to the State and must include:

The date the payments are processed & for what plan year, a separate amount for the dependent care & Health Care, an invoice #, in addition to a remittance address.

Weekly backup to support the daily Flexible Spending reimbursement requests must include:

The employee name, SS#, date of the reimbursement, dollar amount of the reimbursement & whether the reimbursement was for Health Care or Dependent Care.

The Admin Fee Invoice and weekly backup reports shall be posted to the vendor's site and picked up by the State.

D. INSPECTION AND APPROVAL

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

E. PAYMENT (Statutory)

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

F. LATE PAYMENT (Statutory)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)

The State's obligation to pay amounts due on the Contract for a fiscal year following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Statutory)

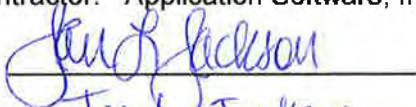
The State shall have the right to audit the Contractor's performance of this contract upon a thirty (30) days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. §84-304 et seq.) The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent to three (3) percent of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

This Addendum and any attachments hereto will become part of the Contract. Except as set forth in this Addendum, the Contract is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this Addendum and the Contract or any earlier Addendum, the terms of this Addendum will prevail.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

State of Nebraska
By: 
Name: Douglas D. Cardon
Title: Material Administrator
Date: 2/3/2020

Contractor: Application Software, Inc.
By: 
Name: Jan L. Jackson
Title: VP & General Counsel
Date: 1-6-2020

For public information purposes only; not part of contract.

**Request for Proposal Number 6171 Z1
Contract Number 89260 O4
Proposal Opening: November 14, 2019**

In accordance with Nebraska Revised Statutes §84.712.05(3), the following material(s) has not been included due to it being marked proprietary.

Application Software, Inc. DBA ASIFlex and ASI COBRA, LLC

1. Independent Auditors' Report
2. Client and plan information contained under Attachment A, Sections 1.02, 1.08, 1.09, 1.10, 1.12, 1.13, 1.14 and 1.15.

Interflex Payments LLC DBA Ameriflex

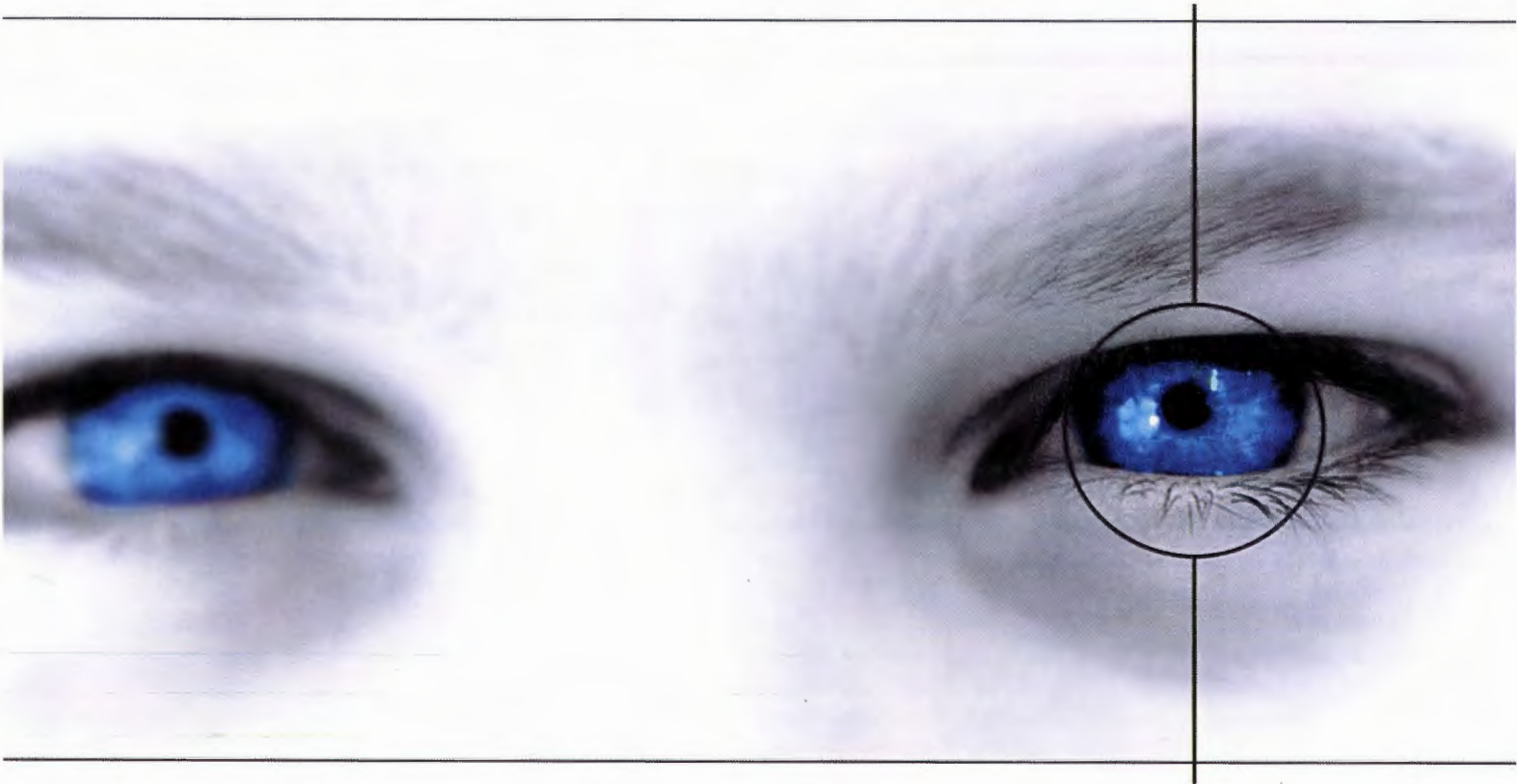
1. Financial Statements, Independent Auditors' Report

Total Administrative Services Corp

1. Financial Statements

ORIGINAL

Improve Your Focus



ASI

FLEX

COBRA

ORIGINAL

State of Nebraska RFP 6171 Z1

Flexible Spending Account and COBRA and Retiree Benefits Services

November 2019

Submitted by:

Application Software, Inc. dba ASIFlex and ASI COBRA, LLC

201 West Broadway, Bldg. 4C | Columbia, MO 65203 | ASIFlex.com | P: 800.659.3035 | F: 573.499.1840

ORIGINAL



November 12, 2019

Julie Schlitz/Connie Henrichs
RFP #6171 Z1
State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508

RE: RFP 6171 Z1 Flexible Spending Account and COBRA and Retiree Benefits Services

Dear Ms. Schlitz and Ms. Henrichs:

On behalf of our ASI team, we are pleased to provide our proposal for the continued administration of the FSA program, COBRA and Retiree Billing administration services. ASI has enjoyed a mutually beneficial relationship with the State as the incumbent provider of FSA service since 2000, and COBRA/Retiree Billing since 2014.

As a leading provider of innovative employee-benefit solutions since 1987, ASI's number one priority is to provide exceptional service at all levels of the organization to both our clients and to their participants. Our business base includes over 400 clients located nationwide in 38 states. ASIFlex has focused on public sector clients and today services over one quarter of all state government (13), over 100 City/County entities and nearly 80 educational/University systems.

Basic customer service is the most important thing to participants which is why we answer the phone when it rings (under 30 seconds) and process a claim when we receive it (less than one day on average). We provide many "bells, whistles" and other automated processes related to FSA and COBRA but all of them are in place to enhance a consumer experience that is already best in class. Some points of distinction that set us apart are:

Live Customer Service ASIFlex provides participants with easy and direct access to speak with customer service representatives (CSRs) Monday through Saturday. We do not route callers through an IVR system. We do not employ the use of phone trees. ASIFlex receives regular compliments for both its considerate customer service, prompt pickup times and live help!

Flexibility ASIFlex's forte is tailoring its administrative protocols to meet the needs of our clients. We offer a standard suite of management reports through the secure online employer portal, and will also provide ad hoc or custom FSA reporting for the State upon request

Rapid and Compliant Claim Processing Expedited claim processing and payment is the normal reimbursement cycle for ASIFlex clients. Most claims are processed and paid within one day. In addition we follow IRS regulations in all aspects of administration. Unlike some administrators, ASIFlex **does not take shortcuts** and provides a debit card service **compliant with IRS regulations**.

Full Life Cycle COBRA Administration ASI handles all components of COBRA administration and complexity and works to mitigate risk to clients while adhering to IRS regulations to provide compliant processing. We also provide retiree billing services for the State's retiree population.

Dedicated Account Services Team ASI provides an experienced and dedicated service team to work with the State HR/Benefits team. We partner with the State and participate in the annual open enrollment activities, and meet annually and as needed with the State to discuss the overall success of the program, communications, enrollment, and process improvements. Anita Spencer has worked with the State since 2012 through ASIFlex and will continue to do so. During this time, she has worked with various State personnel in the HR/Benefits division. Anita also worked with the State to implement and communicate the original Section 125 program for State employees, and worked with the State for several years afterwards.

ASI Commitment to Excellence ASI is proud to have employees who not only focus on providing exceptional service to clients, but continually give back to the community through volunteer and other activities. ASI also promotes "go green" efforts in all aspects of its business. See our Commitment to Excellence for our mission statement and learn more about the many ways we support our community and environment. We are excited to announce that ASI was selected to receive a 2019 Mayor's Climate Protection Agreement award for our solar project.

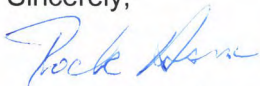
The enclosed proposal describes our service capabilities and demonstrates our dedication to our clients and our core business of benefit administration. We would welcome the opportunity to continue our partnership with the State to provide continuity of services, as well as an excellent service experience for both State benefit personnel and employees.

Should you have questions related to this proposal, please contact your account executive:

Anita Spencer, CEBS
573.999.6632
aspencer@asiflex.com

On behalf of everyone at ASI, thank you for your time and consideration.

Sincerely,



Rock Hall
Vice President, COO/CFO

ASI COMMITMENT TO EXCELLENCE



ASIFlex is the 2019 Columbia Mayor's Climate Protection Agreement (MCPA) award winner in the category of Innovative Best Practices. The MCPA program recognizes businesses who take action to reduce global warming pollution, and to recognize excellence in sustainable practices while promoting a culture of environmental responsibility. ASIFlex has been dedicated to improving the health of Columbia residents for over 3 decades and has completed an energy renovation project on its Broadway Professional Park property. In addition to LED lighting and HVAC upgrades, ASIFlex installed battery storage, along with a 126kW solar roof/carport which is visible from Broadway.

Above – ASIFlex, Broadway Professional Park

ASI Mission

Our mission is to provide the very best in benefit administration, customer service and technology services to clients. We strive to provide “best quality” with an emphasis on containing costs for clients. This mission is accomplished by never losing focus on who we work for.

Our success is attained by understanding the needs of clients. By listening to clients, we expand our knowledge base and look for new and innovative processes that benefit the partnerships entered into with our clients. Our ongoing mission is to exceed client service expectations by leveraging technology and employing dedicated employees throughout the organization to deliver an excellent experience.

Community Involvement – Giving Back

ASI employees are active in their communities and proud to contribute their time and talents to various organizations. Here are just a few things our employees are doing:

- Volunteer fire-fighter for local community
- Volunteer photography for local school district for team sports, graduation and other district annual fundraising events
- Volunteer on local Blood Drive Committee
- Volunteer in pediatrics/NICU ward of University Hospital & Clinics to help with caring for newborns
- Volunteer for Cedar Creek Therapeutic Riding Center, therapeutic riding center providing horseback riding therapy to children and adults with disabilities
- Member of Daughters of American Revolution making donations to various charities
- Volunteer tutoring for English as a Second Language for a local non-profit organization
- Church volunteer for early childhood center
- Volunteer for the Missouri Show-Me State Games, a non-profit program of the Governor's Council on Physical Fitness and Health hosting over 32,000 athletes throughout the year

- Board member, Optimist Club dedicated to personal development through service to youth
- Humane Society volunteer
- Kindred Heart's Transport Connection, Paws on Wheels volunteer animal rescue and transport
- Volunteer for Habitat for Humanity, helping to build or improve homes
- Columbia Airport Advisory Board member
- GetAbout Columbia Task Force member working to increase non-motorized transportation
- PedNet board member and volunteer to improve walking and cycling in and around Columbia; PedNet also serves as national consultant to communities attempting to initiate a walking school bus program
- Board member of Missouri State Parks Foundation that provides financial support to Missouri State Parks and sponsors an annual bike ride across the State on the Katy Trail
- Member Pilots and Paws, volunteer pilots flying rescue animals across the country
- Completely free work out gym for all employees

Sustainability Efforts – Go Green

ASI supports environmentally responsible practices and sustainability efforts in all aspects of its business. ASI won the 2019 Mayor's Climate Protection Agreement award for best innovative practices and new technologies for our sustainable solar power project. Our goal is to increase efficiency, reduce costs and minimize waste. This includes things such as:

- Use of double-sided printing whenever possible
- Use of recyclable and reusable materials whenever possible
- Use of electronic documents rather than printing
- Electronic communication and enrollment options which are environmentally responsible, precluding use of paper materials
- Electronic reimbursements versus paper checks
- Reducing its carbon footprint
- Promoting "go green" efforts internally and with clients
- Encourage non-motorized transportation by installing covered bike racks
- Transformed headquarters building into a 100% net electric grid user through the use of solar power

At ASI, we believe that the science of climate change is unequivocal; Earth's meteorological systems are increasingly being destabilized by human activities which release over 40 billion tons per year of CO2 and other greenhouse gases into earth's atmosphere. Climate change is a real issue facing all of us. Solar power systems derive clean, pure energy from the sun. That is why we committed to making our headquarters office a 100% net zero electric energy user through the use of solar power in 2018 thereby helping combat greenhouse gas emissions. Though ASI's efforts are small, oceans are made of drops.

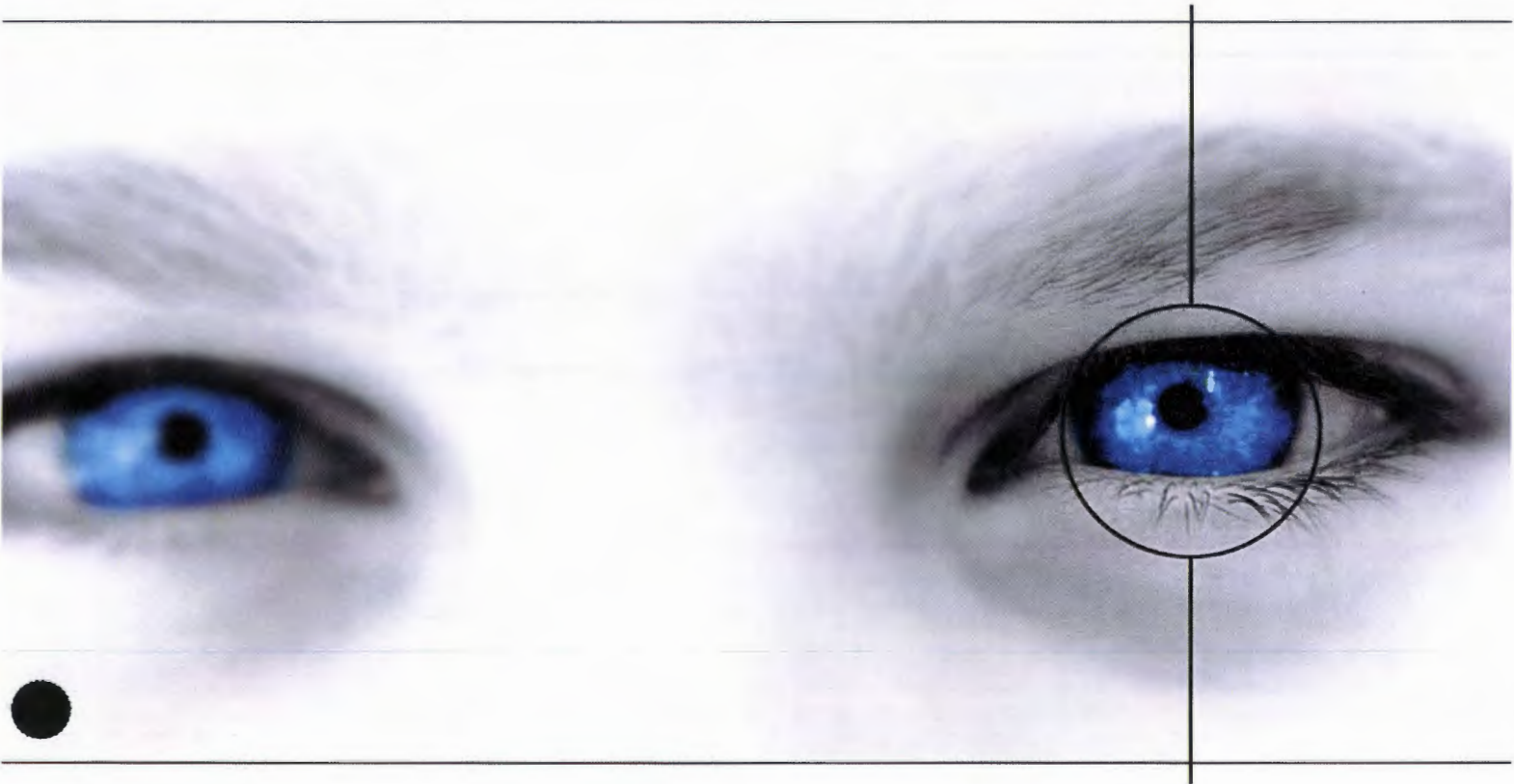


ASIFLEX | ASICOBRA

201 West Broadway, Bldg. 4C | Columbia, MO 65203

800.659.3035 | ASIFlex.com | ASICOBRA.com | marketing@asiflex.com

Improve Your Focus



ASI

FLEX

COBRA

ORIGINAL

State of Nebraska RFP 6171 Z1

Flexible Spending Account and COBRA and Retiree Benefits Services

November 2019

Submitted by:

Application Software, Inc. dba ASIFlex and ASI COBRA, LLC
201 West Broadway, Bldg. 4C | Columbia, MO 65203 | ASIFlex.com | P: 800.659.3035 | F: 573.499.1840

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Form A
Contractor Proposal Point of Contact
Request for Proposal Number 6171 Z1

Form A should be completed and submitted with each response to this solicitation. This is intended to provide the State with information on the contractor's name and address, and the specific person(s) who are responsible for preparation of the contractor's response.

Preparation of Response Contact Information	
Contractor Name:	Application Software, Inc. dba ASIFlex and ASI COBRA, LLC
Contractor Address:	201 West Broadway, Ste. 4C Columbia, Missouri 65203
Contact Person & Title:	Anita Spencer, VP Marketing and Account Executive
E-mail Address:	marketing@asiflex.com
Telephone Number (Office):	800.659.3035
Telephone Number (Cellular):	573.999.6632
Fax Number:	573.499.1840

Each contractor should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the contractor's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Contractor Name:	Application Software, Inc. dba ASIFlex and ASI COBRA, LLC
Contractor Address:	201 West Broadway, Ste. 4C Columbia, Missouri 65203
Contact Person & Title:	Anita Spencer, VP Marketing and Account Executive
E-mail Address:	marketing@asiflex.com
Telephone Number (Office):	800.659.3035
Telephone Number (Cellular):	573.999.6632
Fax Number:	573.499.1840

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

CONTRACTOR MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the contractor guarantees compliance with the procedures stated in this Solicitation, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that contractor maintains a drug free work place.

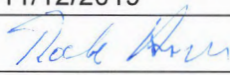
Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Solicitation.

I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	Application Software, Inc. dba ASIFlex and ASI COBRA, LLC
COMPLETE ADDRESS:	201 West Broadway, Ste. 4C, Columbia, Missouri 65203
TELEPHONE NUMBER:	800.659.3035
FAX NUMBER:	573.499.1840
DATE:	11/12/2019
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Rock Hall, Vice President, CFO/COO

**Attachment A
Bidder Questionnaire
RFP 6171 Z1**

Bidder Name: Application Software, Inc. dba ASIFlex and ASI COBRA, LLC _____

Bidder should complete all questions in Attachment A.

CORPORATE OVERVIEW	
1.01	<p>BIDDER IDENTIFICATION AND INFORMATION</p> <p>Provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business, whether the name and form of organization has changed since first organized, and Federal Employer Identification Number.</p>
<p>Response:</p> <p>Application Software, Inc., dba ASIFlex and ASI COBRA, LLC 201 West Broadway, Ste. 4C Columbia, MO 65203 ASIFlex Federal ID: 43-1303571; a privately held corporation formed in the State of Missouri on October 12, 1983. ASI COBRA Federal ID: 45-0700435; a limited liability corporation formed in the State of Missouri on March 3, 2011. The companies have operated continuously under these company names and have had no name changes.</p>	
1.02	<p>FINANCIAL STATEMENTS AND INFORMATION</p> <p>Provide financial statements applicable to the firm. Provide a copy of the bidder's most recent annual report. If publicly held, provide a copy of the corporation's most recent two (2) years of audited financial reports and statements, and the name, address and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.</p> <p>If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information must be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm must provide a banking reference.</p> <p>The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.</p> <p>The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.</p> <p>Indicate the most recent Financial Rating, Financial Rating Modifiers and the Financial Rating Effective Date that have been received by the following organizations. Indicate all changes that have occurred in the last twelve (12) months for each of these ratings.</p> <ul style="list-style-type: none">a. A.M.Bestb. Standard and Poorsc. Moody'sd. Fitch

Response:

Corporate Overview

Application Software, Inc. (ASIFlex) is a privately held Missouri corporation founded in 1983 and has been administering pretax employee benefit programs since 1987. ASIFlex is a leading provider of pretax employee benefit programs to state government entities in the nation, and currently provides FSA, HRA, HSA and Commuter Benefit Program administration services to over 400 clients located nationwide in 38 states. This includes 14 state governments, over 100 City/County groups, and nearly 80 university/educational institutions.

The company is headquartered in Columbia, Missouri and also has a satellite claims processing/customer service office in Moberly, Missouri. ASIFlex has approximately 75 employees dedicated to providing services to clients.

ASIFlex is unique in that its product line is restricted to the administration of tax-favored employee benefits. Its sister company, ASI COBRA, administers COBRA and direct billing functions. This focus means that all financial and administrative resources are devoted to furthering the company's administrative and technological capabilities in this arena. The company does not sell voluntary insurance products, nor does it delve into other administrative or consultative capacities. ASIFlex's commitment to benefit administration significantly enhances its abilities to appropriately administer FSA programs and leads to significantly greater service levels and enrollment for its client groups.

ASIFlex's forte is tailoring its administrative protocols to meet the needs of its clients. By leveraging ASI's expertise in pretax benefits along with its proprietary reimbursement software/database, it is able to meet and exceed the needs of its client groups. ASI is committed to working closely with benefit staff members to develop and implement enhanced benefit programs to significantly increase both the participant and administrator experience when working with the pretax spending programs.

ASIFlex has a demonstrated history of leveraging technology to improve customer service delivery, improve processes and procedures, provide new product solutions and reduce costs. Following is a history of advancements:

- 1991 Claim reimbursement via direct deposit to bank account
- 1997 Email notification of payments
- 1999 Online annual open enrollment services
- 2000 Online account access to account detail and secure messaging
- 2000 Health Reimbursement Arrangement (HRA) administration solution launched
- 2002 Commuter Benefits reimbursement plan solution launched
- 2003 Debit Card service solution launched
- 2005 Processing of third-party carrier claim files
- 2005 Customer Service call recording instituted for quality assurance, training and coaching
- 2008 ASI launches COBRA and direct billing administrative solutions to employers nationwide
- 2009 Online claim filing introduced
- 2010 ASI COBRA, LLC formally established as ASI's COBRA solutions provider
- 2011 Text alert notification of payment and account activity
- 2013 Mobile application launched for claim filing and account access
- 2014 ASIFlex direct payment to service providers
- 2014 ASIFlex partners with FSA Store to promote education of eligible over-the-counter health care products
- 2015 Update web site designs to enhance and maintain compliance with ADA
- 2016 Immediate email/text alert confirmation of claim received
- 2017 Additional self-service functions added to website allowing participants to easily update direct deposit and electronic contact information

2018 Online claim filing functionality added for commuter benefit reimbursement claims

2019 Online insurance EOB and debit card transaction matching feature

ASIFlex Points of Distinction

Flexibility: ASIFlex works directly with the client and provides considerable flexibility to meet the needs of both administrators and participants. ASIFlex's management team is committed to meeting the needs of the client, and its participants, and diligently works to improve the pretax programs available to all eligible employees.

Dedicated Account Services Team: ASIFlex assigns an experienced and dedicated service team to each client. Additionally, ASIFlex meets regularly with the benefit staff to discuss the overall success of the program and process improvements.

Live Customer Service: ASIFlex provides easy and direct access to customer service representatives. Callers are not forced to use an IVR system and, instead, receive "live help!" This means employees are able to ascertain answers to questions in very short order.

Optional ASIFlex Card: ASIFlex partners with WEX Health, the leading provider of health care debit cards in the nation, to provide a simple, IRS compliant debit card to facilitate the participant experience in the FSA program. ASIFlex anticipates that electronic adjudication rates for the program will exceed 80%, and could go higher if the client will work with ASIFlex to help communicate appropriate use of the card to FSA participants.

Email and Text Alerts: ASIFlex provides ongoing communication to participants to improve awareness of expenditures and account balances. The secure email and text notifications provides a generic notification to the participant stating that he/she has had activity on his/her FSA, and the participant is provided a link to log into ASIFlex's secure online message center to retrieve the information.

Carrier Claim Files: ASIFlex coordinates claims processing from multiple carriers and uses these feeds to issue reimbursements automatically or to substantiate debit card transactions.

Participant Satisfaction: ASIFlex provides a seamless, hassle-free experience. Daily reimbursement, direct deposit and rapid processing ensure a timely and convenient process for participants (claims are typically processed within one business day of receipt).

Comprehensive Support: ASIFlex's Account Services Team provides the client with clear, concise pre-enrollment and ongoing communications and support.

Employer Management Reports: Standard and ad hoc reporting capabilities are available to the client upon request!

Compliance Services: ASIFlex will provide the client with annual nondiscrimination testing through its experienced compliance team, as well as plan document and summary plan description development and support from its on-staff legal team.

The ASIFlex Difference - Participant Service

Live Help! ASIFlex provides participants with easy and direct access to customer service representatives rather than routing callers through an IVR system. ASIFlex does not employ the use of phone trees. This direct line to ASIFlex's customer service center eliminates frustration on the part of callers as most wait and/or hold times are eliminated and immediate resolution is afforded to callers. ASIFlex's management team regularly reviews calls taken by each CSR to ensure a high degree of accuracy and courteous behavior are extended on each call. ASIFlex receives regular compliments for both its considerate customer service and prompt pickup times.

Rapid Claim Payments – Next Day Processing and Payment! Expedited claim processing and payment is the normal reimbursement cycle for ASIFlex clients. ASIFlex offers rapid claim processing with most claims processed and paid within one day! During peak periods, claims are processed within two to three business days. ASIFlex's management team has found that peer-to-peer marketing of ASIFlex's reliable services and the benefits inherent with flexible spending accounts serves to generate considerable interest in the FSA program.

Multiple Claim Submission and Payment Options! ASIFlex offers a variety of claim submission and payment options as described below. Plan participants do not have to choose only one method, and can utilize any method at the point-of-sale!

- **ASIFlex Mobile Application:** Using their phone/tablet, the ASIFlex mobile app allows participants to file claims and view their FSA account! The claim filing feature allows a participant to capture documentation using the mobile device's camera feature and submit that documentation with the claim. The mobile app also allows participants to use the microphone feature on smart devices to enter claims! This means participants can choose to speak, rather than type, some of the claim information. In addition to filing claims, participants can view the annual election amount, account balance, payments, contributions and previously submitted claims. The app is free and available online at www.asiflex.com or through Google Play or the App Store.
- **ASIFlex Card:** ASIFlex provides access to an optional FSA debit card that is administered with strict adherence to appropriate IRS regulations. The card is restricted to purchases made at known healthcare providers and purchases are auto-adjudicated when the purchase amount matches the flat-dollar co-pay of the employer plan, or used at retailers with IIAS.
- **ASIFlex Direct Provider Pay:** ASIFlex provides an option through which participants may choose to pay providers directly and even earmark funds for a specific future expense. This process also allows providers the ability to supply required documentation directly to ASIFlex and receive payments electronically. Since funds can be earmarked, the provider can be assured of future payment.
- **ASIFlex Online Claim Filing:** ASIFlex provides participants with an online claim filing option which eliminates the hassle of completing manual claim submissions. Participants can simply scan documentation and submit online to receive reimbursement. It's quick. It's easy. And it results in rapid claim payments.
- **Electronic Interface with Insurance Providers:** ASIFlex can develop an electronic interface with a client's insurance provider and/or pharmacy benefit manager (PBM) so that eligible out-of-pocket expenses are automatically reimbursed to a participant.
- **Electronic Insurance EOB and Debit Card Transaction Matching Feature:** ASIFlex has developed a new feature that allows a health care FSA plan participant to sign into his/her ASIFlex account to view a list of insurance plan EOBs and debit card transactions. This allows the participant to select card transaction from a list to match to a debit card transaction, without the need to submit backup documentation.
- **Traditional Claim Processing:** ASIFlex reviews each claim submission to ensure compliance with all applicable IRS regulations is achieved. Claims may be submitted to ASIFlex via its toll-free fax or via mail, and processed and paid, on average, within one business day of receipt (please note that during peak times of the year, claim processing may take up to three business days). A participant may sign up to receive reimbursement via direct deposit and to have all notifications of payment sent via email.

The ASIFlex Difference - Employer Services

Dedicated Client Services Team: ASIFlex provides an experienced, dedicated team of benefit professionals to lead the implementation and administration of the program. This team also provides on-going day-to-day servicing rather than having a separate implementation team. During both phases, the team works with benefit staff members to develop the most appropriate benefit program for each client.

Flexible Interface Platform: ASIFlex can accept payroll data in almost any file format and provides its clients with a secure FTP site for the transfer of sensitive data.

Tailored Monthly Reporting Package: ASIFlex works with each employer to tailor the regular reporting package. Ad hoc or custom reporting is available upon request!

Fund Retention until Payments are Made: ASIFlex provides clients the ability to retain all funds until such time as payments are disbursed. This method allows each organization to manage and retain all interest and forfeitures. ASIFlex debits this account for each days payments and sends a notification via email to appropriate individuals that details the amounts to be debited (debits are effective the business day after the email is sent).

Strict Compliance to IRS Regulations: ASIFlex's Compliance Team reviews the plan design to ensure that adherence to IRS regulations is maintained. ASIFlex does not allow for reimbursement in methods not allowed explicitly by the IRS.

Regulatory Updates: ASIFlex continually monitors changing regulations and subscribes to industry-leading publications and resources. On-staff general counsel reviews any new regulatory changes to assess the impact to the plan, the sponsoring employer, participating employees and to existing processes and procedures. Updates are communicated via the company client Focus Newsletter which is released monthly, or by conference call or meetings. In addition to these more structured communication channels, it is anticipated that the assigned account manager will have regular discussions with client staff regarding regulatory or other changes.

HIPAA/HITECH Compliance: ASIFlex is compliant with all applicable regulations contained in the Health Insurance Portability and Accountability Act (HIPAA). ASIFlex has adopted business practices to ensure that the privacy and security of participant and client data is maintained at all times.

Statement on Standards for Attestation Engagements - SSAE 18 (SOC 1) Type II Audit: ASIFlex has successfully completed the 2018 Standards for Attestation Engagements SSAE 18 (SOC 1) Type II audit which reflects its commitment in providing clients with the highest standards of controls, processes and procedures to safely manage critical information and applications. SSAE 18 is a recognized third-party assurance audit for service providers. It is designated by the U.S. Securities and Exchange Commission (SEC) as an acceptable method for management to obtain assertions about service organization internal controls. To ensure a comprehensive audit, ASIFlex identified primary areas of control including core business processes, systems, management, physical security, and logical access to data and systems. The successful completion of the SSAE 18 Type II audit demonstrates that ASIFlex has adequate controls and safeguards and reflects the significant investments ASIFlex has made in technology, staffing and quality assurance programs.



CONFIDENTIAL

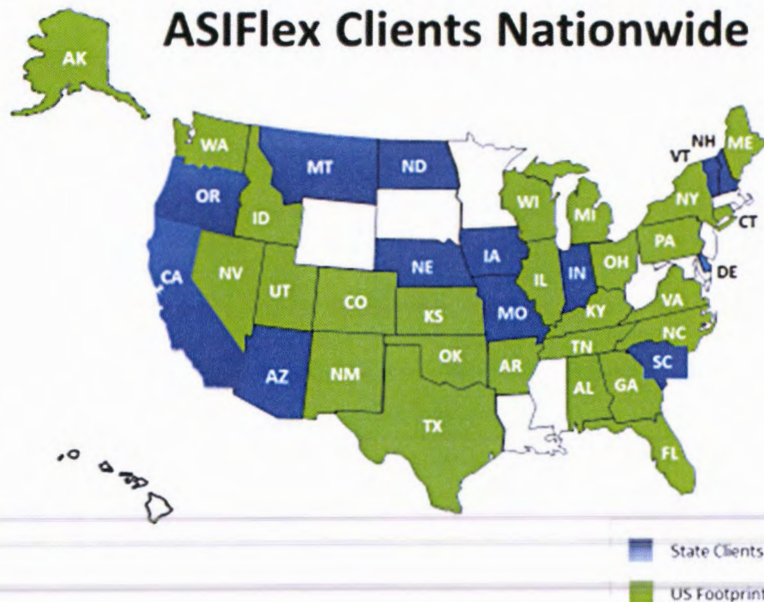
reflected below, ASIFlex provides account-based administration services to clients located nationwide! This includes FSAs, HRAs, HSAs and Commuter Benefit reimbursement programs. ASI COBRA provides COBRA administration and direct billing services.

Number of Clients	Benefit-Eligible Employees
12	20,000+
10	10,000 – 19,999
46	1,000 – 9,999
19	500 – 999
335	< 500

As the incumbent provider of FSA and COBRA/direct billing services for the State since 2000, ASIFlex provides service to 30 Nebraska based employers. ASIFlex’s largest client has nearly 30,000 FSA participants and over 3,000 HSA participants; the largest HRA client has nearly 12,500 participants.

ASIFlex works in partnership with clients to build long-lasting and mutually beneficial relationships. For example, the State of Missouri has been a client since 1992, State of Arizona since 1997, State of Iowa since 2000, and several other public sector entities since 2000.

ASIFlex marketing efforts are focused on servicing large-scale public sector entities. ASIFlex meets with clients regularly to discuss the program and can also conduct participant service surveys upon request. Surveys are client-specific and customized to the specific plan offered by the employer. ASIFlex collaborates with clients to develop the survey and analyze results to determine possible process or service improvements. ASI has significant experience with State, County, City and local government entities.



ASI has included its confidential financial statement within the attachments to this proposal.

Following is a bank letter of recommendation:



August 21, 2019

To Whom It May Concern:

ASIFlex Inc. and Central Bank's Government Division have partnered together in the cafeteria plan business for over 25 years. ASIFlex, Inc. has successfully fulfilled the role of third party administrator while Central Bank's Government Division provides related banking services.

We began our partnership with ASIFlex, Inc. in 1992 by successfully proposing cafeteria plan services to the State of Missouri employees and we have continuously provided these services since that time. Over the years, we have built our partnership to include a large portfolio of private and public fund cafeteria plan business customers including other state-wide contracts.

ASIFlex, Inc. has also been a good partner in successfully seeking other state-wide business opportunities including Flex-Plan/Health Savings Account relationships.

We have personally been acquainted with principals of the company for many years and have high regard for their abilities and integrity. Please contact me at 573-634-1153 if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "David V. Meyer".

David V. Meyer
Senior Vice President

238 Madison Street • Jefferson City, MO 65101 • (573) 634-1234 • Member FDIC

1.03	<p>CHANGE OF OWNERSHIP</p> <p>If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded Contractor will require notification to the State.</p> <p>Describe any parent/subsidiary relationship.</p>
<p>Response:</p> <p>There is no change in ownership or change in control anticipated during the 12 months following the proposal due date. ASIFlex and ASI COBRA are sister companies.</p>	
1.04	<p>OFFICE LOCATION</p> <p>The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska must be identified.</p>
<p>Response:</p> <p>All processing and servicing is performed from ASI headquarters office in Columbia, Missouri and its satellite office in Moberly, Missouri.</p> <p>As the incumbent provider of services for the State, ASI's account executive, Anita Spencer, is Nebraska-based in Omaha. Anita has worked with the State for many years and was one of the two consultants assisting the State with the implementation and launch of the original Section 125 flexible spending account program.</p>	
1.05	<p>RELATIONSHIPS WITH THE STATE</p> <p>The bidder describe any dealings with the State over the previous twelve (12) months. If the organization, its predecessor, or any party named in the bidder's proposal response has contracted with the State, identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.</p>
<p>Response:</p> <p>As the incumbent provider of services, ASIFlex has provided FSA services since 2000; and COBRA/retiree billing services since 2014. The current contract number is 56047 O4.</p>	
1.06	<p>BIDDER'S EMPLOYEE RELATIONS TO STATE</p> <p>If any party named in the bidder's proposal response is or was an employee of the State within the past twelve (12) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.</p> <p>If any employee of any agency of the State of Nebraska is employed by the bidder or is a subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.</p>

Response:

party named in the proposal is or was an employee of the State within the past twelve (12) months. No employee of any agency of the State of Nebraska is employed by ASI or is a subcontractor to ASI.

CONTRACT PERFORMANCE

1.07

If the bidder or any proposed subcontractor has had a contract terminated for default during the past three (3) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default. Bidder must provide information on administrative and/or litigation within the past three (3) years, include current/pending cases, expected litigation, judgments, awards, and settlements (both in and out of court) or other real or potential financial reversals, including any bankruptcy proceedings whether voluntary or involuntary, which might materially affect the viability or stability of the bidder.

It is mandatory that the bidder submit full details of all termination for default experienced during the past three (3) years, including the other party's name, address and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past three (3) years, so declare.

If at any time during the past three (3) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting party.

Response:

ASI has never had a contract terminated for cause. Although ASI has had a few clients leave at renewal time due to competitive bidding process, ASI has not had a contract specifically terminated for cause.

SUMMARY OF BIDDER'S CORPORATE EXPERIENCE

1.08

Provide a summary matrix listing the bidder's previous projects similar to this Request for Proposal in size, scope and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder must address the following:

Provide three narrative descriptions for **Flexible Spending Account services** to highlight the similarities between previous experience and this Request for Proposal. These descriptions must include:

- a. The time period of the projects;
- b. The scheduled and actual completion dates;
- c. The Contractor's responsibilities;
- d. The number of contracts and the number of covered members for each project;
- e. for reference purposes, three customer names (including the names of a contact person, current telephone numbers, facsimile numbers and e-mail addresses); and
- f. Each project description shall identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion dates and budget, as well as the actual (or currently planned) completion dates and actual (or currently planned) budget.

Contractor and subcontractor(s) experience for each set of requested services must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.

If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

- a. Is this an exclusive relationship?
- b. Effective date of Subcontract?

Response: **CONFIDENTIAL**

Customer Name & Contact Info	Project Time Period	Scheduled / Completion Dates	Contractor Responsibilities	# of Contracts	# of Covered Members	Contract -or Status
State of Missouri Curtis Forck P: 573-522-5863 F: 573-526-9810 Curtis.Forck@oa.mo.gov	1992 to Present	Implementation scheduled and completed 1/1/1992	Provide online enrollment service and meetings, marketing/employee communications, strategic planning, claims processing, administrative services including first level of appeals, payroll deduction files, enrollment files, audit services, and plan document services. These services are for the following benefit options: premium only conversion; health care FSA; limited scope health care FSA; dependent care FSA; and commuter benefits (parking and van pool/mass transit).	1 for each contract period	Averages approximately 47,000; Average number of FSA participants is 8,500	Prime contractor is a Joint Venture between ASIFlex and Central Bank
State of Iowa Jenny Sandusky P: 515-281-0569 F: 515-281-5102 Jennifer.Sandusky@iowa.gov	2000 to Present	Implementation scheduled and completed 1/1/2000	Provide FSA services, including claims processing, insurance carrier claim file integration, debit card services, \$500 carryover tracking, employee communication, webinars, reporting, etc.	1 for each contract period	Over 23,000 eligible employees; approximately 5,400 FSA participants	Prime contractor is a Joint Venture between ASIFlex and Central Bank
State of California Milly Romero-Salas P: 916-322-2401 F: 855-290-0158 Milly.romero-salas@calhr.ca.gov	2000 to Present for Parking; 2000 to 2005 and then again from 2009 to Present for FSA; 2018 to Present for HRA	Parking: Implementation scheduled and completed 7/1/2000 FSA: Implementation scheduled and completed 1/1/2000; Implementation scheduled and completed 1/1/2009 HRA: Implementation scheduled and	Provide FSA services, HRA services and Parking account administrative services, including claims processing, payment file creation, employee communication, reporting and audit services. ASIFlex receives enrollment files. ASIFlex processes all claims, creates and submits bi-weekly payment files (for the FSA), creates and submits monthly payments files (for parking and HRA), to the State. The payment files also include the methodology of payment and ACH	Originally started out as 2 separate contracts (FSA & Parking). Currently, there are 2 contracts (1 – combined FSA & Parking and 2 – HRA).	Over 200,000 eligible employees; averages approximately 9,000 FSA participants; 1,900 Parking participants; and 300 HRA participants	Prime contractor

completed
2/1/2018

information for direct
deposits.

ASIFlex has also included some **CONFIDENTIAL** client letters of recommendation:



CALIFORNIA DEPARTMENT OF HUMAN RESOURCES

Benefits Division

Choose an item
1515 S Street, North Building, Suite 500
Sacramento, CA 95811
(916) 322-0300 Fax (916) 322-3769

Governor Gavin Newsom
Secretary, Government Operations Agency Marybel Baljer
Director Eraina Ortega

June 25, 2019

TO WHOM IT MAY CONCERN:

RE: ASIFlex Letter of Recommendation

The State of California, Department of Human Resources (CalHR) FlexElect Program has worked with ASIFlex from January 1, 1999 through December 2004, and most recently from January 1, 2010 to current.

Services provided include account-based claims administration for Flexible Spending Accounts. The State of California provides two accounts for employees: (1) Medical Reimbursement; and (2) Dependent Care Reimbursement. In 2017, a third account, Health Reimbursement Arrangement (HRA) was initiated for employees who reside out-of-state.

The State of California's FlexElect Program is considered a customized program as our employees are paid on a negative pay system. The State of California's payroll system is a challenge for any company to adapt to due to this pay system and ASIFlex must work closely with the California State Controller's Office to pay reimbursement claims. ASIFlex has provided excellent service over the years and continues to provide us with the same high level of service we have come to expect despite the unique challenges we present. Their customer service and management teams are responsive to our administrative needs as well as the needs of our customers. They go above and beyond in providing not only the services contractually required, but any special requests we may have. Their level of customer service and willingness to work with our unique needs was most recently seen during the implementation of the HRA mentioned above. No matter what we asked of them they found a solution that met our unique system needs.

I highly recommend ASIFlex as a provider of account-based claims administration for Flexible Spending Accounts.

Sincerely,

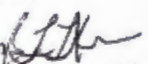
Rebecca Bayliss, FlexElect Program Manager
Benefits Division, CalHR



Statewide Benefits Office

Benefits Made Easy →

To: Whom It May Concern

From: Brenda L. Lakeman 
Director, Statewide Benefits Office
Department of Human Resources

Date: March 22, 2018

Subject: ASIFlex Recommendation

I would like to take this opportunity to share my thoughts on the service provided by ASIFlex to the State of Delaware. ASIFlex has been the plan administrator for the State of Delaware's Flexible Spending Account since January 1, 2005 and the Pre-Tax Commuter Program since May 1, 2007.

ASIFlex has always been very responsive to any issues that have arisen in the administration of both plans. State employees who have been in contact with ASIFlex have consistently shared their views of the outstanding problem resolution and customer service they have experienced.

ASIFlex's management team led by John Riddick has always been extremely professional in all aspects of our relationship. Without reservation, I would highly recommend ASIFlex based on the administration, planning, communications, and customer service provided to the State of Delaware.

lp:bl

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

97 Commerce Way, Suite 201, Dover DE 19904 (D620E)

Phone: (800) 489-8933 • Fax: (302) 739-8339 • Email: benefits@state.de.us • Website: de.gov/statewidebenefits



Public Employees' Benefit Board

Kate Brown, Governor

Oregon
Health
Authority

March 11, 2016

1225 Ferry St SE
Salem, Oregon 97301

503-373-1102

503-373-1654

Re: ASIFlex Recommendation

<http://www.oregon.gov/DAS/PEBB/Pages/index.aspx>

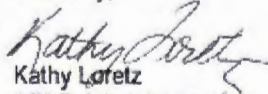
To Whom It May Concern:

The Public Employees' Benefit Board (PEBB) has contracted with ASIFlex to provide FSA claims administration since January 2008. ASIFlex has also provided Commuter Benefit administration to PEBB since 2015.

PEBB would strongly recommend ASIFlex as a third-party administrator for these programs for a number of reasons. First, throughout the eight year partnership, ASIFlex has demonstrated excellent customer service to PEBB as a purchaser as well as to our members (approximately 55,000 subscribers). Second, ASIFlex is extremely knowledgeable in these regulated programs and continuously educates PEBB on the various upcoming regulatory changes that affect our business. Third, ASIFlex is an excellent steward of our members' money. In the eight years of administering these programs for PEBB, their per member per month fee for FSA administration has actually decreased by \$0.30.

These are certainly not the only reasons why we would recommend ASIFlex as a third-party administrator for these programs. If you would like to talk to us in more detail about our partnership with ASIFlex, please do not hesitate to get in touch with our Contracts Coordinator, Brian Olson. He can be reached at (503) 378-2152.

Sincerely,


Kathy Lafetz
PEBB Administrator

1.09

Provide three narrative descriptions for **COBRA Administration services** to highlight the similarities between previous experience and this Request for Proposal. These descriptions must include:

- a. The time period of the projects;
 - b. The scheduled and actual completion dates;
 - c. The Contractor's responsibilities;
 - d. The number of contracts and the number of covered members for each project;
 - e. for reference purposes, three customer names (including the names of a contact person, current telephone numbers, facsimile numbers and e-mail addresses); and
- Each project description shall identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion dates and budget, as well as the actual (or currently planned) completion dates and actual (or currently planned) budget.

Contractor and subcontractor(s) experience for each set of requested services must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.

If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

- a. Is this an exclusive relationship?
- b. Effective date of Subcontract?

Response: **CONFIDENTIAL**

Customer Name & Contact Info	Project Time Period	Scheduled / Completion Dates	Contractor Responsibilities	# of Contracts	# of Covered Members	Contract -or Status
University of Missouri Jami Black P: 573-882-5484 F: 573-882-9603 blackj@umsystem.edu	2011 to Present	Implementation scheduled and completed 1/1/2011	COBRA administration, reporting, carrier eligibility updates, annual open enrollment services	1 for each contract period	34,000 benefit eligible employees	Prime contractor
University of Colorado Gena Trujillo or John Gargaro P: 303-860-4270 or 303-860-4185 F: 303-860-4299 Gena.Trujillo@cu.edu John.gargaro@cu.edu	2013 to Present	Implementation scheduled and completed 1/1/2013	COBRA administration, reporting, carrier eligibility updates, annual open enrollment services	1 for each contract period	28,000 benefit eligible employees	Prime contractor
County of San Diego Elaine Pitpit P: 858-505-6628 F: 858-694-3938	2016 to present	Implementation scheduled and completed 1/1/2016	COBRA and direct bill administration, carrier eligibility updates, reporting, annual open enrollment services	1 for each contract period	17,000 benefit eligible employees	Prime contractor

ASI COBRA has also included some **CONFIDENTIAL** client letters of recommendation:



April 9, 2018

TO WHOM IT MAY CONCERN:

RE: ASI COBRA Letter of Recommendation

University of Missouri has worked with ASI COBRA since January 1, 2011. Services they provide for the University include administration for COBRA initial notifications, COBRA qualifying events, on-going premium collections, eligibility updates.

We have been very pleased with the services ASI provides for us. Their knowledge and expertise in COBRA administration has been beneficial to our staff. ASI is always willing to help and assist with any COBRA questions we may have. They are quick and responsive in helping us find solutions to issues and concerns we ask of them. I highly recommend ASI as a partner for your organization.

Should you have specific questions, I can be reached at wilsoncaro@umsystem.edu or 573-882-2406.

Sincerely,
Carol Wilson
Associate Director, Health and Welfare
University of Missouri System

University of Missouri System COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS
Human Resources - 1000 West Nifong Bldg, Ste. 330 - Columbia, MO 65211 - 573-884-7003

MISSOURI



April 9, 2018

To Whom It May Concern:

RE: ASI COBRA Letter of Recommendation

ASI COBRA has been our COBRA administrator for the past five years for our organization of more than 6,000 benefits eligible employees. They continue to provide professional and consistent services throughout that time. The ASI team is very knowledgeable and will go out of their way to ensure that all COBRA-related issues are resolved quickly with minimal impact to the participant or our organization.

I am confident about the services of ASI COBRA and am happy to recommend them. If you have any questions, you may reach me at gayl.zambo@pima.gov or call (520) 724-8006.

Sincerely,

Gayl Zambo

Human Resources Division Manager



Utah State University
HUMAN RESOURCES

April 5, 2018

TO WHOM IT MAY CONCERN:

RE: ASI COBRA Letter of Recommendation

Utah State University has worked with ASI COBRA since May 2015.

Services provided include administration for COBRA initial notifications, COBRA qualifying events, on-going premium collections, eligibility updates, and retiree billing.

ASI COBRA has been a wonderful third-party administrator for the university's COBRA and Direct Billing/Retiree administration. The customer service has always been quick, helpful, and accurate. They are very responsive to our needs and questions. Their expertise has provided the university with a level of comfort and reassurance that our COBRA recipients are receiving the best possible care. We value our relationship with ASI COBRA and appreciate the work they do for us.

Should you have specific questions, I can be reached at marla.boyer@usu.edu or 435-797-5475.

Sincerely,

Marla Boyer, MBA, CEBS, SPHR, SHRM-SCP
Sr. Associate Director for Human Resources

Office of Human Resources

8800 Old Main Hill

Logan, UT 84322-8800

Telephone: (435) 797-0218

FAX: (435) 797-1878

1.10

Provide three narrative descriptions for **Retiree Administration services** to highlight the similarities between previous experience and this Request for Proposal. These descriptions must include:

- a. The time period of the projects;
 - b. The scheduled and actual completion dates;
 - c. The Contractor's responsibilities;
 - d. The number of contracts and the number of covered members for each project;
 - e. for reference purposes, three customer names (including the names of a contact person, current telephone numbers, facsimile numbers and e-mail addresses); and
- Each project description shall identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion dates and budget, as well as the actual (or currently planned) completion dates and actual (or currently planned) budget.

Contractor and subcontractor(s) experience for each set of requested services must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.

If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

- a. Is this an exclusive relationship?
- b. Effective date of Subcontract?

Response: **CONFIDENTIAL**

Customer Name & Contact Info	Project Time Period	Scheduled / Completion Dates	Contractor Responsibilities	# of Contracts	# of Covered Members	Contract -or Status
University of Missouri Jami Black P: 573-882-5484 F: 573-882-9603 blackj@umsystem.edu	2011 to Present	Implementation scheduled and completed 1/1/2011	Retiree billing administration, reporting, carrier eligibility updates, annual open enrollment services	1 for each contract period	34,000 benefit eligible employees	Prime contractor
University of Colorado Gena Trujillo or John Gargaro P: 303-860-4270 or 303-60-4185 F: 303-960-4299 John.gargaro@cu.edu Gena.Trujillo@cu.edu	2013 to Present	Implementation scheduled and completed 1/1/2013	Retiree billing administration, reporting, carrier eligibility updates, annual open enrollment services	1 for each contract period	28,080 benefit eligible employees	Prime contractor
SAIF Corporation, OR Courtney Johnson P: 503.373.8029 F: 503.584.8029 ccujoh@saif.com	2013 to present	Implementation scheduled and completed 1/1/2013	Retiree billing administration, reporting, carrier eligibility updates, annual open enrollment services	1 for each contract period	1,100 benefit eligible employees	Prime contractor

1.11

Indicate years of service providing and administering the coverage(s) related to this RFP. Describe abilities to administer such plans including:

- a. Flexible Spending Accounts (Medical)
- b. Dependent Care Spending Accounts
- c. COBRA administration and billing
- d. Retiree administration and billing

Response:

ASI has provided services:

- a. Flexible Spending Accounts (Medical) – Since 1987
- b. Dependent Care Spending Accounts – Since 1987
- c. COBRA administration and billing – Since 2008
- d. Retiree administration and billing – Since 2008

ASIFlex not only provides FSA administration services, but also provides health savings account (HSA), health reimbursement arrangement (HRA) and commuter benefit program administration for clients located nationwide. Clients range in size from over 200,000 benefit eligible employees to as few as 10 eligible employees. ASIFlex's largest client has nearly 30,000 FSA plan participants and over 3,000 HSA account holders. ASIFlex's largest HRA client has nearly 12,500 participants. FSA service features include:

- Health Care (general-purpose and limited-purpose) and Dependent Care Flexible Spending Accounts
- Rapid claim processing with most claims processed in one day or less
- Payment by check or direct deposit to bank account
- Account statement and EOB included with payment; also available via mobile app and online
- Superior service with quick and easy access to live customer service help - no phone trees to navigate
- Extended service hours 7 a.m. – 7 p.m. CT weekdays; 9 a.m. – 1 p.m. CT Saturday
- Email and text alerts of account activity
- ASIFlex Mobile Application to file claims and access account
- ASIFlex Card for health care FSA with compliant processing
- Online claim filing, carrier interfaces, carrier EOB and debit card matching, faxed or mailed claims
- Educational website for employees and employers
- Participant portal to view account statement, dashboard, read secure messages, submit claims, manage personal preferences
- Employer portal to view posted management reports, generate reports on-demand, view participant accounts, submit secure files, send and receive secure email
- Compliance assistance with Plan Documents/summary descriptions, nondiscrimination testing, and legislative updates, etc.
- Employee communication material, online video library, assistance with WebEx or on-site meetings
- Easy online enrollment services
- Enrollment Confirmation Letter sent to enrollees

ASI COBRA provides compliant COBRA administration and billing solutions for retiree, leaves and other populations. ASI COBRA's largest client has over 50,000 benefit-eligible employees. Service features include:

- COBRA Initial Notifications
- COBRA Qualifying Event Notifications

- Enrollment Processing and Eligibility Reporting
- HIPAA Certificates of Creditable Coverage, if needed
- On-going billing and premium collection and monthly reconciliation
- Premium Remittance returned to employer via ACH transaction
- Superior service with quick and easy access to customer service representatives
- Participant portal to view account including coverage and payment history, paid-through-dates, dependent information; make online payments
- Employer portal to obtain management reports, generate reports on-demand, view participant accounts
- Optional Open Enrollment Services

1.12

For the entire book of business for **Flexible Spending Account services**, provide the total year-end national group membership (number of contracts) that receives medical administration services and indicate how many of these are in Nebraska. Provide statistics for Public Sector clients

	National Group Membership (Number of Contracts)	Nebraska Group Membership Number of Contracts)	Number of Public Sector Groups	Number of Public Sector Groups with 15,000+ lives
2016	425	28	241	14
2017	427	28	243	15
2018	424	27	257	16
2019	432	30	266	18

Response: **CONFIDENTIAL**

See chart above.

1.13

For the entire book of business for **COBRA Administration services**, provide the total year-end national group membership (number of contracts) that receives medical administration services and indicate how many of these are in Nebraska. Provide statistics for Public Sector clients

	National Group Membership (Number of Contracts)	Nebraska Group Membership Number of Contracts)	Number of Public Sector Groups	Number of Public Sector Groups with 15,000+ lives
2016	60	6	35	3
2017	62	6	36	5
2018	66	6	38	5
2019	68	6	39	6

Response: **CONFIDENTIAL**

See chart above.

1.14

For the entire book of business for **Retiree Administration services**, provide the total year-end national group membership (number of contracts) that receives medical administration services and indicate how many of these are in Nebraska. Provide statistics for Public Sector clients

	National Group Membership (Number of Contracts)	Nebraska Group Membership Number of Contracts)	Number of Public Sector Groups	Number of Public Sector Groups with 15,000+ lives
2016	5	1	3	1
2017	5	1	3	1
2018	5	1	3	1
2019	4	1	3	1

Response: **CONFIDENTIAL**

See chart above.

1.15

What percentage of the 2018 total group membership renewed for the 2019 plan year for FSA, COBRA and/or Retiree Administration services?

Response: **CONFIDENTIAL**

Results for 2018 are as follows:

FSA – 98% of all clients renewed. 10 clients (2%) did not renew. Reasons for non-renewal:

- 4 due to competitive bidding process
- 3 consolidated with health plan
- 1 business sold to another entity
- 2 too small to make continuation of the program feasible

COBRA/Retiree Billing – 97% of all clients renewed. 2 clients (3%) did not renew. Reasons for non-renewal:

- 1 due to competitive bidding process
- 1 due to broker making a change

SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

The bidder must present a detailed description of its proposed approach to the management of the project.

The bidder must identify the specific professionals who will work on the State's project if the company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project shall be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified. If the teams are different for each product (i.e. FSA is different from COBRA), indicate as such. The team shall include, but not be limited, to the following roles:

- 1.16
- a. Implementation Manager
 - b. Account Executive
 - c. Member Services Manager

Designated alternate Account Executive would be expected to be familiar with all aspects of the State's business as it relates to the State's Health Plan. The designated alternate Account Executive is not subject to the location requirements, but must be available via a conference call.

Provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the Request for Proposal in addition to assessing the experience of specific individuals.

Resumes must not be longer than three (3) pages. Resumes shall include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

response:

As the incumbent provider of services for the State programs, ASI's current account management team will continue working with the State HR/Benefits team.

Upon award of the contract ASI's first task will be to schedule a meeting with key administrative staff. During this initial meeting, ASI's proposed renewal/implementation plan will be reviewed and edited, as needed. ASI will review specific plan design, COBRA and Retiree administration, eligibility, processing parameters, claim funding, debit card service, management reporting, employee communications and open enrollment.

As the incumbent provider of services, ASI can ensure a smooth and uninterrupted renewal process. ASI can host regular touch-point calls if needed in order to manage the renewal process. ASI's account executive meets with the State annually to review program administration, any legislative changes, and process improvements or enhancements.

ASIFlex's proposed account management team will include:

Account Executive - The account executive leads new client implementation processes, and will work with the State as needed to ensure a smooth renewal process. The AE can assist with strategic planning and provide account oversight of all processes and procedures. On-going the account executive is available to assist the State with strategic planning, communications, renewals and legislative changes. Anita Spencer, Omaha, NE, serves as the Account Executive for the State of Nebraska.

Account Manager - The account managers for FSA and COBRA/Retiree Billing work closely with the account executive to execute on all processes and procedures, assist in the renewal/implementation process, on-going management reports, assist with change in status processing, assist with appeals and escalated participant

questions. The account managers will be the primary point of contact for on-going day-to-day servicing and questions from the State's HR/Benefits staff. ASI provided backup managers as well. Rachel Moore will serve as the ASIFlex FA account manager; Mike Gill will serve as the ASI COBRA/Retiree Billing account manager.

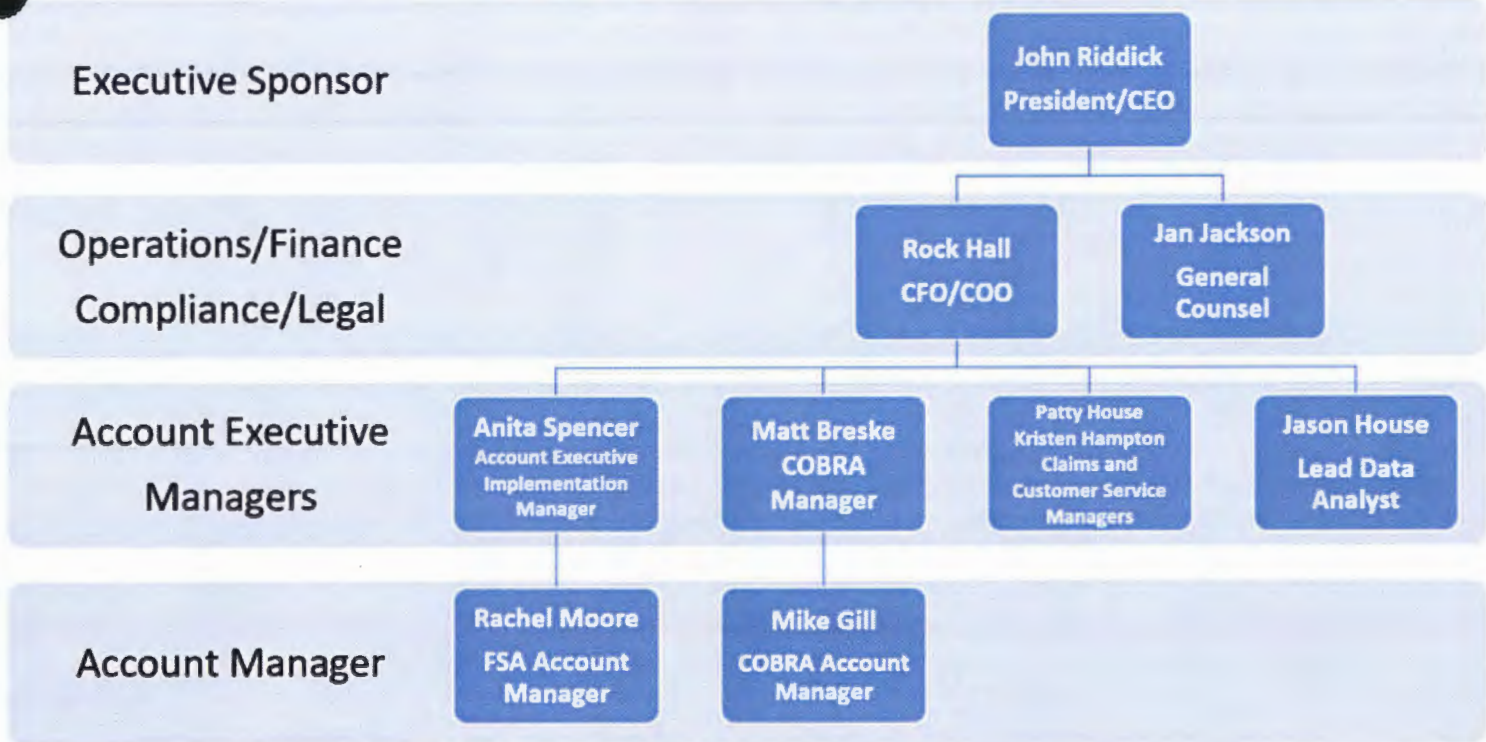
Lead Data Analyst – ASIFlex's lead data analyst will oversee and manage the on-going payroll contribution files and reconciling of contributions. The data team will also assist with annual open enrollment and mid-year enrollments and changes in eligibility as well as confirmation letters. Jason House is the lead data analyst for the State.

Executive Sponsor – ASI assigns a senior member of the ASI management team to serve as the executive sponsor. The executive sponsor is responsible for all contract deliverables and is available at any time to assist the State. John Riddick, ASI President/CEO serves as the ES.

All of ASI's administrative processes are designed to simplify the administrative process for its clients. ASI's account management team will break the implementation and renewal process down into three distinct categories:

- **Communication plan**
 - Open enrollment campaign
 - Online tools
 - Mid-year
- **Data exchange**
 - Open enrollment
 - Mid-year changes
 - Contribution reporting and discrepancy reporting
- **Regulatory compliance**
 - Plan design
 - Compliance
 - Regulatory changes

State of Nebraska – ASI Organizational Chart



SUBCONTRACTORS

If the bidder intends to subcontract any part of its performance hereunder, the bidder must provide:

1.17

- a. name, address and telephone number of the subcontractor(s);
- b. specific tasks for each subcontractor(s);
- c. advise if exclusive relationship for each subcontractor;
- d. Indicate effective date and expiration date of each Subcontract agreement; and
- e. Describe the management of suppliers/subcontractors to ensure delivery is effectively provided to the State of Nebraska and its employees.

Response:

ASI partners with the following entities for service delivery:

WEX Health – WEX Health is an industry-leader with an award winning debit card and payment solution, tailored to an ever-changing healthcare landscape. WEX Health delivers their solution to over 300,000 Employers and more than 24 million consumers. ASIFlex partners with WEX Health for the production and delivery of the debit cards for health care FSA participants. In addition, WEX Health also performs on-going record keeping of the card activity and transactions. Location: 82 Hopmeadow Street, Suite 220, Simsbury, CT 06089. TAX ID: 06-1593514

WEX Health - ASI COBRA partners with WEX Health and utilizes the COBRApoin system for administrative services. COBRApoin is the WEX Health secure cloud-based platform designed to simplify and easily manage the complex financial and compliance requirements of COBRA and Direct Bill programs for benefit administrators. COBRApoin is

the health benefit industry's leading, enterprise-class, central system of record for COBRA, HIPAA, and State Continuation administration. The system has unlimited scale and maximum efficiency through integrated software and cloud services. As a SaaS vendor, it is critical to WEX Health to host their applications out of dual data centers which guarantee 6 nines (99.9999%) availability and maintain the same compliance standards as WEX Health does. WEX Health maintains a current SSAE 16 (Statement on Standards for Attestation Engagements No. 16 SOC 1 for Service Organizations.) These standards are issued and governed by the American Institute of Certified Public Accountants. WEX provides services to many different administrators. Location: 11808 Grant Street, Omaha, NE 68164

Fredrick Enterprises, Inc., dba Midwest Mailing – ASI uses Midwest Mailing for print and mail fulfillment services. Midwest Mailing has served many businesses, non-profit entities and government agencies since 1988. The company is a member of the local Postal Customer Council (PCC), a postal sponsored organization for business mailers. Midwest Mailing's manager is the Industry Chair for the Central Missouri PCC and also serve as the Industry Chair nationwide. In addition, the manager has won the Industry Member of the Year Award; and under her term the local PCC has won the national small market award four times. Location: 6104 Brown Station Rd., Columbia, MO 65202

ASI management team meets with partners regularly to review service delivery, and discuss and process improvements. ASI also executes business associate agreements with each partner. ASI has contracted with WEX since 2007, and with Midwest Mailing since 1988.

TECHNICAL APPROACH

1.18 Describe the administration of FSA benefits, including health care and dependent care reimbursement accounts, as well as whether these services are outsourced with another vendor.

Response:

Enrollment

As a part of its communications campaign, the State may elect to have ASIFlex send a re-enrollment reminder to each enrolled participant along with the quarterly account summary statement following the end of the third quarter. This reminder should reach participants just prior to the beginning of open enrollment. ASIFlex's account executive and account manager will work with appropriate State staff members to develop the contents of the letter, should the State elect this service.

ASIFlex will receive a full enrollment file from the State following the close of open enrollment. ASIFlex will review the data file, and then process the file to load the new July 1, 2020 plan year elections. ASIFlex can provide an enrollment report to the State to validate the new year enrollments.

Election Confirmation Process

ASIFlex will mail a confirmation letter to each enrolled participant. The letter includes the participant's annual election amounts, his or her preferred reimbursement method, and if the participant has chosen direct deposit, the name of the bank and last three digits of the account number that will be used for direct deposit will be listed. If the participant has chosen to be notified of claims payment by email and/or text alert, the email address and/or text number will be included in the letter.

Nondiscrimination Testing

ASIFlex compliance services include annual nondiscrimination testing upon request. ASIFlex will provide a testing guide that describes the testing requirements and definition of the prohibited group (those in whose favor the plan

cannot discriminate), along with the necessary data elements. Upon receipt of the necessary data, testing is performed for the Section 125 cafeteria plan, the Section 105(h) health care spending account and the Section 129 dependent care spending account. Test results are provided to the client and should any test be failed, ASIFlex will work with the client to make corrections.

Payroll Interface

Data exchange flexibility with clients is a hallmark for ASIFlex. ASIFlex can accept any file format for input from the client for enrollment, changes, or payroll. ASIFlex can also format output files to match the client's needs.

ASIFlex and State of Nebraska will establish an acceptable method for the State to transmit payroll deduction data for each pay cycle to ASIFlex on a timely basis. Electronic transmission of encrypted files via the Internet is the most efficient and quickest method of data transmission. ASIFlex has the capability of receiving payroll data from any number payroll centers, for any payroll frequency, and for an unlimited number of issues each month.

ASIFlex will establish an expected payroll deduction amount for each participant for each plan year. These expected amounts are established based on the participant's election and payroll cycle and can be modified by election changes made during the year. The expected payroll deduction amounts will be compared to the data sent by the State with each payroll cycle and ASIFlex will determine if there are any errors or discrepancies in the deduction information. There are three types of errors that can result from this comparison:

- The amount sent for either one of the accounts could be different than the expected amount.
- A record could be received for an employee who is not enrolled in the ASIFlex system; or,
- A record could be missing for a participant for whom ASIFlex expects to receive a deduction.

ASIFlex's system will identify these errors as a discrepancy. A discrepancy report will be posted to the secure employer portal following each pay date for the appropriate payroll/personnel staff to review and provide resolution. Although ASIFlex receives a regular change report, this report can also be used as a communication tool to identify coverage changes and terminations to ASIFlex.

ASIFlex will post the payroll deductions as sent from the State to each participant's account within one day of receipt or on the actual payroll issue date, whichever is later. At any point in time, ASIFlex's record of each employee's year-to-date deductions should agree with the client's year-to-date record of participant deductions. ASIFlex will reconcile payroll data from the client as frequently as the client sends it.

Claim Funding

ASIFlex will use the following banking arrangements for the funding of paid claims. As the incumbent provider of services, ASIFlex has established a specific bank account from which funds that will be drawn upon for claims reimbursements in the following manner, as disbursements are made to participants. It is anticipated there will be three methods from which any one participant may choose for claims payment. A participant may choose to be reimbursed by direct deposit or paper check or he or she may choose to use the ASIFlex debit card. ASIFlex will combine each day's totals for paper checks, direct deposits, and debit card settlements and report this information to the State. The State will then fund the account through the ACH system.

Claims Process

One of the most important and technical aspects of plan administration is the claims process. ASIFlex is unsurpassed in its ability to process claims quickly and accurately. ASIFlex's intent is to provide the most efficient service to both participants and employers. Participants rely on the money expected from a submitted claim and employers rely on ASIFlex to ensure compliance with appropriate regulations and plan guidelines.

ASIFlex, in compliance with IRS guidelines, requires each claim to be accompanied by documentation from an independent third party supporting that the expense has been incurred. This documentation must contain the name of the provider of service, the date the service was provided, a description of the service, the name of the person for whom the service was provided, and the charge for the service.

Claims may be submitted via USPS, FAX, online, mobile app, or insurance plan claim integration file feeds. Insurance file feed claims are processed electronically and checked for possible duplicate submission by the system. All other claims are reviewed by the claims department.

Approximately every five minutes, ASIFlex sends email/text alerts to confirm receipt of claims received within the past five minutes. This notice is sent to those participants who have provided ASIFlex with either an email address or cell phone number or both.

ASIFlex, in compliance with IRS guidelines, requires each claim to be accompanied by documentation from an independent third party supporting that the expense has been incurred. This documentation must contain the name of the provider of service, the date the service was provided, a description of the service, the name of the person for whom the service was provided, and the charge for the service.

Claims are reviewed by experienced claim processors for validity, supporting documentation, and a signature from the participant verifying that he or she will not be reimbursed for any claimed expense from any other source. Dates of service and charges on the billings are tied to the information entered on the claim form. ASIFlex will verify coverage eligibility for each claim filed. Eligibility is based upon initial plan year enrollment and periodic updates supplied by the client. Only those claims or portions of claims that meet plan and Federal guidelines are approved for payment.

ASIFlex will notify each participant if a claim is filed that cannot be processed due to IRS or plan guidelines. ASIFlex will include an explanation of the reason for return and the steps necessary for the participant to take to rectify the claim. This notification is sent to the participant either via email, text, or USPS depending on the delivery process selected by the participant. Protected health information (PHI) is not sent via email or text unencrypted. An unencrypted notice instructing the participant to log into his/her secure messages in order to read detail information is sent to the participant. Electronic notices are sent on the day the claim is reviewed. Notices sent via USPS are sent either on that same day or the next business day depending on the time of day the claim is reviewed. Some examples of invalid claims are those that:

- ✓ are not signed;
- ✓ do not have proper documentation;
- ✓ are outside the participant's dates of coverage;
- ✓ are filed for a category in which the participant is not enrolled;
- ✓ are filed by an employee not participating in the plan;
- ✓ include expenses not allowed under the plan; or
- ✓ are duplicates of previously requested expenses.

A claim that can be partially processed is entered to the extent it is valid and a denial notice is created for the portion that cannot be processed as filed.

[Claim Appeal Process](#)

Participants wishing to present a request for a variance from ASIFlex's established policy are asked to complete an Appeal Form in writing. Written appeals filed with ASIFlex are immediately escalated to ASIFlex's Customer Service Manager for review.

ASIFlex will review the appeal and determine if ASIFlex contributed to or is responsible for the claim. If ASIFlex is cleared of responsibility, the claim is reviewed based upon whether extenuating circumstances and supporting documentation are consistent with the employer plan document, FSA rules and IRS regulations governing the plan.

The participant will be notified of the results of this review within 15 business days from receipt of the appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer. Notification will be sent through the participant's account (via US mail or email) based on the method of communication the participant selected during enrollment.

If the appeal is approved or if ASIFlex receives notification to handle the claim per the employer's request, ASIFlex will then process the claim, as appropriate, within one business day of receipt of the employer's response.

Claims Processing Time

Valid claims are placed into batches and entered into ASIFlex's reimbursement software by the participant's Social Security Number (or alternate unique identifier) on average within 1 business day of receipt. ASIFlex's proprietary reimbursement software verifies that the services fall within the participant's dates of coverage. After all valid claims within each batch are entered, the claims processor generates a "Possible Duplicate Claims" report for the batch. The processor manually researches all possible duplicates. Any duplicates are removed from processing and reported to the participant. A different claims processor enters the total of each claim within the batch in a separate reconciliation program and verifies the totals of both entry programs. Any discrepancies are resolved before reimbursements are issued.

Valid claims for medical reimbursement will be paid up to the annual election amount, less previously paid claims, regardless of the amount contributed year-to-date. Dependent care claims are entered as the total amount requested and paid up to deposits available less any previous reimbursements. Any remaining requests are carried in the system as outstanding requests and are paid as funds are subsequently contributed. Once a valid dependent care claim has been filed by a participant, that participant does not need to re-file that claim in order to receive outstanding funds.

Claims Payment Time and Frequency

On average completed claims are paid within 1 business day, however during peak times of the year it can take as many as 3 business days. Checks and paper direct deposit statements are printed and stuffed by client groups. A count of the total number of envelopes containing a check and a count of the total number of envelopes containing a direct deposit statement is made and compared with a similar count determined by the system. No checks or direct deposit statements are mailed until these counts are reconciled. This ensures that no envelope contains more than one check or payment advice and protects each participant's privacy. All reimbursement checks and ACH direct deposit statements shall be sent no later than 7:00 p.m. Central Time on the day of reimbursement. Participants signed up for electronic communication by email and/or text alerts will receive notice of payment on the day the claim is paid.

Individual participants will have the option of determining the preferred reimbursement method. Most participants elect direct deposit as it is secure and fast. For participants choosing to be reimbursed via check, ASIFlex will issue all reimbursement checks using its check stock. The cost of checks and all other contractor forms, envelopes, etc. will be borne by ASIFlex.

Account Balance Information - Explanations of Benefits

An explanation of benefits reimbursement notification including the payment amount, balance or remaining annual election amount, total claimed year-to-date, total contributed year-to-date, total paid year-to-date, and pending claims is printed either on the check stub or, in the case of ACH reimbursement, on a separate statement.

Participants are emailed the afternoon the reimbursement is made and notice posted to the participant's online secure message center. Electronic communication is convenient for the participant, is secure and environmentally responsible, precluding the use of paper materials. In the interest of security, the email ACH explanation of benefits does not contain the participant's bank account number or Social Security Number. After each day's payments are made, ASIFlex will email the State notifying the appropriate staff of the amount and classifications of that day's payments. ASIFlex will post a weekly and/or monthly report of each day's reimbursements to the secure employer portal, and the State will have access to generate reports on-demand.

ASIFlex Debit Card Overview

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 (of 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.

The only services that are subcontracted are for print and mail fulfillment services and debit card fulfillment and processing services.

Customer Service – Live Help!

ASIFlex's customer service model is a point of distinction! Not only do customer service representatives (CSRs) take calls from plan participants, CSRs also review and process claims. Each CSR has access to employer plan information, plan design, processing parameters, claims and payment history. This dual role ensures that first-call resolution is provided in most cases! In the event a CSR needs assistance in answering a question, he/she can consult with a CSR II or CSR III, or the claims manager.

All calls to ASIFlex's Customer Service Center are answered by a live representative capable of answering almost any question that might arise. ASIFlex's Customer Service Center is available from 7 a.m. to 7 p.m. Central Time, Monday through Friday and from 9 a.m. to 1 p.m. Central Time on Saturday. ASIFlex has found that live access to a customer service representative (CSR) is more important than implementing an automated system that would decrease the service level provided. ASIFlex has established stringent call guidelines to ensure participants are not required to wait an inordinate amount of time to speak with a CSR. ASIFlex managers monitor call volume in queue in real time, on a daily basis, and make staffing adjustments as needed. All calls are recorded for internal training and coaching purposes, as well as for quality assurance reviews.

New CSR Claim Training

New CSRs complete a comprehensive self-study course including both written and video information on flexible spending accounts claims procedures and IRS guidelines. Following completion of this course, a senior claims adjudicator works directly with each newly hired representative until the senior representative is satisfied the new representative has a complete understanding of the claims review process. During this intensive one-on-one step, the senior representative explains each claim reviewed to the new hire. Then the process is reversed. The new representative reviews each claim with the senior representative, line by line. Next, the new representative is placed in the adjudication department and provided with claims to review each day. The manager of the claims department reviews every claim adjudicated by the trainee until the manager is completely satisfied with the results. The claims manager continues to monitor the review process on a sampling basis for a period of approximately one month. Ongoing, ASIFlex's senior management monitors claim volume and processing times on a weekly basis.

New CSR Telephone Training

Telephone training begins at the end of the above training period. Telephone training includes the use of ASIFlex's data processing system, as it relates to telephone inquiries, proper identification of callers, telephone etiquette, and types of questions that the CSR staff can answer. A veteran customer service representative will sit with the new representative while the new representative answers phone calls and offers advice and assistance as needed. New staff members are released to answer calls whenever the more senior representative is satisfied with the new representative's performance. ASIFlex's management team reviews a sampling of calls during the initial period to ensure that the CSR is meeting standard protocols. Training opportunities are quickly brought to the attention of the CSR so that changes can be made. Additionally, ASIFlex's management team randomly reviews a certain percentage of all calls answered by the customer service center. These reviews are used as training and in employee performance reviews.

CSR Experience Criteria

Potential employees are screened for past experience in health claims processing, prior experience with participation or administration of flexible spending accounts and customer service. A customer service representative's attitude and ability to learn are more important than prior experience or formal education. Therefore, ASIFlex hires "attitude" and teaches skills.

CSR On-Going Training

Each employee uses a procedure manual that is continually updated with client specific information as well as regulatory changes. Update and review sessions are held monthly and information regarding new clients or client changes are presented and discussed at these sessions. These review sessions include existing claims and customer service policies as well as new policies that are not time sensitive. Special sessions are conducted whenever a time sensitive issue is identified or when a change in regulation takes place. Additional review sessions are held prior to the open enrollment periods to ensure all CSRs are well versed on the open enrollment procedures in place for all of ASIFlex's clients.

ASIFlex's customer service center will be available to employees during the open enrollment period to answer questions regarding the mechanics of an FSA program, eligible expenses and other questions, as they arise.

[ASIFlex.com / Employee Portal](#)

ASIFlex's website is designed to be a valuable resource for its participants. The site is not designed to sell ASIFlex's administrative services to potential clients, but it is intended to foster understanding in tax-favored benefit programs for employees and employers. ASIFlex provides participants with a number of user-friendly and educational features as follows:

- Extensive listing of eligible/ineligible expenses
- Link to FSA Store with thousands of eligible over-the-counter health care products
- Expense estimator and tax-savings calculator
- Frequently Asked Questions
- Program Descriptions
- ASIFlex Card educational section
- Educational videos
- Link to ASIFlex Mobile App
- Claim and other administrative forms
- Links to IRS Forms and Publications
- News and regulatory updates

Participants can sign in to view his/her Account Detail information. ASIFlex's Account Detail function contains detailed transactions and current balances as of the previous business day. As soon as a participant is enrolled in ASIFlex's system, a confirmation letter is mailed. The participant can then register to view details of his/her account. The registration process is simple and provides a secure method of accessing the account information. The member will establish specific security questions, select a security image, and create a user name and password. The participant can manage his/her personal settings for login credentials, email address, phone number for text messages, and banking information for direct deposit.

Other than the details of the participant's plan, there is no other identifying information on the site (such as name or Social Security Number). Previous plan year information is available for viewing for an additional thirty days after the claims runout period has passed. Information on this site is updated daily. Additionally, ASIFlex makes a notation on each participant's online account if a fax has been received and is in queue to be processed for that participant. This online confirmation of receipt of a fax allows the participant to rest assured that his or her claim is received and will be processed in short order.

[ASIFlex.com - Employer Portal](#)

In addition, the employer is set up with its own ASIFlex Employer Portal. The client determines the staff members who have access to the Employer Portal. Each staff member is provided with a user name and password. Once the staff member signs in to the Employer Portal, he or she has a number of options, including:

- access to secure email with ASIFlex
- the ability to run reports at the employer's convenience
- access to regularly scheduled management reports at the frequency determined by the employer
- easy access to view specific member account information, including:
 - payroll contribution dates
 - payroll contribution amounts
 - claim payments
 - plan year election amounts

- current balance
- the ability to upload files to ASIFlex
- the ability to download files from ASIFlex

HIPAA/HITECH Compliance Policy

ASI has adopted business practices to ensure that the privacy and confidentiality of customer and client data will be maintained, as specified in the Health Insurance Portability and Accountability Act (HIPAA). Reports and other documents prepared exclusively for the use of customers, clients or other providers do not contain any reference to specific medical conditions unless it is essential for the care of the customer (i.e. providing information to the Client regarding a grievance filed by the participant).

Protected Health Information (PHI) received with claim submission packets via regular mail are delivered to a locked Post Office Box and are retrieved twice daily by an ASI employee. PHI data received via facsimile are received in a restricted area that is only accessible to ASI employees authorized to access to the information. All data entry and claim storage procedures take place in ASI’s secured physical location.

A participant in an ASI administered plan may access his or her account detail by visiting ASI’s website, asiflex.com and clicking on the Account Detail function provided. Upon entering his or her Flex PIN, a participant will retrieve the applicable records. However, ASI has removed all personally identifying information from the site, so a participant does not have to be concerned with private information such as social security number, name, or bank account information being readily available on the website.

ASI agrees to comply with all applicable regulations contained in the Health Insurance Portability and Accountability Act (HIPAA) and has included an outline version of its Security Plan.

1.19	Describe how COBRA continuation of coverage can be administered, or if this service is outsourced with another vendor.
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Response:

The ASI COBRA PROGRAM

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 requires that most employers sponsoring group health plans offer employees and their eligible dependents the opportunity for a temporary extension of continuous health coverage during times when coverage under the plan would otherwise end.

With ASI COBRA as your benefits provider, you can feel secure that your organization is always in full compliance. We provide the time, technology, expertise and program administration needed to keep your benefits programs running smoothly. Our proposal will demonstrate how ASIs’ comprehensive COBRA program will provide your organization with the services required at a reasonable value.

ASI COBRA can also provide direct billing and premium collection administrative services for retiree, leave-of-absence or other populations. All processing and servicing is handled by ASI and there are no services outsourced. ASI does partner with Midwest Mailing for print and mail fulfillment, and with WEX Health for the administration system.

Why ASI COBRA?

ASI’s customer service is dedicated to your COBRA program. ASI COBRA is experienced, client- focused and responsive to client needs. Our experienced customer service staff answers calls providing participants with prompt responses and first-call resolution whenever possible.

ASI's COBRA software platform is designed to handle all components of COBRA complexity, generation of required notices and letters, payment history, terminations and eligibility reporting.

ASI's flexibility to meet client specific needs is a quality many vendors don't have. ASI can help with unique COBRA administrative situations such as severance arrangements, leaves of absence, employer subsidies, eligibility processing and open enrollment to name a few.

ASI COBRA provides a "one stop" service for all functions of the COBRA program from implementation, client and customer service, to invoicing and eligibility reporting. ASI COBRA provides dedicated account management so we may provide your organization with the ultimate in COBRA compliance, convenience, communication and commitment.

When ASI COBRA handles all the challenging issues of administering the details of your COBRA program, from the day-to-day details to staying current with regulatory and legislative changes, your benefits staff has more time to focus on other pressing issues. Our accurate and timely data processing and notifications will help your organization to prevent inadvertent extension of coverage.

COBRA Initial Rights Notification

The Initial Rights Notification is sent to newly hired employees that have elected benefit coverage and describes their continuation of coverage rights and responsibilities. The employer will provide the names and addresses of those individuals who have enrolled in COBRA qualified plans. ASI will then send the notice via USPS with proof of mailing to the employee and, if married, to the spouse at the home address.

This notification is often overlooked and for those employers who feel they have not been in compliance, ASI can also do a "blanket mailing" to include all currently enrolled employees.

Qualifying Event Notifications

Qualifying event notifications are mailed to qualified beneficiaries which describes the event that took place, the date they are eligible for coverage, a description of the coverage they may elect and pricing, and how to enroll and make premium payments. The employer will notify ASI on a regular basis of those individuals who have experienced a qualifying event, such as a termination of employment or a reduction in hours that has caused a loss of coverage. ASI will mail the qualifying event notification via USPS with proof of mailing within 14 calendar days as required by regulations.

Enrollment Processing

Individuals who wish to elect COBRA continuation coverage must do so within 60 calendar days by completing and returning the enrollment form. ASI will monitor timely receipt of enrollment and consistently administer this timeframe. Enrollment forms and postmarked envelopes will be retained as documentation. Enrollments are processed within three business days.

Premium Billing and Collections

ASI will provide a set of payment coupons to enrolled COBRA beneficiaries and will collect payments, handle under-payments, non-sufficient fund payments, etc.

After an individual has enrolled for COBRA continuation coverage, payment coupons will be provided along with payment instructions. Payment can be made by mailing a check or money order and is posted to the COBRA account within two business days of receipt. Payment will be accepted if made within 30 days of the due date.

As an option, COBRA participants may also sign up to have premiums automatically paid each month via an ACH transaction. Participants can also make a one-time payment online via ACH bank debit or credit card. There is a fee billed to the participant for this one-time service.

Underpayments can be tracked by the system and participants are notified. Attempted payments with non-sufficient funds are also tracked and subsequent premium payment is required by cashier's check or money order. A fee of \$25 is billed to the participant for handling of the non-sufficient fund payment.

Subsidized Premium Arrangements

Often employers will offer severance arrangements to former employees and subsidize the full premium, or a portion of the premium. ASI's system can accommodate various types of subsidy arrangements and include the total premium, the subsidized amount, and the amount owed on the monthly coupon.

Undeliverable Mail

Employers need only prove that a notice was sent; not that it was received, read, or understood. ASI COBRA's service focuses on the reasonableness of its procedures used to furnish notices and does not require guaranteed delivery. ASI COBRA fulfills the employer's obligation to make a good faith effort in attempting to provide the qualifying event election notice to the last known address as reported by the employer. The notice is sent via first class mail with proof of mailing which is a method that is reasonably calculated to ensure receipt. However, should the employee contact ASI COBRA during the election period to indicate a notice was not received ASI COBRA will email the notice, or mail to the corrected address. ASI COBRA recommends that employers take steps to confirm the last known address during exit interviews to ensure that the address reported is accurate.

Eligibility Reporting

ASI will report eligibility to carriers on a weekly basis. Once an individual enrolls in COBRA coverage and pays premium, coverage eligibility will be reported to the respective carriers or to the employer.

Termination of COBRA Coverage

Coverage will be terminated appropriately for non-payment of premium, or if the maximum period of COBRA coverage has been exhausted. Notification of termination will be sent to the individual and the termination reported to respective carriers. A HIPAA certificate of creditable coverage will be sent to the individual, if required.

Premium Remittance to Employer

ASI will reconcile and remit collected premium payments to the employer on a monthly basis, around the 20th of the month following the close of each calendar month. A full premium remittance report of those who have paid premium is provided to the employer and collected premiums are remitted to the employer via ACH transaction.

Open Enrollment Services

ASI can assist the employer with open enrollment services by developing a timeline of activities, providing a sample open enrollment announcement letter and enrollment form. ASI will mail the open enrollment notifications to current participants, as well as to those individuals who are within their 60 day enrollment period. If needed, ASI will mail this information along with any benefit summary information provided by the employer.

ASI can accommodate a passive enrollment process under which only those individuals wishing to make a change are to provide a new enrollment form; or can accommodate an active or full enrollment which requires all individuals to complete a new enrollment form.

Enrollment forms received are processed and any changes in coverage elections are reported to the respective carriers.

[ASICOBRA.com – Participant Portal](#)

ASI's website is designed to be a valuable resource for COBRA participants and includes user- friendly features such as:

- Easy access to online account detail
- Access to notices previously sent
- Demographic information for the participant
- Coverage(s) elected under COBRA
- Dependent demographic information
- Premium payment history
- Premium paid-through-dates
- Authorization Form for automatic premium payments
- Links to IRS COBRA guides and frequently asked questions

[ASICOBRA.com - Employer Portal](#)

The employer will have access to the participant portal as described above. In addition, comprehensive management reports are available to the employer on-demand, 24 hours a day, seven days a week!

1.20	Describe how Retiree health premium billing can be administered, or if this service is outsourced with another vendor.
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Response:

ASI COBRA provides retiree billing services within its COBRA administration department, and utilizes the same administration system. Services are very similar to COBRA administration and include:

- Enrollment processing
- Premium billing and collection
- Premium remittance to the State
- Tracking of subsidized premiums
- Processing of undeliverable mail
- Eligibility reporting to carriers
- Processing terminations
- Open enrollment services
- Participant portal
- Employer portal with reporting

All processing and servicing is performed by ASI. ASI partners with Midwest Mailing for print and mail fulfillment; and with WEX Health for the administration system.

GENERAL PLAN INFORMATION AND REQUIREMENTS

1.21	Describe any staff relocations, computer system changes/upgrades, program changes, or telephone system changes in process at this time or proposed within the next 12-24 months.
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Response:

ASI has no staff relocations, computer systems or telephone system changes planned within the next 24 months. ASIFlex's proprietary FSA system is continually reviewed and changes made to accommodate client needs. ASI OBRA's administrative system through WEX Health undergoes periodic changes to enhance services, but no major system changes are anticipated over the next 24 months.

MEMBER SERVICES

1.22 The State requires the minimum hours for claims administration operation to be Monday through Friday, 8:00 a.m. to 6:00 p.m. Central Time. Describe if any additional hours are available beyond the core hours.

Response:

**ASIFlex offers extended servicing hours Monday through Saturday:
7 a.m. to 7 p.m. Central Time Monday through Friday
9 a.m. to 1 p.m. Central Time on Saturday**

1.23 Describe the process for handling calls "after hours" of operation? Is there a voicemail system or capability for caller to leave messages after normal business hours?

Response:

For calls after the extended calling hours above, participants may leave a voicemail message. All calls are returned the following business day.

1.24 Describe how members reach a live representative or an interactive voice response (IVR) unit when calling Member Services.

Response:

ASIFlex's customer service model is a point of distinction! Not only do customer service representatives (CSRs) take calls from plan participants, CSRs also review and process claims. Each CSR has access to employer plan information, plan design, processing parameters, claims and payment history. This dual role ensures that first-call resolution is provided in most cases! In the event a CSR needs assistance in answering a question, he/she can consult with a CSR II or CSR III, or the claims manager.

Live Help! All calls to ASIFlex's Customer Service Center are answered by a live representative capable of answering almost any question that might arise. ASIFlex has found that live access to an experienced CSR is more important than implementing an automated system that would decrease the service level provided. ASIFlex has established stringent call guidelines to ensure participants are not required to wait an inordinate amount of time to speak with a CSR. ASIFlex managers monitor call volume in queue in real time, on a daily basis, and make staffing adjustments as needed. All calls are recorded for internal training and coaching purposes, as well as for quality assurance reviews.

1.25 Describe the system by which the Customer Service unit tracks and documents calls. Describe the process to review the findings of the call tracking and documentation process with the State.

Response:

ASI records all calls for training and coaching purposes. The CSR team also logs and tracks information related to the reason for the call, and also includes tracking of emailed inquiries. Should follow-up be required, ASI will log the call

as requiring follow-up. All recording and tracking is done with ASI's phone provider software and ASI's proprietary administration system. For example, calls are logged as they relate to the following categories:

- Debit Card
- Health Care FSA
- Dependent Care FSA
- HRA-Health Reimbursement Arrangement
- HSA-Health Savings Account
- Commuter-Parking and Transit accounts
- Online account detail questions
- Account balance
- Login credentials/password
- Eligible expenses
- Denials
- Enrollment
- Complaint
- Positive comments/compliments
- Transfer-requesting another department or specific individual

Reporting is captured for ASI's global client base and those results can be shared with the State upon request. Here is a sample, partial report.

Reporting Period 1/1/2019 -
 11/7/2019

Reason	Number of Contacts	First Call Resolution	Percentage	Average Duration of call/minutes
Debit card	39,336	39,158	99.55%	3.5
Health Care FSA	16,953	16,892	99.64%	3.8
Dependent Care FSA	3,280	3,262	99.45%	2.8
Denial	15,480	15,439	99.74%	4.5
Balance	12,846	12,832	99.89%	2.2

1.26 Describe how members can electronically access reimbursement information and the Member Services group. Describe the internet, i.e. web chat, or email services offered.

Response:

Not only does ASIFlex provide an educational website at ASIFlex.com, but a secure participant portal is provided as well. ASIFlex's website is designed to be a valuable resource for plan participants and employers. The site is not designed to sell ASIFlex's administrative services to potential clients, but it is intended to foster understanding in tax-favored benefit programs for employees and employers. ASIFlex provides participants with a number of user-friendly and educational features as follows:

- Extensive listing of eligible/ineligible expenses
- Link to FSA Store with thousands of eligible over-the-counter health care products
- Expense estimator and tax-savings calculator

- Frequently Asked Questions
- Program Descriptions
- ASIFlex Card educational section
- Educational videos
- Link to ASIFlex Mobile App
- Claim and other administrative forms
- Links to IRS Forms and Publications
- News and regulatory updates

Participants can sign in to view his/her Account Detail information. ASIFlex's Account Detail function contains detailed transactions and current balances as of the previous business day. As soon as a participant is enrolled in ASIFlex's system, a confirmation letter is mailed. The participant can then register to view details of his/her account. The registration process is simple and provides a secure method of accessing the account information. The member will establish specific security questions, select a security image, and create a user name and password. The participant can manage his/her personal settings for login credentials, email address, phone number for text messages, and banking information for direct deposit.

Other than the details of the participant's plan, there is no other identifying information on the site (such as name or Social Security Number). Previous plan year information is available for viewing for an additional thirty days after the claims runout period has passed. Information on this site is updated daily. Additionally, ASIFlex makes a notation on each participant's online account if a fax has been received and is in queue to be processed for that participant. This online confirmation of receipt of a fax allows the participant to rest assured that his or her claim is received and will be processed in short order.

Plan participants can also email customer service at asi@asiflex.com.

1.27 Describe the escalation process for Member Services satisfaction and complaints.

Response:

ASIFlex provides an escalation process as follows:

Level 1	CSR
Level 2	CSR II or CSR III (supervisory level)
Level 3	Claims Manager
Level 4	ASIFlex Account Manager
Level 5	ASIFlex Account Executive
Level 6	ASIFlex COO or General Counsel
Level 7	ASIFlex CEO/President

1.28 Contractor will not render or administer services offshore, and all work performed will be in the contiguous United States. Describe where the Customer Service unit will be located.

Response:

All processing and customer service is provided from ASI headquarters office in Columbia, Missouri; and its satellite office in Moberly, Missouri. No services are provided offshore.

1.29

Regarding the claim office that will service the State, provide the following:

- a. Annual claim volume;
- b. Percentage of claims that are auto-adjudicated;
- c. Percentage of claims that require substantiation; and
- d. Average time to reimburse the member from receipt of a "clean claim".

Response:

For calendar year 2018, results are as follows:

a. Annual claim volume was 940,366 claims (excluding auto-adjudicated card transactions). Annual claim dollar amount was \$240,311,404. Debit card transaction amount was \$75,793,767.

b. Debit card transactions auto-adjudicated electronically was 78%.

c. All claims must be substantiated. Debit card substantiation percentages vary based on the types of employer plans offered, out-of-pocket limits, member understanding, where and when the card is swiped, etc. For 2018, 22% of debit card transactions required substantiation.

d. Average time to reimburse the member from receipt of a "clean claim" is .34 days (about 1/3 of a day).

NOTE: Auto-adjudication is provided for debit card transactions; not all ASIFlex clients offer debit card services.

1.30

Describe the substantiation process that insures all medical expenses are valid IRS Section 213(d) expenses.

Response:

Claims Process

One of the most important and technical aspects of plan administration is the claims process. ASIFlex is unsurpassed in its ability to process claims quickly and accurately. ASIFlex's intent is to provide the most efficient service to both participants and employers. Participants rely on the money expected from a submitted claim and employers rely on ASIFlex to ensure compliance with appropriate regulations and plan guidelines.

Claims may be submitted via USPS, FAX, online, mobile app, or insurance processor integration claim file feeds. Insurance file feed claims are processed electronically and checked for possible duplicate submission by the system. All other claims are reviewed by the claims department.

Approximately every five minutes, ASIFlex sends email/text alerts to confirm receipt of claims received within the past five minutes. This notice is sent to those who have provided ASIFlex with either an email address or cell phone number or both.

ASIFlex, in compliance with IRS guidelines, requires each claim to be accompanied by documentation from an independent third party supporting that the expense has been incurred. This documentation must contain the name of the provider of service, the date the service was provided, a description of the service, the name of the person for whom the service was provided, and the charge for the service.

Claims are reviewed by experienced claim processors for validity, supporting documentation, and a signature from participant verifying that he or she will not be reimbursed for any claimed expense from any other source. Dates of service and charges on the billings are tied to the information entered on the claim form. ASIFlex will verify coverage

eligibility for each claim filed. Eligibility is based upon initial plan year enrollment and periodic updates supplied by the client. Only those claims or portions of claims that meet plan and Federal guidelines are approved for payment.

ASIFlex will notify each participant if a claim is filed that cannot be processed due to IRS or plan guidelines. ASIFlex will include an explanation of the reason for return and the steps necessary for the participant to take to rectify the claim. This notification is sent to the participant either via email, text, or USPS depending on the delivery process selected by the participant. Protected health information (PHI) is not sent via email or text unencrypted. An unencrypted notice instructing the participant to log into his/her secure messages in order to read detail information is sent to the participant. Electronic notices are sent on the day the claim is reviewed. Notices sent via USPS are sent either on that same day or the next business day depending on the time of day the claim is reviewed. Some examples of invalid claims are those that:

- are not signed;
- do not have proper documentation;
- are outside the participant's dates of coverage;
- are filed for a category in which the participant is not enrolled;
- are filed by an employee not participating in the plan;
- include expenses not allowed under the plan; or,
- are a duplicate of a previously requested expense.

A claim that can be partially processed is entered to the extent it is valid and a denial notice is created for the portion that cannot be processed as filed.

For debit card transactions, see section 1.31 just below.

1.31	Describe the claims payment process for reimbursement of claims that do not require substantiation.
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Response:

Per Addendum 2, Q&A 61, this question is related to debit card transactions and not related to claims.

The Internal Revenue Service, through Revenue Ruling 2003-43 and IRS Notices 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 copay or any combination of any known copays up to five times the highest known copay, 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 file 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 provides educational material and information on asiflex.com, Programs Tab, Debit Cards.

Proposed ASIFlex Card Program

ASIFlex offers its debit card program to comply with Revenue Ruling 2003-43 and IRS Notices 2006-69 and 2007-02. The ASIFlex card is a limited-use card and can be used for purchases at known health care providers (such as health clinics, physician offices, hospitals, etc.) and retailers that have implemented an appropriate 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 copay amounts for FSA participants. In order to adjudicate the known copay amounts, the client will provide ASIFlex with a data file that details the individual participant plan elections and each plan copay amounts. If a participant purchases an item that does not match the employer plan copay or is not an auto-adjudicated purchase, ASIFlex will send the participant notification that substantiating documentation must be submitted to ASIFlex within roughly six weeks.

Please note that IRS Notice 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 Notice 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, IRS Notice 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 system confirms that the tender type is an FSA spending card and allows the Band-Aids to be purchased with the card. The merchant system 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.

Additional Flex Card Information

ASIFlex's card product is not available for use with dependent care spending accounts. While IRS Notice 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.

Compliant Card Process

In taking over FSA programs from some administrators, ASIFlex has found that the card process was not compliant. ASIFlex does not take shortcuts and provides a compliant process with strict adherence to all IRS rules and regulations. This process ensures that as many transactions as possible are auto-adjudicated without requesting back-up documentation from the participant. A successful flexible spending account program can only exist if the employer and the TPA agree on the general philosophy of how the plan should operate. This agreement must include the commitment of the employer to ensure adequate communication of the card process is provided and to support the required documentation requirements.

Offering the ASIFlex Card

ASIFlex can offer the card as an option, or can automatically issue cards to all health care FSA participants. The cards are issued in sets of two; and have a five-year expiration date. The participant may order additional or replacement card sets at any time by signing into his/her online account and completing and submitting the card application. 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 and do not have to use the card exclusively. Once mailed, it generally takes 7 to 10 business days for receipt. However, with the recent consolidations in the USPS processing facilities, this timeframe could increase.

Requests for Documentation

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 card transactions. In many cases, the IRS requires the participant to submit documentation. Email is required for use of the card.

ASIFlex will email 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
- Final/Deactivation Notice – Sent 21 days after the reminder notice and card is inactivated, and future claim submissions may be offset by the outstanding amount

These notices are also posted to the participant's online account detail in the secure message center.

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

Types of Documentation

The documentation must include the provider name/address, patient name, description of service, date the service was provided (regardless when paid/date of card transaction), and dollar amount. In the event that a card transaction must be substantiated, acceptable documentation includes:

- If covered by insurance: Insurance/TPA payer's explanation of benefits statement or provider's itemized statement.
- If not covered by insurance: Provider's itemized statement.
- Prescriptions: Pharmacy receipt, itemized printout from pharmacy, itemized mail-order receipt.
- Over-the-Counter Drugs/Medicines: Physician prescription and merchant itemized receipt.

- **Over-the-Counter Health Care Products:** Merchant itemized receipt.

Participants can submit the documentation via the ASIFlex Mobile App, online, or by fax/mail. Transactions requiring documentation are high-lighted in the participant online account detail statement. If documentation is not provided, IRS rules require that the card be temporarily de-activated. Participants must pay the plan for the outstanding transaction amount or future claim submissions are offset by the outstanding amount. ASIFlex has provided a Wallet Card that participants can carry with the ASIFlex Card to present to the health care merchant when requesting an itemized statement.

ASIFlex provides educational information and tips on how to use the ASIFlex Card at www.asiflex.com/debitcards. In addition, there are links to IIAS merchants and IRS rules and regulations that govern use of the card.

Unsubstantiated Card Transactions

As described above, ASIFlex will send three requests for 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.

1.32	Describe the communication process and procedures for additional substantiation requirements for a claim to be reimbursed, including if a member is unresponsive to the first request for substantiation documentation.
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Response:

Claims Process

ASIFlex will notify each participant if a claim is filed that cannot be processed due to IRS or plan guidelines. ASIFlex will include an explanation of the reason for return and the steps necessary for the participant to take to rectify the claim. This notification is sent to the participant either via email, text, or USPS depending on the delivery process selected by the participant. Protected health information (PHI) is not sent via email or text unencrypted. An unencrypted notice instructing the participant to log into his/her secure messages in order to read detail information is sent to the participant. Electronic notices are sent on the day the claim is reviewed. Notices sent via USPS are sent either on that same day or the next business day depending on the time of day the claim is reviewed.

Debit Card Transaction Process

ASIFlex will email 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
- Final/Deactivation Notice – Sent 21 days after the reminder notice and card is inactivated, and future claim submissions may be offset by the outstanding amount

These notices are also posted to the participant’s online account detail in the secure message center.

1.33	Describe the process and procedures in place to address a situation when a member does not submit the requested substantiation to have a claim reimbursed (e.g., claim is not reimbursed, account is locked/frozen, etc.?)
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Response:

Claim Process

If a participant does not submit requested claim documentation, the claim remains in a denied status. The claim can be reconsidered upon receipt of appropriate documentation to substantiate the expense.

Debit Card Process

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.

1.34	If an account is locked/frozen due to lack of response to requests for substantiation, what is the process to notify the member of the account status? What is the process for unlocking the account?
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Response:

IRS regulations require debit cards to be temporarily deactivated in the event that a participant does not respond to a request to provide backup documentation to substantiate a card transaction. ASIFlex will email 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
- Final/Deactivation Notice – Sent 21 days after the reminder notice and card is inactivated, and future claim submissions may be offset by the outstanding amount

These notices are also posted to the participant's online account detail in the secure message center.

On receipt of the requested documentation, ASIFlex will activate the debit card. ASIFlex can also offset other claim submissions by applying the claims amounts to the outstanding card transaction. The participant may also choose to reimburse the plan by check, money-order or ACH bank debit. Once the card transaction is satisfied, the debit card can be activated.

1.35 Describe the process for handling exceptions.

Response:

ASIFlex strictly adheres to IRS regulations and the State's plan document. ASIFlex does not make exceptions that fall outside of regulations or plan document provisions. However, a plan participant may appeal a claim decision. Participants wishing to present a request for a variance from ASIFlex's established policy are asked to complete an Appeal Form in writing. Written appeals filed with ASIFlex are immediately escalated to ASIFlex's Claims Manager for review.

ASIFlex will review the appeal and determine if ASIFlex contributed to or is responsible for the claim. If ASIFlex is cleared of responsibility, the claim is reviewed based upon whether extenuating circumstances and supporting documentation are consistent with the employer plan document, FSA rules and IRS regulations governing the plan.

The participant will be notified of the results of this review within 15 business days from receipt of the appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer. Notification will be sent through the participant's account (via US mail or email) based on the method of communication the participant selected during enrollment.

If the appeal is approved or if ASIFlex receives notification to handle the claim per the employer's request, ASIFlex will then process the claim, as appropriate, within one business day of receipt of the employer's response. Should the participant submit a second appeal for the same claim, ASIFlex will refer to the State to determine next steps.

1.36 Describe the claims adjudication process from submission of a health care FSA claim to reimbursement.

Response:

Claims Process

One of the most important and technical aspects of plan administration is the claims process. ASIFlex is unsurpassed in its ability to process claims quickly and accurately. ASIFlex's intent is to provide the most efficient service to both participants and employers. Participants rely on the money expected from a submitted claim and employers rely on ASIFlex to ensure compliance with appropriate regulations and plan guidelines.

Claims may be submitted via USPS, FAX, online, mobile app, or insurance processor file feeds. Insurance file feed claims are processed electronically and checked for possible duplicate submission by the system. All other claims are reviewed by the claims department.

Approximately every five minutes, ASIFlex sends email/text alerts to confirm receipt of claims received within the past five minutes. This notice is sent to those who have provided ASIFlex with either an email address or cell phone number or both.

ASIFlex, in compliance with IRS guidelines, requires each claim to be accompanied by documentation from an independent third party supporting that the expense has been incurred. This documentation must contain the name of the provider of service, the date the service was provided, a description of the service, the name of the person for whom the service was provided, and the charge for the service.

Claims are reviewed by experienced claim processors for validity, supporting documentation, and a signature from the participant verifying that he or she will not be reimbursed for any claimed expense from any other source. Dates of service and charges on the billings are tied to the information entered on the claim form. ASIFlex will verify coverage eligibility for each claim filed. Eligibility is based upon initial plan year enrollment and periodic updates supplied by the client. Only those claims or portions of claims that meet plan and Federal guidelines are approved for payment.

ASIFlex will notify each participant if a claim is filed that cannot be processed due to IRS or plan guidelines. ASIFlex will include an explanation of the reason for return and the steps necessary for the participant to take to rectify the claim. This notification is sent to the participant either via email, text, or USPS depending on the delivery process selected by the participant. Protected health information (PHI) is not sent via email or text unencrypted. An unencrypted notice instructing the participant to log into his/her secure messages in order to read detail information is sent to the participant. Electronic notices are sent on the day the claim is reviewed. Notices sent via USPS are sent either on that same day or the next business day depending on the time of day the claim is reviewed. Some examples of invalid claims are those that:

- are not signed;
- do not have proper documentation;
- are outside the participant's dates of coverage;
- are filed for a category in which the participant is not enrolled;
- are filed by an employee not participating in the plan;
- include expenses not allowed under the plan; or,
- are a duplicate of a previously requested expense.

A claim that can be partially processed is entered to the extent it is valid and a denial notice is created for the portion that cannot be processed as filed.

Claims Processing Time

Valid claims are placed into batches and entered into ASIFlex's reimbursement software by the participant Social Security Number, or alternate unique identifier, on average within one business day of receipt. ASIFlex's proprietary reimbursement software verifies that the services fall within the participant's dates of coverage. After all valid claims within each batch are entered the claims processor generates a "Possible Duplicate Claims" report for the batch. The processor researches all possible duplicates. Any duplicates are removed from processing and a denial notice sent to the participant. A different claims processor enters the total of each claim within the batch in a separate reconciliation program and verifies the totals of both entry programs. Any discrepancies are resolved before reimbursements are issued.

Valid claims for medical reimbursement will be paid up to the annual election amount, less previously paid claims, regardless of the amount contributed year-to-date. Dependent care claims are entered as the total amount requested and paid up to year-to-date contributions less previous reimbursements. Any remaining dependent care requested amounts are tracked by ASIFlex's system as outstanding requests and are paid as funds are subsequently contributed. Once a valid dependent care claim has been filed by a participant, that participant does not need to resubmit that claim in order to receive outstanding funds.

Claims Payment Time and Frequency

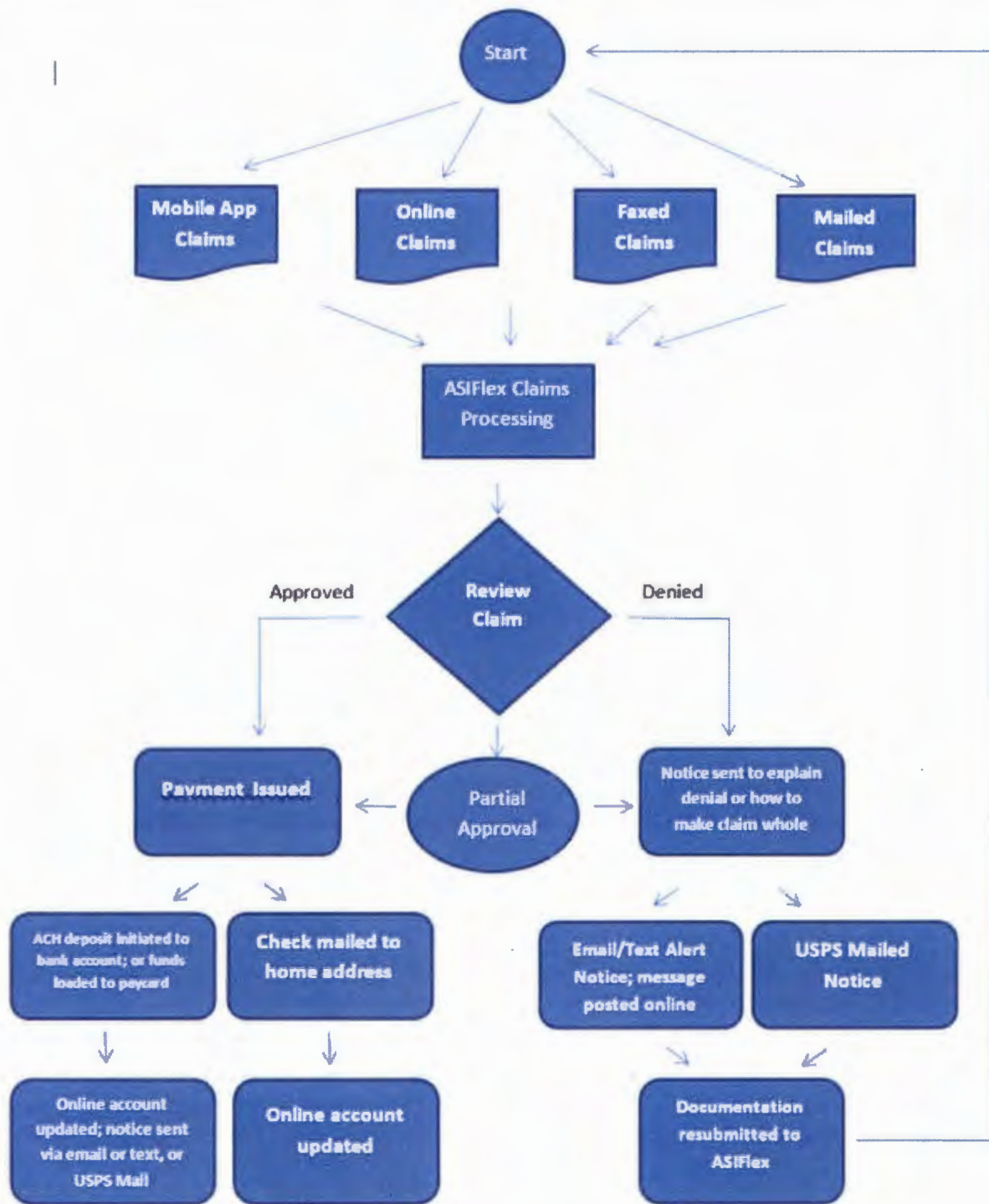
On average completed claims are paid within one business day! During peak times of the year claims are paid within two to three business days. Checks and paper direct deposit statements are generated by client groups. A count of the total number of envelopes containing a check or a direct deposit statement is made and compared with a similar count determined by the system. No checks or direct deposit statements are mailed until these counts are reconciled. This ensures that no envelope contains more than one check or payment advice and protects each participant's privacy. All reimbursement checks and direct deposit statements shall be sent no later than 7:00 p.m. Central Time on the day of reimbursement. Participants signed up for electronic communication (email and/or text alerts) will receive notice of payment on the day the claim is paid.

Individual participants will have the option of determining the preferred reimbursement method. Most participants elect direct deposit as it is secure and fast. For participants choosing to be reimbursed via check, ASIFlex issues checks using its own check stock. The cost of checks and all other contractor forms, envelopes, etc. will be borne by ASIFlex.

[Account Balance Information - Explanations of Benefits](#)

An explanation of benefits reimbursement notification including the payment amount, balance or remaining annual election amount, total claimed year-to-date, total contributed year-to-date, total paid year-to-date, and pending claims is printed either on the check stub or, in the case of ACH direct deposit reimbursement, on a separate statement. Participants are emailed the afternoon the reimbursement is made and notice posted to the participant's online secure message center. Electronic communication is convenient for the participant, is secure and environmentally responsible, precluding the use of paper materials. In the interest of security, the email ACH explanation of benefits does not contain the participant's bank account number or Social Security Number. After each day's payments are made, ASIFlex will email the client notifying the appropriate staff of the amount and classifications of that day's payments. ASIFlex will post a weekly and/or monthly report of each day's reimbursements to the secure employer portal.

[Claim Process Flow Chart](#)



1.37 Describe the methods by which members are able to file claims (i.e. electronic, paper submission, etc.).

Response:

ASIFlex offers a variety of claim submission and payment options as described below. Plan participants do not have to choose only one method, and can utilize any method at the point-of-sale!

- **ASIFlex Mobile Application:** Using their phone/tablet, the ASIFlex mobile app allows participants to file claims and view their FSA account! The claim filing feature allows a participant to capture documentation using the mobile device's camera feature and submit that documentation with the claim. The mobile app also allows participants to use the microphone feature on smart devices to enter claims! This means participants can choose to speak, rather than type, some of the claim information. In addition to filing claims, participants can view the annual election amount, account balance, payments, contributions and previously submitted claims. The app is free and available online at www.asiflex.com or through Google Play or the App Store.
- **ASIFlex Card:** ASIFlex provides access to an optional FSA debit card that is administered with strict adherence to appropriate IRS regulations. The card is restricted to purchases made at known healthcare providers and purchases are auto-adjudicated when the purchase amount matches the flat-dollar co-pay of the employer plan, or used at retailers with IIAS.
- **ASIFlex Direct Provider Pay:** ASIFlex provides an option through which participants may choose to pay providers directly and even earmark funds for a specific future expense. This process also allows providers the ability to supply required documentation directly to ASIFlex and receive payments electronically. Since funds can be earmarked, the provider can be assured of future payment.
- **ASIFlex Online Claim Filing:** ASIFlex provides participants with an online claim filing option which eliminates the hassle of completing manual claim submissions. Participants can simply scan documentation and submit online to receive reimbursement. It's quick. It's easy. And it results in rapid claim payments.
- **Electronic Interface with Insurance Providers:** ASIFlex can develop an electronic claim integration file feed with a client's insurance provider and/or pharmacy benefit manager (PBM) so that eligible out-of-pocket expenses are automatically reimbursed to a participant.
- **Traditional Claim Processing:** ASIFlex reviews each claim submission to ensure compliance with all applicable IRS regulations is achieved. Claims may be submitted to ASIFlex via its toll-free fax or via mail, and processed and paid, on average, within one business day of receipt (please note that during peak times of the year, claim processing may take up to three business days). A participant may sign up to receive reimbursement via direct deposit and to have all notifications of payment sent via email.

1.38

Describe the schedule for FSA reimbursements to the member.

Response:

Reimbursements are issued daily, Monday through Friday, except holidays. On average completed claims are paid within one business day! During peak times of the year claims are paid within two to three business days. Checks and paper direct deposit statements are generated by client groups. A count of the total number of envelopes containing a check or a direct deposit statement is made and compared with a similar count determined by the system. No checks or direct deposit statements are mailed until these counts are reconciled. This ensures that no envelope contains more than one check or payment advice and protects each participant's privacy. All reimbursement checks and direct deposit statements shall be sent no later than 7:00 p.m. Central Time on the day of reimbursement. Participants signed up for electronic communication (email and/or text alerts) will receive notice of payment on the day the claim is paid.

1.39

Describe minimum claim amount requirement for reimbursement.

Response:

ASIFlex generally recommends a \$25 check minimum. Although a \$25 check minimum was chosen by the State, the State can choose any minimum amount. Participants may still submit claims and once the total amount of claims equals or exceeds the minimum, a check would be released. Also, any pending amount would be released at plan year end. The minimum would apply only to checks; it does not apply to electronic processes such as direct deposit or debit card transactions.

1.40

Describe the methods of reimbursement of FSA claims that are available to the member (i.e. electronic deposit, paper check).

Response:

Individual participants will have the option of determining the preferred reimbursement method. Most participants elect direct deposit as it is secure and fast. For participants choosing to be reimbursed via check, ASIFlex issues checks using its own check stock. The cost of checks and all other contractor forms, envelopes, etc. will be borne by ASIFlex.

1.41

Describe the process for reimbursement of health care FSA contributions from terminated employees on COBRA?

Response:

For terminated employees on COBRA, the reimbursement process is the same as for active employees. The COBRA participant may submit claims via the ASIFlex mobile application, online, fax or by mail. As the COBRA participant pays the monthly premium, FSA coverage is extended on a month-to-month basis.

As the incumbent provider of services, ASI COBRA and ASIFlex coordinate this process.

1.42

Describe performance standards with respect to:

- a. Adherence to implementation/annual enrollment timeline
- b. Readiness of claims adjudication and reimbursement and customer service systems
- c. Readiness of eligibility system
- d. Completion of plan documents

Response:

ASI established implementation and renewal timelines to manage all aspects of a transition, or of a renewal process. As the incumbent provider of services, ASI can provide a smooth and uninterrupted renewal process. ASI timelines include task that must be completed, responsible person for a given task, and projected completion date. Regular touch-point calls are held for all new program implementations, and as-needed for renewals. This allows ASI to manage the implementation process to ensure that all stakeholders remain on task. In general, new program implementations are planning over a 3 to 6 month period; while renewal are typically a 3 to 4 month period. ASI staff are responsible for established internal system setup and processing parameters, and procedure also require a second review by another manager to ensure accuracy. Plan documents can be provided within two weeks. ASI will collaborate with the State on the renewal timelines and make any adjustments that may be needed.

Provide actual (achieved) performance measurements for an account size comparable to the State of Nebraska for 2017 and 2018 as well as the 2017 and 2018 performance standards targets for the claims office that will handle the State account.

Performance Measure	2017 Performance Targets	2017 Performance Actuals	2018 Performance Targets	2018 Performance Actuals	PG Measurement Utilized
Member Satisfaction Survey (% satisfied)	*				
Reimbursement turnaround time (xx.xx% within xx business days) for a claim filed electronically	97% paid within 3 days	100% paid within 0.34 days	97% paid within 3 days	100% paid within 0.30 days	Based on receipt of electronic claim to the time payment is released.
Reimbursement turnaround time (xx.xx% within xx business days) for a paper claim	97% paid within 3 days	100% paid within 0.34 days	97% paid within 3 days	100% paid within 0.30 days	Based on receipt of paper claim to the tie payment is released.
Financial Accuracy ((percentage of all claims paid)	97% paid accurately	100%	97% paid accurately	99.85%	Total dollar amount processed correctly divided by correct dollar amount.
Payment Accuracy (percentage of all claims paid)	97% paid accurately	99.97%	97% paid accurately	99.22%	Total number of claims processed correctly divided by total claims processed.
Customer Service					
Telephone call response time (seconds)	30 seconds or less	3.9 seconds	30 seconds or less	3.4 seconds	Measured as speed to answer.
First call resolution rate (percentage)	**				
Closure time for open inquiries (number of days)	**				

1.43

Response:

*Note that member satisfaction surveys are client specific, and can be conducted upon request by the State. ASI would collaborate with the State to develop the survey and customize the questions related to the State's program. ASI has not been requested to conduct a survey for several years.

**ASI provides live help in that callers can speak with an experienced CSR each time he or she calls! ASIFlex CSRs not only handle customer calls, but process claims as well. Each CSR has access to plan information, processing parameters, claims and payment history. Because of this dual role, first-call resolution is provided in most cases. Should a CSR need assistance in responding to a caller, he or she can immediately consult with a CSR II, CSR II or department manager to assist in answering questions. Should there be a need for a return call or research, ASIFlex

will respond within 24 hours. ASI records all calls, and in 2019 started logging calls and inquiries so there are no results for 2017-2018. A sample of the information logged is displayed in 1.25.

ASIFlex's customer service representative (CSR) team and account managers receive compliments on a regular basis. Here is what plan participants and clients/brokers are saying:

Customer Service Compliments

From Alaska: "I just wanted to take a minute to say thank you. I thought I was pretty happy with the last vendor my university used for our flexible spending accounts, so I was a little concerned when we switched to ASI. I have been absolutely amazed by the level of customer service ASI provides. The payments are extremely fast. The website and app are easy to use. I really appreciate the text notifications as well. You are providing outstanding customer service and I appreciate it!

From California: "Your CSR was professional, kind, and understanding."

From North Dakota: "I am so pleased with the service I receive and appreciate that I can talk with a live person. I always receive correct information!"

From Delaware: "Your CSR was so nice, professional and helpful. I've never had a bad experience when calling ASIFlex!"

From Massachusetts: "I would like to acknowledge your CSR for the excellent service provided last week. She took on the problem and quickly offered a solution!"

From California: "The CSR was very polite, professional, knowledgeable and quick responding to me. Too often we encounter people who are either too busy to care, or just don't care about your issue or concern. It is truly refreshing and appreciated when superior customer service is received!

From Delaware: "You are so great to deal with and so quick with processing!"

From Colorado: "I just wanted to say, I greatly appreciate your quick and efficient service. I can always count on a quick turnaround when sending in a claim and great customer service when talking with your customer service department. You're great!"

From Arizona: "I am so impressed with calling an 800 number and actually talking to a person instead of having to leave a message!"

ASIFlex Account Manager Compliments

From South Carolina: "You are THE BEST!!! I had sooo many issues with the previous vendor and it would take days before they would respond. ASI Flex has EXCELLENT customer service and we have had a wonderful year! I really appreciate all you have done with us this year and I'm looking forward to another amazing year with ASI!!!!!"

From Kansas: "You are amazing!!!!!! I didn't even have to ask. MANY THANKS!"

From Missouri: "Thank you for being so great to work with. I appreciate you being so prompt and helpful with all of my questions!"

From Missouri: "You have always been amazing and fantastic to work with."

From South Carolina: "Thank you very much for your assistance. As always, you are so very helpful!"

From Nebraska: "I will miss your speedy assistance and friendly customer service!"

From Nebraska: "Thank you. You've been extremely helpful!"

From North Dakota: "Thank you! You are so nice to work with!"

From Kansas: "You Rock. Happy New Year!"

From South Carolina: "Thanks for your help. You are extremely easy to work with and give great assistance! FYI, I do compliment ASIFlex at any state or benefit administrator meetings I attend because it has been smooth sailing compared to past years!" □

From North Dakota: "Thank you so much. You have been great to work with through the transition!"

From Missouri: "You are so efficient! Appreciate you!"

From Missouri: "Wow! You are fast; thanks!"

From Massachusetts: "I am no longer the benefit coordinator. It was a pleasure working with ASIFlex. The account manager is wonderful; as is the data analyst! Thank you for all you do for us and our employees"

From California: "Perfect! We make a good team!"

From Colorado: "I've really enjoyed working with you and I've appreciated all of the support you've provided to me and our benefits team."

From Texas: "You're awesome; thank you!"

From Massachusetts: "Your account manager is wonderful to work with!"

From Kansas: "You were missed; however, your backup manager did a great job filling in!"

From Missouri: "Man that was easy! Thanks for the excellent service, as always!"

ASI COBRA Account Manager Compliments

From Arizona: "Your COBRA account manager is doing an amazing job helping us. Thank you for having a team that can help in these situations!"

From Colorado: "A huge thank you for your outstanding customer service skills and being so nice on the telephone yesterday. I appreciate all of your efforts and being so professional and nice at the same time!"

From Arizona: "Due to some staff turnover, our benefits team have had to step up quickly to learn about COBRA. Your supervisor has provided us with very prompt, courteous and exceptional customer service. He responds very quickly to our questions and even set up a conference call with my team to explain the COBRA process and employer portal. I have really appreciated his guidance throughout the learning process and wanted to send you a "shout out" for his hard work and excellent customer service!"

ELIGIBILITY AND DATA INTEGRATION

1.44 Describe the process for data integration with the State's eligibility systems.

Response:

As the incumbent provider of services, ASI will continue handling the current data files from the State unless changes are needed. Data files can be shared through a secure employer portal or via a secure FTP site. ASI worked with the State during the migration to Workday and works with other clients utilizing Workday.

Currently the State sends a weekly FSA change file, as well as biweekly and monthly payroll deduction reports. Following open enrollment, the State sends a file for new plan year (each July 1) FSA elections. ASI COBRA receives weekly files to report new hires and qualifying events.

1.45 Describe the process for integration with the State's eligibility system.

Response:

Same as 1.44 above.

1.46 Describe the process for accepting electronic transfer of eligibility data in a format indicated by the State and acknowledgement receipt of the file.

Response:

ASI can continue to accept the current data files without the need for any changes. Data files are typically received through the secure employer portal or through a secure FTP site. Although ASI was originally acknowledging receipt of the file, the process was changed so that ASI notifies the State should an expected file not be received timely. ASI can discuss the current process and options during the renewal process.

1.47 Describe the process for eligibility updates to be made within 24 hours of receipt.

Response:

Upon receipt of eligibility file updates, ASI will review the file for data integrity. The file is then loaded and processed within 24 hours of receipt. Should there be any error or records that do not match ASI FSA records, a discrepancy report will be provided to the State for review. ASI will work with the State HR/benefits team to reconcile any discrepancies. ASI COBRA files are received weekly and after checked, are loaded and processed within 24 hours.

1.48 Describe procedures in place to maintain eligibility records for all participants.

Response:

ASI will maintain all eligibility information as reported by the State through the regular eligibility file updates. At any point in time, management reports can be generated to identify errors or discrepancies. ASI works with the State on an on-going basis to provide discrepancy reports that identify new data, missing data, or changed data that is different from what ASI expects to receive.

1.49 Describe procedures in place to maintain eligibility reconciliations between Contractor files and the State's eligibility files.

Response:

Eligibility files are loaded and processed within 24 hours of receipt. Should there be any error or records that do not match ASI records, a discrepancy report will be provided to the State for review. ASI will work with the State HR/benefits team to reconcile any discrepancies.

1.50 Members currently enroll in the flex plan of choice during an online Open Enrollment period prior to the beginning of each plan year. Describe procedures in place to electronically accept and process the file sent by the State annually, including but not limited to any conflict or error report to be sent back to the State for resolution.

Response:

As the incumbent provider of services, ASIFlex will continue to accept and process the annual open enrollment election file. Following the close of open enrollment, the State will transmit the open enrollment election file to ASI via secure employer portal or secure FTP site. ASI will review the file for data integrity, and then load and process the new plan year elections. A report of the new plan year enrollments is available to the State for review. Should any changes be required, ASI's data team will work with the HR/benefits department to make necessary updates prior to the new plan year start date of July 1, 2020.

1.51 Describe the procedures in place to electronically accept and process the weekly file sent by the State containing new hires, terms & life event changes, including but not limited to any conflict or error report to be sent back to the State for resolution.

Response:

ASI will maintain all eligibility information as reported by the State through the regular eligibility file updates. At any point in time, management reports can be generated to identify errors or discrepancies. ASI works with the State on an on-going basis to provide discrepancy reports that identify new data, missing data, or changed data that is different from what ASI expects to receive.

1.52 Describe the data feeds (ex. eligibility file) to the State's vendor partners as requested.

Response:

ASI can generate and send any type of data file as needed for the State programs. For example, ASI currently reports COBRA eligibility to the medical, dental and vision carriers on a weekly basis.

REPORTING

1.53 Provide a sample of standard utilization and reimbursement reports for the FSA program.

Response:

ASIFlex has included sample management reports as an attachment, and a description of reports below in 1.54.

The reports can be provided in any frequency requested by the State, and different reports can be provided to different departments on a regular basis. These reports can be tailored to meet the needs of the State and ad hoc reports are available at any time upon request!

1.54

Describe the minimum standard reporting provided to the State on a monthly basis, to include but not limited to:

- a. Account Balance Detail Report: Each participant's election, claims paid, deposits, and available balance;
- b. Enrollment Report: Participants' annual elections; and
- c. Customer Service Report: Operational statistics for Member Services call center and the types of topics members call in to address.

Response:

Year-to-Date Status Report

This monthly and annual report summarizes, by participant, all year-to-date activity. It includes participant name, Social Security Number or alternate unique identifier, annual election amount, amounts contributed year-to-date, amounts requested year-to-date, amounts reimbursed year-to-date, fund balances, and available funds for both health care and dependent care. This report contains all of the information requested in 1.54(a) and (b).

Discrepancy Reports

ASIFlex will receive employee contribution data for each spending account from each payroll center. ASIFlex will verify that this actual payroll information matches the expected deductions based on the original enrollment data and updates due to changes in status. ASIFlex will post a discrepancy report to the secure employer portal each payroll cycle that identifies payroll deduction amounts that do not match the expected amounts. The report includes the payroll issue date, participant name, Social Security Number or alternate unique identifier, pay cycle and payroll ID. This report is designed to be a communication tool to identify coverage changes and terminations to ASIFlex.

Reimbursement Listing

The reimbursement listing summarizes claims payment activity during the specified period within the selected plan year. The total claims payments for health care and dependent care are listed for each day of the reporting period. The number of reimbursements issued by check and the number of reimbursements issued by direct deposit (ACH) are also listed. The reimbursement listing can also include detailed payment information for each participant.

Payment/Contribution Report

The payment/contribution report summarizes each participant's claims reimbursements and payroll contributions during the specified reporting period and plan year-to-date through the end of the reporting period. The participant's Social Security Number or alternate unique identifier can also be included.

Daily Email Activity Notice

This email notifies the client of the amounts issued that day for each flexible spending account. The notice can be sent to any individual(s) designated by the State.

Customer Service Reports

Global reporting can be made available upon request to show the number of customer contacts by email or phone, along with first call resolution results.

1.55 Describe Ad Hoc Reporting Capability both online and paper formats.

Response:

ASIFlex is extremely flexible and can provide ad hoc or custom reporting upon request. Reports can be provided in Excel/CSV or PDF formats and are posted to the secure employer portal.

1.56 Describe the reimbursement reports and documentation that will be emailed to the State on a daily basis, including but not limited to:

- a. The date the payments are processed and the plan year in which payments are processed;
- b. A separate dollar amount for the Health Care FSA and the Dependent Care FSA reimbursement account;
- c. An invoice number; and
- d. A remittance address.

Response:

Each day, ASIFlex will email the State listing the amount of reimbursements and card transactions for that day. The State then initiates an ACH credit transaction to ASIFlex to cover that days transactions. The daily email provides a summary of payments by check or direct deposit for the health care and dependent care FSAs, and also shows the total for debit card settlements. The invoice number is a combination of the client name and date; and remittance is made via ACH credit transaction to the ASIFlex maintained account from which claims are paid.

1.57 Describe the backup reports and documentation to support the daily reimbursement requests, including but not limited to:

- a. Employee name;
- b. SS#;
- c. Date of the reimbursement;
- d. Dollar amount of the reimbursement; and
- e. Whether the reimbursement was for the Health Care FSA or the Dependent Care FSA reimbursement account.

Response:

ASIFlex provides detailed payment reports to reflect:

- Employee name
- Social Security Number
- Type of payment (check, ACH, card settlement)
- Date of payment
- Health care FSA paid amount

- Dependent care FSA paid amount
- Total paid for both health care and dependent care FSAs

ASIFlex can provide ad hoc or custom reports should the State need additional reporting.

1.58 Describe the process for posting the FSA Fee Invoice and backup reports to an online portal for access by the State.

Response:

ASIFlex provides reporting through the secure online employer portal. All management reports are posted at the end of each calendar month. The FSA Fee Invoice is posted to the portal, along with a year-to-date summary reflecting plan participants. ASIFlex is flexible and can provide other ad hoc or custom reporting should the State need additional information.

IMPLEMENTATION AND COMMUNICATIONS

1.59 Provide an implementation plan detailing the implementation timeline with a July 1, 2020 effective date. At a minimum, the Implementation Project Plan must provide specific details on the following:

- Identification and timing of significant responsibilities and tasks
- Names, titles, and implementation experience of key implementation staff and time dedicated to the State during implementation
- Identification and timing of the State's responsibilities
- Transition requirements with the incumbent Contractors
- Staff assigned to attend and present (if required) at Open Enrollment
- Data and timing requirements from current Contractors to ensure transition of care and prior-authorization data is appropriately transferred

Response:

Many of these items meant to ensure transition of care (such as transition requirements with the incumbent Contractors) may be unnecessary since ASIFlex is the current contractor.

SAMPLE FSA RENEWAL/IMPLEMENTATION TIMELINE

Note: Schedule can be accelerated as needed.

TASK	RESPONSIBLE	COMPLETION DATE
Contract award	State	December 20, 2019
Administrative Services Agreement (ASA) readied for signature	State/ASI	January 31, 2020
ASA finalized and signed	State/ASI	February 14
Renewal Implementation Document (ID) provided by State for completion	ASI	February 28
ID completed and returned to ASI	State	March 13
Discuss plan design changes, communication needs, confirm date for HR Partners event	State/ASI	March 20
ASI system set up completed	ASI	April 3
ASI staff awareness training of any new plan provisions or new processing requirements	ASI	April 10
Human Resource Information Group (HRIG) Partners Event in Lincoln	State/ASI	April 16

Delivery of employee communication material to State	ASI	April 16
Open Enrollment Begins	State/ASI	May 5
Open Enrollment Ends	State/ASI	May 19
Open Enrollment Election File provided to ASI	State	May 26
Debit cards ordered for new health care FSA participants	ASI	June 5
Confirmation letters mailed to 7/1/2020 plan participants	ASI	June 19
New Plan Year Begins		July 1, 2020
First month payroll deduction files validated	State	July 31
Monthly management reports and administrative fee billing posted to secure employer portal	ASI	August 1
Management reports reviewed by State; notify ASI of any issues or changes needed	State	August 7
Nondiscrimination testing initiated	State/ASI	August 14
Nondiscrimination testing completed	State/ASI	August 28
Mid-Year planning meeting	State/ASI	January, 2021

SAMPLE COBRA/RETIREE BILLING RENEWAL/IMPLEMENTATION TIMELINE

Note: Schedule can be accelerated as needed.

TASK	RESPONSIBLE	COMPLETION DATE
Contract award	State	December 20, 2019
Administrative Services Agreement (ASA) readied for signature	State/ASI	January 31, 2020
ASA finalized and signed	State/ASI	February 14
Renewal Implementation Document (ID) provided to State for completion	ASI	February 28
ID completed and returned to ASI	State	March 13
Discuss plan/carrier changes, confirm new premium rates for each COBRA plan, discuss handling of open enrollment (OE)	State/ASI	March 20
ASI system set up completed	ASI	April 3
ASI staff awareness training of any new plans, new rates, open enrollment procedures	ASI	April 20
Prepare sample OE announcement and communication for State review	ASI	April 16
Send OE communication to current participants and those within election period	ASI	May 1
Open Enrollment Begins	State/ASI	May 5
Open Enrollment Ends	State/ASI	May 19
Receive and process new 7/1/2020 COBRA and Retiree plan elections	ASI	May 29
Mail confirmation of 7/1/2020 elections with new premium coupons to participants	ASI	June 15
Eligibility updates sent to carriers	ASI	June 26

New Plan Year Begins		July 1, 2020
Premium remittance for July premium receipts	ASI	August 18

ASI will assign an account management team to work with the State on the renewal of the FSA program and the COBRA/Retiree Billing function. As the incumbent provider of services for the State, the current account management team will continue working with the State. Resumes of ASI staff members are included within the attachments section of the proposal.

ASI will meet with State representatives to complete a renewal/implementation document for each service. The implementation document is utilized to capture specific information such as contact information for employer, contact information for carriers or other contractors, specific plan parameters, processing guidelines, banking arrangements, employee communication, etc. This document ensures understanding of the processes and procedures for both the State and ASI, and dictates how services will be provided going forward. A suggested implementation timeline is included, however, this timeline will be adjusted as needed in order to implement both services effective July 1, 2020. During the implementation process, ASI can host regular touch-point calls with the State to manage the renewal and timelines.

Anita Spencer, vice president of marketing, is based in Omaha and supports the ASI marketing initiatives. Anita has served as the State's account executive since 2012. Anita will work closely with the account managers and will provide account oversight, assist with strategic planning, renewals, communications and regulatory updates. Anita will collaborate with the State regarding FSA communications and attend the annual Human Resource Information Group (HRIG) partners event each April. She is a seasoned benefit professional with over 25 years' experience within the benefits industry. Her prior experience includes eight years with UnitedHealth Group/Optum as a senior strategic account executive handling national client accounts, and nearly 20 years with a regional brokerage firm, SilverStone Group. Anita earned her Certified Employee Benefit Specialist (CEBS) designation from the International Society of Certified Employee Benefit Specialists.

Rachel Moore, ASIFlex account manager, started with ASI in October of 2008 as a customer service representative. She quickly developed a passion for working with the ASIFlex FSA debit card and assisting employers and participants. Rachel was promoted to a CSR II supervisor where she also helped manage the daily inbound participant email inquiries. Rachel has gained notable experience with ASIFlex and has a vast knowledge of FSA, HRA and HSA benefits plans. In March 2018, she graduated from Columbia College with a General Bachelors minoring in Business, Psychology and Sociology. Rachel truly believes in providing the best customer service by going above and beyond for every client and participant.

Matt Breske, ASI COBRA manager, has over 13 years of flexible spending account and COBRA/Direct Bill experience with ASI. He is a graduate of the University of South Dakota with Bachelors of Science and began his ASI career as an account manager for ASIFlex. Matt was responsible for implementation, open enrollment, payroll data exchange, service questions and changes for his respective clients. He has also been part of the Marketing and Communications team responsible for completing Requests for Proposals (RFPs) and helping to create marketing campaigns for ASIFlex. For the past few years Matt has worked as the client services director, and is now focusing his efforts on ASI COBRA by growing its client base through the RFP process, implementing new clients, and managing the daily workflow for established clients.

Mike Gill, COBRA account manager, has nine years of flexible spending account and COBRA/Direct Bill experience with ASI. He graduated from the University of Missouri with a degree in Psychology. After extensive experience in customer service in the public and private sectors, Mike took a position with ASI in the customer service department, assisting customers and reviewing claims. He was promoted to a supervisory position before joining the COBRA

team as an account manager, where he handles the daily operations while working to implement new clients. Most recently, Mike was promoted to supervisor of ASI COBRA.

1.60	Provide detailed information on communication to the members and how the contractor will collaborate with the State to design these materials. Provide sample communication and educational materials such as employee brochures, letters, posters, videos, etc.
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Response:

Employee communication is an essential part of pretax spending account programs. ASIFlex has developed and implemented a comprehensive employee outreach campaign for employers for use in its communication to benefit-eligible employees. Communication that is overwhelming or overly complex will not be read or it will not be fully understood. As such, ASIFlex employs a variety of media for providing information to potential participants.

Examples of this material are included as an attachment and are listed below:

- FSA Overview of general-purpose health care and dependent care FSAs
- Over-the-Counter Eligible Expense Summary
- Over-the-Counter Informational Cards
- FSA Worksheet
- FSA Eligible Expense Listing
- ASIFlex Card "Things to Know" brochure

ASIFlex's website at asiflex.com is an educational resource that provides educational videos, detailed information regarding debit cards, program descriptions, frequently asked questions, claim and administrative forms, links to IRS Forms and Publications and a link to FSA Store that includes thousands of eligible over-the-counter health care products.

PDF files of posters can also be provided to communicate availability of the ASIFlex Mobile Application and the FSA Store with a coupon code for product discounts. ASIFlex has also included other sample posters that can be used to draw attention to the benefits of the FSAs.

ASIFlex is happy to work with the State to customize any material; and also assist in reviewing the State's benefit guide each year. Samples of some employee communication material is included within the attachments section of the proposal.

1.61	Provide detailed information on how long it will take to print and distribute benefits literature.
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Response:

As the incumbent provider of services, ASIFlex typically delivers a supply of open enrollment communication material to the State each April. ASIFlex typically has material printed early each calendar year which is readily available to meet the State's needs.

1.62	Describe the level of support that will be provided in assisting members in understanding how FSAs work to increase utilization of the benefit.
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Response:

ASIFlex is always happy to help with educating and teaching employees about the benefits of participating in the FSA program! For example, there are various services ASIFlex can provide including, but not limited to:

- Employee educational sessions or webinars
- Lunch and learn webinars
- Videos
- Newsletter articles the State can incorporate into its employee communication
- Tips article series regarding how to utilize FSAs
- Monthly newsletter articles to educate on use of eligible over-the-counter products
- Open enrollment posters
- Illustrations of tax savings
- Ad that can be inserted into annual Options Guide
- Comparison charts of FSAs and HSAs
- Over-the-Counter product coupons

ASIFlex will collaborate with the State to determine the communication strategy for the State population.

Value Added Offer

As an added value, ASIFlex would like to offer a one-time or annual program that would include an emailed product coupon to all benefit-eligible employees. The offer could also include a chance to enter to win a raffle for a large FSA-eligible product bundle on an annual or perhaps a quarterly basis. ASIFlex would collaborate with its partner, FSA Store, to develop flyers and emails, and to promote a program that would be of benefit not only to FSA participants, but to all State benefit-eligible employees. This could help to increase awareness of the program and the benefits of participating. Details could be discussed during the renewal process.

COBRA AND RETIREE BILLING ADMINISTRATION

1.63

Describe in detail what kinds of reports are available regarding COBRA and Retiree Billing administration, including the ability to customize reports.

Response:

The State will have access to not only the participant portal to view account information, but will also have access to the employer portal. Comprehensive management reports are available to the State on-demand at any time. The State will choose which staff members have access to the portal. Reports available from the employer portal include:

- New Plan Member Report
- Member Status Report
- Paid-through-Date Report
- Premium Remittance Report and Refund Report
- COBRA Qualified Beneficiary Plan Member Detail Report
- COBRA Qualified Beneficiary Summary Report
- Carrier Notification Pending Report
- Carrier Notification Processed Report
- Generated Letters Detail Report
- Generated Letters Summary Report
- COBRA Qualified Beneficiary Detail Report for ACA Reporting
- Special Plan Member Detail Report for ACA Reporting
- Member by Postal Code Report
- Plan Rate Renewal Report

- Proof of Mail Report
- Members without Plans Report
- Special Plan Members (direct bill) Report
- COBRA Qualified Beneficiary Detail for ACA Reporting
- Special Plan Member Detail for ACA Reporting
- Email Notifications Detail Report
- Email Notifications Summary Report

Reports can be produced in MS Excel or CSV, or PDF formats.

1.64

Describe the process for members to pay monthly bills online and/or via credit card.

Response:

COBRA or Retiree participants sign up to have premiums automatically paid each month via an ACH bank debit transaction. ASI COBRA provides an authorization for this purpose, and it is also posted on asicobra.com for easy access. Participants can also make monthly payments online via ACH bank debit or credit card. There is a fee billed to the participant for this one-time service.

1.65

Describe the process applied to members for non-payment.

Response:

ASI will provide a set of payment coupons to participants and will collect payments, handle under-payments, non-sufficient fund payments, etc.

Payment will be accepted if made within the grace period as stipulated under the employer plan (typically 30 days). Coverage will be terminated appropriately for non-payment of premium, or if the maximum period of COBRA coverage has been exhausted. Notification of termination will be sent to the individual and the termination reported to respective carriers. A HIPAA certificate of creditable coverage will be sent to the individual, if required.

1.66

Describe the process for sending members delinquent letters, including the timing for said letters.

Response:

To mitigate risk to the State, ASI COBRA provides a set of payment coupons to each enrolled individual and will accept payments, handle under-payments, non-sufficient fund payments, etc.

Underpayments are tracked by the system and participants are notified. Attempted payments with non-sufficient funds are also tracked and subsequent premium payment is required by cashier's check or money order. A fee of \$25 is billed to the participant for handling of the non-sufficient fund payment.

Coverage will be terminated appropriately for non-payment of premium, or if the maximum period of COBRA coverage has been exhausted. Notification of termination will be sent to the individual and the termination reported to respective carriers. A HIPAA certificate of creditable coverage will be sent to the individual, if required.

1.67

Describe the process if a member makes a payment for the current month and the two months following, how the payment will be reflected on the report as each month paid goes by.

Response:

SI COBRA can accept payments for the current month, as well as any future months. Payments will apply to the specific month and will appear on the remittance report for that particular month. For example, if a participant pays for January, February and March in January; the payment for January premium will appear on the January remittance report. February and March premiums will be held and will then be applied to the respective months, and will appear on the respective monthly remittance report.

SECTIONS II - VI

II. TERMS AND CONDITIONS

Bidders should complete Sections II through VII as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the solicitation, contractor is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and contractor fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this solicitation. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this solicitation.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RA			

The contract resulting from this Request for Proposal shall only incorporate the following documents:

The contract resulting from this solicitation shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the solicitation;
3. Questions and Answers;
4. Contractor's proposal (Solicitation and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to solicitation and any Questions and Answers, 4) the original solicitation document and any Addenda. and 5) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RH			

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or five (5) calendar days following deposit in the mail.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

C. BUYER REPRESENTATIVE (POC)

The State reserves the right to appoint a Buyer's Representative to manage [or assist the Buyer in managing] the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the Contractor will be provided a copy of the appointment document, and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

E. BEGINNING OF WORK

The contractor shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

F. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

G. CHANGE ORDERS OR SUBSTITUTIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RH			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the solicitation. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

In the event any product is discontinued or replaced upon mutual consent during the contract period or prior to delivery, the State reserves the right to amend the contract or purchase order to include the alternate product at the same price.

*****Contractor will not substitute any item that has been awarded without prior written approval of SPB*****

H. VENDOR PERFORMANCE REPORT(S)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RH			

The State may document any instance(s) of products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or solicitation specifications. The State Purchasing Bureau may contact the Vendor regarding any such report. Vendor performance report(s) will become a part of the permanent record of the Vendor.

I. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RH			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the

State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

J. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby. OR In case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

K. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

L. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

M. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY (Optional)

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this solicitation.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

N. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RA			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

O. PERFORMANCE BOND

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RA			As the incumbent provider of services for the State, ASI has provided a cashier's check to the State for the current contract; and will update at the expiration date.

The Contractor will be required to supply a cashier's check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the cashier's check or bond must be established dollar amount of \$200,000 The check or bond will guarantee that the Contractor will faithfully perform all requirements, terms and conditions of the contract. If the Contractor chooses to provide a cashier's check, the check must show an expiration date on the check. Cashier's checks will only be allowed for contracts for three (3) years or less, including all renewal options. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or cashier's check will be returned when the contract has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

P. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RA			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

Q. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PA			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

R. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PA			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

S. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PA			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

T. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RS			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
 - g. Contractor intentionally discloses confidential information;
 - h. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

U. CONTRACT CLOSEOUT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RS			

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;

5. Cooperate with any successor Contactor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

III.CONTRACTOR DUTIES

A.INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
JH			

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

- 8. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
- 9. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
- 10. Damages incurred by Contractor's employees within the scope of their duties under the contract;
- 11. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
- 12. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
- 13. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the contractor's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
TK			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

- 14. The Contractor must complete the United States *Citizenship Attestation Form*, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
- 15. The completed United States Attestation Form should be submitted with the solicitation response.
- 16. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
- 17. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this solicitation.

D. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
TK			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RA			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RA			

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

G. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
		RA	As the incumbent provider of services, ASI can continue to provide current insurance levels. Note that ASI provides the maximum level of insurance that is commercially available. Please see attached COI and insurance agent letter. Umbrella/Excess Liability is \$2,000,000 occurrence/aggregate. Cyber Liability is \$5,000,000 occurrence/aggregate.

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

- 18. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
- 19. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
- 20. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contactors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s).** This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. **The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
Independent Contractors	Included
Abuse & Molestation	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory – State of Nebraska
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
Professional liability (Medical Malpractice) Qualification Under Nebraska Excess Fund	Limits consistent with Nebraska Medical Malpractice Cap
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3 rd Party Fidelity	\$1,000,000
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Administrative Services
 Attn: Wellness & Benefits Administrator
 1526 K Street, Suite 110
 Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

H. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

If Contractor breaches the contract or anticipates breaching the contract the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

I. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

J. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RP			

By submitting a proposal, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

K. STATE PROPERTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

L. SITE RULES AND REGULATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

M. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

N. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

O. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

P. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

Q. WARRANTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RW			

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

Neb. Rev. Stat. §§81-2403 states, "[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency."

B. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor

C. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
TH			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. The State can support a daily invoice and process ACH transfers within three (3) business days. The State cannot support a pre-funded account. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

Invoices for payments must include:

Monthly invoice (for the Flexible spending administration fees. The fees should be invoiced after the end of the month. (For example, the August admin fees would be invoiced 9/1/19.)

Flexible Spending daily reimbursement documentation must be emailed to the State and must include:

The date the payments are processed & for what plan year, a separate amount for the dependent care & Health Care, an invoice #, in addition to a remittance address.

Weekly backup to support the daily Flexible Spending reimbursement requests must include:

The employee name, SS#, date of the reimbursement, dollar amount of the reimbursement & whether the reimbursement was for Health Care or Dependent Care.

The Admin Fee Invoice and weekly backup reports shall be posted to the vendor's site and picked up by the State.

D. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
TH			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

E. PAYMENT (Statutory)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RH			

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

F. LATE PAYMENT (Statutory)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)

The State's obligation to pay amounts due on the Contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Statutory)

The State shall have the right to audit the Contractor's performance of this contract upon a thirty (30) days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. §84-304 et seq.) The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
RH			

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent to three (3) percent of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

V. PROJECT DESCRIPTION AND SCOPE OF WORK

The contractor should provide the following information in response to this solicitation.

A. PROJECT OVERVIEW

This Request for Proposal (RFP) is being issued to find a qualified contractor to provide a Flexible Spending Account and COBRA and Retiree Benefits Administration program for approximately 16,100 eligible and 15,126 enrolled state employees effective on July 1, 2020.

Stand-alone proposals will not be accepted for FSA (Medical & Dependent care) and/or COBRA/Retiree Administration. This RFP requires a single administrator for all parts of this request, including FSA (Medical and Dependent Care) along with all COBRA and Retiree Administration related services. The State of Nebraska currently outsources administration of FSA, COBRA and Retiree benefits to ASI COBRA.

The State's open enrollment period is during May for the July 1 through June 30 plan year. All active employees along with COBRA and Retiree individuals must re-enroll each year to choose their options for the next plan year. The State of Nebraska also completes new hire and status change enrollments as necessary.

The State wishes to accomplish the following objectives:

1. Minimize the cost and rate of future fee increases.
2. Establish performance targets to assess and monitor administrator's performance.
3. Allow both Health Care and Dependent Care expenses with the Flexible Spending Account.
4. Streamline the efficiency and compliance of its current COBRA and Retiree process with a high level of performance in COBRA and Retiree administration and billing.

B. FLEXIBLE SPENDING ACCOUNTS PROJECT ENVIRONMENT

All eligible permanent State of Nebraska employees (full time and part time) located throughout the State of Nebraska can choose to enroll and participate in the Flexible Spending Account program. Enrollment is completed within the State of Nebraska Workday system, the enrollment information (name, date of birth, social security number, effective date, amount, etc.) is pulled from Workday and those files are transferred to the Contractor. Employees have the option to participate in a Health Care Flexible Spending Account, a Dependent Care Flexible Spending Account, or both. One fee is paid if employee is enrolled in both Dependent Care and Health Care Accounts.

Employees can set aside up to \$2,700 pre-tax per calendar year for the Health Care Flexible Spending Account program. This may change based on Federal guideline limits and as approved by the State. Employees may not make an annual election of less than \$120. Those employees participating in the Dependent Care Flexible Spending Account program are allowed to set aside up to \$5,000 per calendar year, per household. Employees may not make an annual election of less than \$72.

Employees participating in the Flexible Spending Account program cannot transfer money from the Dependent Care Flexible Spending Account to the Health Care Flexible Spending Account and vice versa.

Direct deposit is available to Flexible Spending Account participants once the employee signs up to receive reimbursements by direct deposits to an account of the employees choosing that receives direct deposits, or by using a medical Flex debit card. Flex card is for medical related and pharmacy spending. Dependent care can only be submitted through receipt reimbursement process.

The enrolled employees must use funds with a date of service as June 30 or earlier each plan year or remaining funds are forfeited back to the plan (no carryover option). All employees are allowed a 4 month grace period, as allowed by Federal guidelines, with all receipts to be submitted for reimbursement by the October 31 deadline each year.

The Summary Plan Description for the current Flexible Spending Account program can be found at <http://das.nebraska.gov/Benefits/Active/flex.html> Flexible Spending Accounts Summary Plan Description (SPD). Of the State's approximately 16,379 eligible permanent employees 3,533 are enrolled in the current Health Care Flexible Spending Account and 432 enrolled in the current Dependent Care Flexible Spending Account and 235 are enrolled in both.

C. FLEXIBLE SPENDING ACCOUNT REQUIREMENTS:

1. Process grace period from July 1 through October 31 and run out claims.

ASIFlex will continue to process current year claims received through October 31 following the close of each fiscal plan year. ASIFlex will review each claim to ensure it is incurred during the participant's period of coverage and that it is submitted timely.

2. **Participate in-person during the annual Open Enrollment meetings for the Human Resource Information Group (HRIG) in April of each year. If requested by other State agencies, the Contractor may participate in agency specific health fair(s).**

As the incumbent provider of FSA services, ASIFlex has participated in the annual HRIG meetings each year, and will continue to do so. ASIFlex can also participate in other agency events, and can also provide educational sessions, webinars, videos, etc.

3. **Supply printed materials (i.e. Employee flyers, links, general informational material) concerning Flexible spending and COBRA information for the annual OE meetings with HR and across the state. This information is provided to members.**

ASIFlex always provides sufficient quantities of hard-copy educational materials to help support the State's annual open enrollment meetings. In most cases, the Omaha account executive will arrange to deliver the material at the time of the HRIG event, or will otherwise order and have material shipped to the Lincoln office.

Employee communication is an essential part of pretax spending account programs. ASIFlex has developed and implemented a comprehensive employee outreach campaign for employers for use in its communication to benefit-eligible employees. Communication that is overwhelming or overly complex will not be read or it will not be fully understood. As such, ASIFlex employs a variety of media for providing information to potential participants. Examples of this material are included as an attachment and include:

- FSA Overview of general-purpose health care and dependent care FSAs
- Over-the-Counter Informational Cards
- FSA Worksheet
- FSA Eligible Expense Listing
- ASIFlex Card "Things to Know" brochure

ASIFlex's website at asiflex.com is an educational resource that provides educational videos, detailed information regarding debit cards, program descriptions, frequently asked questions, claim and administrative forms, links to IRS Forms and Publications and a link to FSA Store that includes thousands of eligible over-the-counter health care products.

PDF files of posters can also be provided to communicate availability of the ASIFlex Mobile Application and the FSA Store. The FSA Store poster can include a coupon code for product discounts! ASIFlex can also provide posters for use during open enrollment to promote the benefits of participating in FSAs.

4. **Provide final Summary Plan Documents (SPD), written and electronic, to the State Wellness and Benefit Division prior to the Open Enrollment period and subsequent open enrollments.**

ASIFlex's compliance team and on-staff general counsel will review and update the plan document and SPD as needed each year and provide to the State HR/Benefits team for review. The documents are customized and specific to the State program, and the State can edit the documents as needed.

5. **Comply with the following eligibility process:**
 - a. **Integrate with the State's eligibility systems;**
 - b. **Eligibility files are sent on a weekly basis with enrollment information;**
 - c. **At Open Enrollment, one large file will be sent with all updates for the new plan year, and weekly after that;**

- d. **The State of Nebraska will provide the initial Flex file (for both Medical and Dependent care) from the Open Enrollment elections for the plan year;**
- e. **Accept electronic transfer of eligibility data in a format indicated by the State and acknowledge receipt of the file;**
- f. **Implement eligibility updates within 24 hours of receipt;**
- g. **Maintain eligibility records for all participants; and**
- h. **Maintain eligibility reconciliations between Contractor files and the State's eligibility files.**

As the incumbent provider of services for the State FSA program, ASIFlex can ensure a smooth and uninterrupted renewal process and provide continuity for on-going eligibility management. ASIFlex does not anticipate any changes to the current integration file processes and will continue to receive weekly files and make updates within 24 hours. ASIFlex will also receive an annual open enrollment file for the July 1 new plan year enrollments.

Data exchange flexibility with clients is a hallmark of ASIFlex services. With its proprietary system, ASIFlex can accept any file format for input from the client for enrollment, eligibility changes, or payroll contributions. ASIFlex can also format output files to match the needs of the State, or any other third-party.

- 6. **Claims are paid by the Contractor and a reimbursement request is sent to the State on a daily basis via email. The reimbursement request is processed the following business day. The funds are electronically deposited into the Contractor's bank account within two business days.**

ASIFlex proposes to continue the current claim funding process for the State, which does not require prefunding. ASIFlex has established a bank account that contains funds that will be drawn upon for claims reimbursements as disbursements are made to plan participants. There are three methods from which any one participant may choose for claims payment. A participant may choose to be reimbursed by direct deposit to a designated bank account or by paper check, or he or she may choose to use the ASIFlex debit card for health care transactions. Each day, ASIFlex combines each day's totals for paper checks, direct deposits, and card settlements and emails the State with a summary of that day's payments. The State then initiates an ACH transaction to the ASIFlex bank account to cover the daily payments. ASIFlex is flexible and can discuss other funding options if the State so chooses.

- 7. **Advise and assist the State in the preparation of Nondiscrimination Testing Management Report along with any additional preparation of forms and necessary documentation to fulfill reporting and disclosure requirements.**

The IRS requires that employers that offer benefits covered under Section 125 of the Internal Revenue Code (Pre-tax insurance premium conversion, Flexible Spending Accounts, HSA Contributions, etc.) run a set of tests to ensure that the plans comply with nondiscrimination requirements set forth by the IRS.

ASIFlex compliance services include annual nondiscrimination testing upon request. ASIFlex will provide a testing guide that describes the testing requirements and definition of the prohibited group (those in whose favor the plan cannot discriminate), along with the necessary data elements. Upon receipt of the necessary data, testing is performed for the Section 125 cafeteria plan, the Section 105(h) health care spending account and the Section 129 dependent care spending account. Test results are provided to the client and should any test be failed, ASIFlex will work with the client to make corrections.

Some of the tests apply to all benefits provided under Section 125, while other tests apply only to certain benefits. Some tests compare benefits for key employees to benefits for non-key employees, and other tests compare benefits for highly compensated employees to benefits for non-highly compensated employees. Adding even additional challenges to the testing are different definitions of the same terminology across different non-discrimination tests. For example, the criteria for determining a highly compensated employee for purposes of testing the Health Care FSA benefits is different from the criteria for determining a highly compensated employee for purposes of testing the Dependent Care FSA benefits.

None of the statutes related to cafeteria plans and component welfare benefit plans describe when testing must be performed. The 2007 proposed cafeteria plan regulations provide some guidance, indicating that plan tests be performed as of the last day of the plan year taking into account employees on any day during the plan year.

Since the tests cannot be satisfied by corrections made after the plan year has ended, employers may want to monitor the testing throughout the plan year so that adjustments can be made before year-end to bring the plan into compliance. For example, employers may wish to test early in the plan year and prior to the end of the plan year, as well as after the plan year end. If the plan is found to be discriminatory during the plan year, corrective action can and should be taken to bring the plan into compliance before plan year end. Note that in order to avoid tax consequences, this corrective action must be taken before the end of the plan year.

8. **Provide guidance and written documentation within thirty (30) days upon request, on the PPACA and any future issues as related to health care reform, including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as those issues pertain to the State's experience.**

ASI staff and its general-counsel are members of national associations and subscribe to industry-leading publications in order to remain current on changing regulations that may impact FSAs, COBRA administration or retiree billing. In the event of changes, ASI's general counsel will review the guidance carefully to determine the impact to the State, to plan participants, and to the State or ASI processes and procedures. ASI will determine any action steps that are necessary and will communicate information via its monthly client FOCUS newsletter, by conference call, or in person.

9. **Administer the program in compliance with the insurance laws of the State of Nebraska and all Federal regulations.**

ASIFlex provides compliant services and does not utilize processes or methods that are not explicitly allowed by IRS or State regulations. Unlike some administrators, ASIFlex does not take shortcuts and provides a compliant debit card process. ASIFlex will monitor the plan design to ensure adherence to regulations is maintained. A successful FSA program can only exist if the employer and the TPA agree on the general philosophy of how the plan should operate.

10. **Monitor Federal regulations and State legislation affecting Flexible Spending Account programs provided under the plan and report to the State on those issues in a timely fashion prior to the effective date of any mandated plan changes.**

ASI staff and its general-counsel are members of national associations and subscribe to industry-leading publications in order to remain current on changing regulations that may impact FSAs, COBRA administration or retiree billing. In the event of changes, ASI's general counsel will review the guidance carefully to determine the impact to the State, to plan participants, and to the State or ASI processes and procedures. ASI will determine any action steps that are necessary and will communicate information via its monthly client FOCUS newsletter, by conference call, or in person.

11. **Attend an annual performance or "stewardship" meeting within 180 days after contract year-end at which time the Contractor will, as directed by the State, summarize activities and performance for the year end.**

ASIFlex meets with the State annually and will continue to do so. ASIFlex can meet more often or as needed. We are happy to meet quarterly or on any frequency that meets the needs of the State. During the meeting, ASIFlex will review any topics that are of importance to the State, as well as:

- Review of service model and confirm State personnel authorized contacts
- Contribution and claims data

- Review of any file or process changes that might be needed
- FSA service enhancements for plan participants or the State
- Health plan design changes that may impact FSAs
- FSA plan design options
- Open enrollment activity, employee communications
- Compliance requirements such as plan document, nondiscrimination testing, plan design, legislative changes or anticipated changes
- Other ASI service options such as health savings accounts or health reimbursement arrangements

12. Provide dedicated staff in the following specialties:

- a. **Implementation Manager: Responsible for development and execution of implementation plan. Coordinates with the State, internal and other external resources. The Implementation Manager shall be dedicated to the State during the implementation process. Three (3) years of experience as an Implementation Manager and experience with groups 15,000 and larger are also required.**
- b. **Account Executive: Responsible for overall account relationship including strategic planning in relation to plan performance, consultative services, recommendations for benefit design and cost containment opportunities, overseeing contractual services under the contract with the State, and managing all other Contractor's staff working on this account. Has overall responsibility for waste, fraud and abuse oversight and control. The Account Executive will be located in Nebraska and will be dedicated to the State account. The Account Executive will have a minimum five (5) years of experience as an Account Executive and have previously served as an Account Executive for at least one (1) year for a group of at least 15,000 members.**
- c. **Member Services Manager: Responsible for all customer service functions and reporting. Three (3) years of experience as a Member Services Manager and experience with groups 15,000 and larger are also required.**

ASIFlex's proposed account management team will include:

Account Executive - The account executive leads new client implementation processes, and will work with the State as needed to ensure a smooth renewal process. The AE can assist with strategic planning and provide account oversight of all processes and procedures. On-going the account executive is available to assist the State with strategic planning, communications, renewals and legislative changes. Anita Spencer, Omaha, NE, serves as the Account Executive for the State of Nebraska. She will oversee the renewal implementation, and serve as the member services manager.

Account Manager – The account managers for FSA and COBRA/Retiree Billing work closely with the account executive to execute on all processes and procedures, assist in the renewal implementation process, on-going management reports, assist with change in status processing, assist with appeals and escalated participant questions. The account managers will be the primary point of contact for on-going day-to-day servicing and questions from the State's HR/Benefits staff. ASI provided backup managers as well. Rachel Moore will serve as the ASIFlex FA account manager; Mike Gill will serve as the ASI COBRA/Retiree Billing account manager.

Lead Data Analyst – ASIFlex's lead data analyst will oversee and manage the on-going payroll contribution files and reconciling of contributions. The data team will also assist with annual open enrollment and mid-year enrollments and changes in eligibility as well as confirmation letters. Jason House is the lead data analyst for the State.

Executive Sponsor – ASI assigns a senior member of the ASI management team to serve as the executive sponsor. The executive sponsor is responsible for all contract deliverables and is available at any time to assist the State. John Riddick, ASI President/CEO serves as the ES.

13. **An Account Executive shall be accountable and responsible to the State for proactive management of all aspects of the Contractor's performance to the State. The Contractor shall not change assignment of the Account Executive without written notice provided to the State with a minimum of fourteen (14) business days prior to such change. The State reserves the right to request assignment of a new Account Executive and the Contractor shall make such change within 30 calendar days of receipt of written notice from the State.**

As the incumbent provider of services for the State, the current account executive, Anita Spencer, will continue working with the State HR/Benefits staff. Anita provides account oversight and is available to assist with strategic planning, employee communications, renewals, compliance questions, plan design, legislative changes, etc. With 25+ years of experience in the health and welfare plans industry, Anita has an extensive background with group benefit plans, Section 125 plans and COBRA compliance.

14. **Account Executive must be available by phone conference within two (2) hours after a request by the State and at no additional cost to the State.**

The account executive is available to assist the State at any time! In addition, ASI's general counsel, Jan Jackson, will serve as backup to the account executive.

15. **Provide data feeds (ex. eligibility file) to the State's contractors such as Medical/Rx contractors, as requested.**

Per Addendum 2, Q&A, this requirements pertains to COBRA and Retiree Billing services. ASI COBRA will continue to provide eligibility updates to the respective carriers.

16. **Provide an annual score card so the State can assess Contractor's performance.**

ASI will be happy to collaborate with the State to develop a score card. ASI works with other employers utilizing score cards and will leverage current experience to develop a specific score card for the State's use. As an example, some of the evaluation points might include:

- Knowledge – understanding of State benefit plans, service expectations, FSA/COBRA
- Professionalism – acknowledges concerns, provides appropriate verbal/written communication, works to develop a positive working relationship
- Proactive management – Interacts as needed, communicates potential issues with resolutions, manager system requirements, sets realistic expectations
- Accessibility – availability to assist in timely manner, provides alternate contacts in case of absence
- Responsiveness – responds in timely manner, providers thorough responses, follows through as needed, utilizes internal resources when/as needed

17. **Provide prefund claims reimbursement, including the printing and issuing of checks and electronic funds transfer.**

Individual participants will have the option of determining the preferred reimbursement method. Most participants elect direct deposit as it is secure and fast. For participants choosing to be reimbursed via check, ASIFlex issues checks using its own check stock. The cost of checks and all other contractor forms, envelopes, etc. will be borne by ASIFlex.

D. COBRA AND RETIREE PROJECT ENVIRONMENT

Services to include COBRA and Retiree Administration for the Health, Dental, Vision, Medical FSA and EAP plans. Direct billing services must also be provided for both COBRA and Retiree enrolled in either of these options. COBRA enrollees are charged a 2% administration fee for each of the plans enrolled. The administration fee is retained by the State.

Retirees must go through Open Enrollment each year just as active employees. During the open enrollment period, a Retiree cannot enroll in any coverage they are not presently enrolled in. The enrolled participant can make tier changes to the coverage's and change plan enrollment types, example if the participant is enrolled in Basic Dental they are allowed to elect Premium Dental, if the participant is in any medical plan they can change within plans, example: high deductible to regular. Current Retirees cannot add any dependents during open enrollment unless documentation is supplied showing the spouse has lost creditable group coverage, not individual coverage, the day prior to when the new benefit plan year will be effective. (Example: the new benefit plan year will start on July 1st, John Smith is enrolled in single medical, his wife retires from her job and can supply the documentation that her coverage ended on June 30th then John Smith will be allowed to add his wife to his coverage.)

An ex-employee under the age of 55 can go before the State Retirement Board and request disability retirement. If the request is approved, the Nebraska Public Employees Retirement System will send a letter with the approval to the State Employee Benefits Office. In order for the ex-employee to be enrolled in the Retiree continued coverage group the ex-employee must be enrolled and in good standing in COBRA. If the employee is in good standing with COBRA his or her enrollment will be moved to the Retiree group the first of the month after the date of the approval letter and will be able to remain on the Retiree continued group up to the first of the month he or she turns 65 as long as the ex-employee remains in good standing with the Retiree group. If disabled and not an eligible retiree, the qualified beneficiary is eligible for up to an 11-month extension of COBRA continuation coverage, for a total of 29 months of COBRA coverage. The State charges the additional 48% of the premium for the 11 month SSDI extension. When COBRA/Retiree participants turn age 65, the State terminates all coverage on all plans. If employment is terminated with the State after attaining the age of 65, the individual is offered 18 months coverage for Health, Dental, Vision and EAP under COBRA.

COBRA participants and Retirees have the same plan options for Health, Dental, Vision and EAP as do active employees. Employees who terminate employment with the State at ages 55-64 and have contributed to the State's Retirement System are considered as "Retiree Status". Under Retiree Status, the participant will have the option to stay on the State's plans until turning age 65. As an added benefit, those on Retiree Status are not charged the 2% administration fee for health. Retirees aged 65 and older are offered COBRA and are charged the 2% administration fee on Health, Dental, Vision, FSA and or EAP.

The State does not employ any unique termination practices; all termination policies are the same. The State averages 3,680 terminations and 2,900 New Hires events per year. The State does not allow pro-rated/mid-month terminations. The State has approximately 1,620 IRS qualifying events per year. Of the State's approximately 16,379 eligible permanent employees, 125 are currently enrolled as COBRA and 300 are currently enrolled as a Retiree. All are being served by direct billing as enrolled participants are located across the country.

The State of Nebraska Retiree group benefit is for employees that wish to leave active service for the State on or after attaining the age of 55 up to and prior to the age of 65 and have been actively paying into the State's retirement system. A Retiree can continue Health, Dental, Vision, Medical FSA, and EAP enrollment at the age of 55 and keep the coverage to the first of the month he or she turns 65. Medical FSA can only be kept through the benefit year that the Retiree leaves state government. The enrolled participant can pay for Medical FSA for a limited number of months and then request to drop the benefit. Medical FSA is the only benefit that the Retiree can request to drop anytime during the benefit plan year.

If a person declines Retiree coverage at the time of termination from State employment, enrolled participant can never apply or be accepted for Retiree benefits in the future.

State Patrol Lifer Retiree

The State has a predetermined number of employees who are promised a unique Retiree status through a prior agreement we refer to as "State Patrol Lifer Retirees".

The number of employees that have a "State Patrol Lifer Retiree" status is approximately 8. No other employees will be allowed to participate in this manner. These individuals and spouses (if eligible) can retire from being an active employee; select benefits under the Retiree program and keep the medical benefits for an undetermined amount of time. All other benefits the State Patrol Lifer Retiree and spouse are enrolled in must be canceled the first of the month in which either participant turns 65. If the State Patrol Lifer turns 65 prior to his or her spouse then the spouse can continue enrollment in the other benefits, example Dental and/or Vision on a single plan coverage until the first of the month he or she turns 65 and vice versa.

The State Patrol Lifer Retiree cannot bring on a spouse at any later date and keep the spouse on for an in determined amount of time. If his or her spouse experiences a life event that allows the spouse to come on to the State Patrol Lifer Retiree benefit coverage's, the spouses coverage will end at the first of the month he or she turns 65 regardless of the fact that the State Patrol Lifer Retiree can carry the medical coverage for a in determined number of years. The State Patrol Lifer Retiree can keep the Health Coverage for Life only, this does not pertain to Dental, Vision, EAP or Flex. A State Patrol Lifer's Spouse can have single Dental and or Vision up to the age of 65 if the State Patrol Lifer Retiree turned 65 prior to the spouse, the medical coverage will always be employee and spouse unless the State Patrol Lifer Retiree passes away prior to the spouse then the State Patrol Lifer Retiree spouse can continue in a single medical plan.

E. COBRA AND RETIREE REQUIREMENTS:

- 1. Implement and comply with all Federal COBRA program requirements. Maintain full compliance, including but not limited to providing all new hires a letter confirming "General Notice of Your Rights, Group Health Continuation Coverage Under COBRA."**

As the incumbent provider of services for the State, ASI COBRA will continue to provide compliant COBRA administration services. The Initial Rights aka General Notification is sent to newly hired employees that have elected benefit coverage and describes their continuation of coverage rights and responsibilities. The State provides the names and addresses of those individuals who have enrolled in COBRA qualified plans. ASI will then send the notice via USPS mail with proof of mailing to the employee and, if married, to the spouse at the home address.

- 2. Medical, Dental, Vision, and flexible spending premiums that the COBRA and Retiree participants payments will need to be paid to the State of Nebraska, and payment is made on a monthly basis. Only the premium is sent to the contractor, the 2% Admin fee is retained by the State of Nebraska.**

ASI will continue to reconcile and remit collected premium payments to the State on a mothy basis. A full remittance report of those who have paid premium is provided to the State and collected premiums, included the 2% administrative fee, are remitted to the State.

- 3. Allow active Retiree who is in good standing with his or her Retiree monthly premium payments and is considered an active Retiree participant, then returns to employment with the State of Nebraska will be allowed to enroll again into the Retiree continued coverage program when enrolled participants leave State of Nebraska employment. The Retiree will be allowed to enroll in the benefits he or she was currently enrolled in on the last day of their current employment. The Retiree can also re-enroll and continue to elect coverage during the Open Enrollment period as long as the enrolled participants have remained active on the plan.**

ASI COBRA will continue to administer initial retiree enrollments; or if return to State employment and subsequently enrolling in retiree benefits for a second time.

- 4. Any active Retiree who drops the continued Retiree coverage for any other employment with benefit coverage other than employment with the State of Nebraska will not be allowed to come back on the continued Retiree coverage program for any reason. Once the enrolled participant drops the coverage or do not pay premiums in a timely manner they are terminated from the Retiree continued group coverage with no option of reinstatement. Employees are allowed a 30 day grace period from the premium due date. If premiums are not paid by that deadline the plan will be terminated.**

ASI COBRA will continue to administer initial retiree enrollments. Should the retiree drop the State retiree coverage due to obtaining other employment and other coverage, the retiree will no longer qualify to return to State retiree coverage.

ASI COBRA will also administer the grace period of 30 days and coverage will be terminated appropriately for non-payment or late payment of premium. Notification of termination is sent to the participant, and the termination of coverage date is reported to the respective carriers.

- 5. No Retiree can add coverage without a life status change that is consistent with the allowed life status changes of all State of Nebraska Active employees.**

ASI COBRA will ensure changes in coverage comply with the State's status change rules.

6. **A Spouse cannot enroll in Single coverage under the Retiree continued coverage with the exception of the spouses of State Patrol Lifers.**

ASI COBRA will continue administration for spousal coverage as described, and only spouses of State Patrol Lifers can enroll in single coverage.

7. **Comply with the following eligibility process:**
- a. **Integrate with the State's eligibility systems;**
 - b. **Eligibility files are sent on a weekly basis with enrollment information;**
 - c. **At Open Enrollment, must process paper enrollment changes submitted by participants;**
 - d. **Accept electronic transfer of eligibility data in a format indicated by the State and acknowledge receipt of the file;**
 - e. **Implement eligibility updates within 24 hours of receipt;**
 - f. **Maintain eligibility records for all participants; and**
 - g. **Maintain eligibility reconciliations between Contractor files and the State's eligibility files.**

As the incumbent provider of services, ASI COBRA will continue services as described. The current file processes can continue and there are no changes expected. ASI COBRA will assist with open enrollment and process open enrollment election forms as they are received.

8. **Provide services to all present active employees enrolled on the program effective date.**

ASI COBRA will provide administration services based on the eligibility as reported to ASI from the State.

9. **Provide materials to communicate participants' continuation options.**

Qualifying event notifications are mailed to qualified beneficiaries which describes the event that took place, the date they are eligible for coverage, a description of the coverage they may elect and pricing, and how to enroll and make premium payments. The State will notify ASI on a regular basis of those individuals who have experienced a qualifying event, such as a termination of employment or a reduction in hours that has caused a loss of coverage. ASI will mail the qualifying event notification via USPS with proof of mailing within 14 calendar days as required by regulations.

10. **Advise and assist the State to fulfill reporting and disclosure requirements.**

Comprehensive management reports are available to the State through the secure employer portal. Although there are many reports available, the most common are:

- New plan member report
- Member status report
- Paid-through-Date report
- Premium remittance report and refund report
- Qualified Beneficiary plan member detail and summary reports
- Carrier notification reports for pending and processed
- Generated letters detail and proof of mail reports
- ACA reporting for 1095/1095 requirements

11. **Provide guidance and written documentation within thirty (30) days upon request, on the PPACA and any future issues as related to health care reform, including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as those issues pertain to the State's experience.**

ASI staff and its general-counsel are members of national associations and subscribe to industry-leading publications in order to remain current on changing regulations that may impact FSAs, COBRA administration or retiree billing. In the event of changes, ASI's general counsel will review the guidance carefully to determine the impact to the State, to plan participants, and to the State or ASI processes and procedures. ASI will determine any action steps that are

necessary and will communicate information via its monthly client FOCUS newsletter, by conference call, or in person.

12. **Administer the program in compliance with the insurance laws of the State of Nebraska and all Federal regulations.**

ASI COBRA provides compliant COBRA administration services. ASI is a one-stop service for all functions of the COBRA program from implementation and renewals, client and customer service, to invoicing and eligibility reporting. ASI COBRA handles all the challenging issues of administering the details of COBRA, from the day-to-day details to staying current with regulatory and legislative changes. The State benefits staff has more time to focus on other pressing issues. ASI's accurate and timely data processing and notifications will help State mitigate risk and prevent inadvertent extension of coverage.

13. **Monitor Federal regulations and State legislation affecting COBRA and Retiree Administration programs provided under the plan and report to the State on those issues in a timely fashion prior to the effective date of any mandated plan changes.**

ASI staff and its general-counsel are members of national associations and subscribe to industry-leading publications in order to remain current on changing regulations that may impact FSAs, COBRA administration or retiree billing. In the event of changes, ASI's general counsel will review the guidance carefully to determine the impact to the State, to plan participants, and to the State or ASI processes and procedures. ASI will determine any action steps that are necessary and will communicate information via its monthly client FOCUS newsletter, by conference call, or in person.

14. **Attend an annual performance or "stewardship" meeting within 180 days after contract year-end at which time the Contractor will, as directed by the State, summarize activities and performance for the year end.**

ASIFlex meets with the State annually and will continue to do so. ASI COBRA can meet more often or as needed. We are happy to meet quarterly or on any frequency that meets the needs of the State. During the meeting, ASI COBRA will review any topics that are of importance to the State, as well as:

- Review of service model and confirm State personnel authorized contacts
- Review of any file or process changes that might be needed
- COBRA service enhancements for plan participants or the State
- Health plan design changes that may impact COBRA administration
- Open enrollment services
- Compliance or legislative changes, or anticipated changes

15. **Provide dedicated staff in the following specialties:**

- a. **Implementation Manager: Responsible for development and execution of implementation plan. Coordinates with the State, internal and other external resources. The Implementation Manager shall be dedicated to the State during the implementation process. Three (3) years of experience as an Implementation Manager and experience with groups 15,000 and larger are also required.**
- b. **Account Executive: Responsible for overall account relationship including strategic planning in relation to plan performance, consultative services, recommendations for benefit design and cost containment opportunities, overseeing contractual services under the contract with the State, and managing all other Contractor's staff working on this account. Has overall responsibility for waste, fraud and abuse oversight and control. The Account Executive will be located in Nebraska and will be dedicated to the State account. The Account Executive will have a minimum five (5) years of experience as an Account Executive and have previously served as an Account Executive for at least one (1) year for a group of at least 15,000 members.**
- c. **Member Services Manager: Responsible for all customer service functions and reporting. Three (3) years of experience as a Member Services Manager and experience with groups 15,000 and larger are also required.**

ASIFlex's proposed account management team will include:

Account Executive - The account executive leads new client implementation processes, and will work with the State as needed to ensure a smooth renewal process. The AE can assist with strategic planning and provide account oversight of all processes and procedures. On-going the account executive is available to assist the State with strategic planning, communications, renewals and legislative changes. Anita Spencer, Omaha, NE, serves as the Account Executive for the State of Nebraska. She will oversee the renewal implementation, and serve as the member services manager.

Account Manager – The account managers for FSA and COBRA/Retiree Billing work closely with the account executive to execute on all processes and procedures, assist in the renewal implementation process, on-going management reports, assist with change in status processing, assist with appeals and escalated participant questions. The account managers will be the primary point of contact for on-going day-to-day servicing and questions from the State's HR/Benefits staff. ASI provided backup managers as well. Rachel Moore will serve as the ASIFlex FA account manager; Mike Gill will serve as the ASI COBRA/Retiree Billing account manager.

Lead Data Analyst – ASIFlex's lead data analyst will oversee and manage the on-going payroll contribution files and reconciling of contributions. The data team will also assist with annual open enrollment and mid-year enrollments and changes in eligibility as well as confirmation letters. Jason House is the lead data analyst for the State.

Executive Sponsor – ASI assigns a senior member of the ASI management team to serve as the executive sponsor. The executive sponsor is responsible for all contract deliverables and is available at any time to assist the State. John Riddick, ASI President/CEO serves as the ES.

16. **An Account Executive shall be accountable and responsible to the State for proactive management of all aspects of the Contractor's performance to the State. The Contractor shall not change assignment of the Account Executive without written notice provided to the State with a minimum of fourteen (14) business days prior to such change. The State reserves the right to request assignment of a new Account Executive and the Contractor shall make such change within 30 calendar days of receipt of written notice from the State.**

As the incumbent provider of services for the State, the current account executive, Anita Spencer, will continue working with the State HR/Benefits staff. Anita provides account oversight and is available to assist with strategic planning, renewals, compliance questions, legislative changes, etc. With 25+ years of experience in the health and welfare plans industry, Anita has an extensive background with group benefit plans, Section 125 plans and COBRA compliance.

17. **Account Executive must be available by phone conference within two (2) hours after a request by the State and at no additional cost to the State.**

The account executive is available to assist the State at any time! In addition, ASI's general counsel, Jan Jackson, will serve as backup to the account executive.

18. **Provide data feeds (ex. eligibility file) to the State's contractors such as Medical/Rx contractors, as requested.**

ASI COBRA will continue to provide eligibility updates to the respective carriers.

19. **Provide an annual score card so the State can assess Contractor's performance.**

ASI will be happy to collaborate with the State to develop a score card. ASI works with other employers utilizing score cards and will leverage current experience to develop a specific score card for the State's use. As an example, some of the evaluation points might include:

- Knowledge – understanding of State benefit plans, service expectations, FSA/COBRA
- Professionalism – acknowledges concerns, provides appropriate verbal/written communication, works to develop a positive working relationship
- Proactive management – Interacts as needed, communicates potential issues with resolutions, manager system requirements, sets realistic expectations
- Accessibility – availability to assist in timely manner, provides alternate contacts in case of absence
- Responsiveness – responds in timely manner, provides thorough responses, follows through as needed, utilizes internal resources when/as needed

20. Provide a monthly premium remittance electronically to the State of Nebraska.

ASI will reconcile and remit collected premium payments to the employer on a monthly basis. A full premium remittance report of those who have paid premium is provided to the State and collected premiums are remitted to the State via ACH transaction.

F. DELIVERABLES
See Cost Proposal

ASI has submitted its cost proposal as requested.

VI. PROPOSAL INSTRUCTIONS

This section documents the requirements that should be met by contractors in preparing the Technical and Cost Proposal. Contractors should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State's comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal are presented separately in the following subdivisions; format and order:

A. PROPOSAL SUBMISSION REQUEST FOR PROPOSAL FORM

By signing the "RFP for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this RFP, agrees to the Terms and Conditions stated in this RFP unless otherwise agreed to, and certifies bidder maintains a drug free work place environment.

The RFP for Contractual Services form must be signed using an indelible method (not electronically) and returned per the schedule of events in order to be considered for an award.

Sealed proposals must be received in the State Purchasing Bureau by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.

It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows:
<http://das.nebraska.gov/materiel/purchasing.html>

Further, Sections II through VI must be completed and returned with the proposal response.

ASI has responded to Sections II through VI as requested.

ASI Staff Resumes

Anita Spencer, CEBS **Account Executive**

Vice President Marketing

Experience and Qualifications

Anita Spencer is a seasoned benefit professional with over 25 years of experience in the group insurance industry and is recognized as a subject matter expert for account-based plans such as FSAs, HRAs and HSAs. She has implemented and transitioned hundreds of plans for both small and large entities which included plan design consultations, plan document/SPDs, contract negotiation, communication strategy, eligibility and enrollment, nondiscrimination testing.

Anita joined ASI in 2012 and has worked with large ASI clients with reimbursement plan and COBRA/Direct Bill service, and supports the company's management and marketing efforts. With ASI, Anita has implemented new client groups, provided account oversight during implementations and for on-going servicing. Services include renewal negotiations, targeted employee communication, compliance review, and document updates. A few examples of the projects include:

- *State of North Dakota and North Dakota University System 2019* – Transition State FSA program including takeover of both current and new plan year processing. Managed the transition of each of the 11 campus FSA programs from various FSA providers to consolidate under ASI. Conducted statewide educational sessions for NDUS employees. Approximately 5,000 plan participants.
- *State of Montana 2019* – Managed the transition of the State FSA program under extremely limited timeframe. Transition was initiated at the time of award, December 20, 2018 and fully completed by January 7, 2019. Over 5,000 plan participants.
- *State of South Carolina 2019* – Managed implementation for State FSA program and HSA program, coordinated payroll files for hundreds of participating employers, developed communications, content development for custom website. Approximately 30,000 FSA participants and over 3,000 HSA participants.
- *State of North Dakota 2015* – Managed implementation of health reimbursement arrangement (HRA) for retiree population, with nearly 12,500 retiree participants.
- *State of Colorado 2014* – Renewal RFP process and implementation for 3,100 participant group. Introduce new limited-purpose FSA, and new \$500 carryover feature with appropriate employee communication. Provide HR/Benefit Staff training sessions, PowerPoint presentations, and representation at benefit fairs state-wide.
- *State of Nebraska 2013* – Successful launch and communication of new ASIFlex Card services for 4,500 participants. Included development of employee communication, PowerPoint presentation, and on-site HR/Benefit Staff training sessions.
- *State of Arizona 2012* – Renewal RFP process and implementation for 3,000 participant group.
- *State of Arizona 2018* – Successful launch and communication of new ASIFlex Card services for 33,000 life group. Included development of employee communication, PowerPoint presentation for participants and presentation for benefit coordinators, written material, and representation at benefit fairs.
- *State of Delaware 2014* – Renewal implementation process to include custom and targeted employee communication, online enrollment services, recorded PowerPoint presentation for 5,700 participant group.

- *State of Colorado 2014* – Renewal RFP process and implementation for 3,100 participant group. Introduce new limited-purpose FSA, and new \$500 carryover feature with appropriate employee communication. Provide HR/Benefit Staff training sessions, PowerPoint presentations, and representation at benefit fairs state-wide.
- *Commonwealth of Massachusetts 2015* – Implemented new group, organized state-wide training events for benefit coordinators including marketing materials, venues, etc. for 19,000 participant group.

Prior to joining ASI she spent eight years with United Health Group and Optum in business development and as a product manager for account-based plans and as a senior strategic account executive for national accounts. At UHC, Anita worked with national accounts to provide account oversight for account-based products and COBRA. Clients included:

- Northwestern Mutual - Milwaukee, WI
- Manpower – Milwaukee, WI
- City of Milwaukee - Milwaukee, WI
- Cabela's – Sidney, NE
- City of Columbus - Columbus, OH
- Limited Brands – Columbus, OH
- Michael's Stores – Dallas, TX
- Whole Foods Markets - Austin, TX
- Samsung – Austin, TX
- Hays Companies –Philadelphia, PA
- Sony BMG - New York, NY
- Liz Claiborne – New York, NY
- Random House – New York, NY
- Gucci – Secaucus, NJ
- The Children's Place – Secaucus, NJ
- Louisiana State University – Baton Rouge, LA
- Sandia National Laboratories – Albuquerque, NM

Previously she was vice president and chief compliance and privacy officer for another third-party administration firm, PayFlex. Anita also spent 20 years as a broker/consultant for SilverStone Group, a regional brokerage firm in Omaha, NE. She was most recently a Principal of the firm, and worked with clients managing their group health and welfare benefit plans, and managed the Section 125 administration department. Specific projects during this time were:

- *State of Nebraska* – Lincoln, NE - One of two consultants to assist State in implementing the original Section 125 plan for State employees. Provided plan design consultation, document work, open enrollment communications and employee meetings.
- *Valmont Industries* – Omaha, NE - Provided full cafeteria plan administration for credit methodology plan, tracking all benefit elections for medical, dental, vision, voluntary products, FSAs. Provided targeted employee communications, produced personalized enrollment forms, initiated weekly payroll files for all benefits, provided carrier eligibility reporting.
- *Sandia National Laboratories* – Albuquerque, NM – Implemented FSA program to include plan design consultation, plan documents, on-site open enrollment meetings.
- *Mutual of Omaha* – Omaha, NE - Provided "back-room" FSA administration services for the entire Mutual of Omaha FSA client base.

Education and Affiliations

Anita earned her Certified Employee Benefit Specialist (CEBS) designation from the Wharton School and International Foundation of Employee Benefit Plans in 1991 and was part of the charter class earning the Certified Flexible Compensation Instructor (CFCI) designation through the Employers Council on Flexible Compensation (ECFC) in 1998. She has been a frequent lecturer at the annual cafeteria plan symposium for ECFC speaking on topics related to Section 125 plans for plan design, compliance, nondiscrimination testing, claims administration, communication and HIPAA privacy. She is a member and past president of the Nebraska Chapter of the International Society of Certified Employee Benefit Specialists and a member of the Omaha Health Underwriters organization.

With a history of successful account management through teamwork, consummate professionalism and exemplary ethics, Anita enjoys meeting new people and using her skills to partner with clients to build strong and lasting relationships and improve customer experiences.

References

California State University System

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County of San Diego

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State of Oregon

Mr. Brian Olson
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503.378.2152
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Jan L. Jackson, Esq.
Backup Account Executive

Vice President, General Counsel

Expertise

As General Counsel, Jan provides legal representation to the company, answers client's plan-related questions, prepares legal documents and analyzes legislation.

Prior Experience

With 20 years of legal experience and almost a decade providing legal counsel to government agencies, Jan brings a wealth of public and health-related experience to ASIFlex and ASI COBRA. Jan previously served as an Assistant Attorney General for the State of Missouri. Immediately prior to joining ASI, Jan was General Counsel and Interim Executive Director for the Missouri Consolidated Health Care Plan which provides employee benefits to more than 106,000 state and public entity members.

Education

University of Missouri, School of Law, Columbia, Missouri
Juris Doctor

Stephen's College, Columbia, Missouri
Bachelor of Art, Business Administration

Professional & Community Affiliations

Missouri Bar Association
Health Care Compliance Association
Society of Corporate Compliance and Ethics
Mizzou Alumni Association

Rachel Moore
ASIFlex Account Manager

Expertise

As account manager for the FSA program, Rachel works closely with the HR/benefit staff to provide day-to-day servicing for account based programs.

Prior Experience

With over 11 years of experience with ASIFlex, Rachel has an extensive background in customer service, claims processing, and debit card processing. Rachel has worked with and assisted participants and client with debit card processing, and was a CSR II supervisor. She has excellent written and verbal skills and also has helped manage the daily inbound participant email inquiries in the past. Rachel works with ASIFlex FSA, HRA, HSA and Commuter Benefit clients. As the primary point-of-contact for all FSA questions, Rachel utilizes her skills and internal resources to assist with file processing questions, claim or account questions, escalated questions, status changes, nondiscrimination testing, documents, communications, reporting, etc.

Education

Columbia College, Columbia, MO
General Bachelors, minor in Business, Psychology and Sociology

References

City of Colorado Springs

Ms. Jennifer Stroh
Colorado Springs, CO
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City of Amarillo

Ms. Sandy Elliott
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State of Nebraska

Ms. Kris Bourke
402.471.4116
Kris.bourke@nebraska.gov

Mike Gill **ASI COBRA Account Manager**

ASI COBRA Supervisor

Expertise

As supervisor and account manager, Mike has extensive experience with large-scale public and private sector COBRA/direct billing clients. He is responsible for system set-ups, file management, and working with clients to ensure consistent and compliant processing.

Prior Experience

Mike has nearly ten years of flexible spending account and COBRA/Direct Bill experience at ASIFlex and ASI COBRA. After extensive experience in customer service in the public and private sectors, Mike took a position with ASI in the customer service department, assisting customers and reviewing claims. He was promoted to a supervisory position before joining the COBRA team as an Account Manager, where he handles the daily operations while working to implement new clients. Mike is now supervisor of ASI COBRA operations.

Education

University of Missouri

Bachelors in Psychology

Employee Benefits Institute of America (EBIA): Annual Seminar Attendance

Certified COBRA Administrator

References

Iowa State University

Mr. Ed Holland, Director of Benefits

Ames, IA

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University of Missouri

Ms. Carol Wilson, Health and Benefits Manager

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Carrington Mortgage Holdings

Ms. Candice Velez, Benefits Manager

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949.517.7333

candice.velez@carringtonmh.com

Matt Breske **ASI COBRA Manager**

ASI COBRA Manager

Expertise

As COBRA Manager, Matt has both flexible spending account and COBRA/Direct Bill experience at ASIFlex and ASI COBRA. Over the past few years, Matt has been working on building ASI COBRA by growing its client list through the RFP process, implementing new clients, and managing the daily workflow for established clients.

Prior Experience

Matt began his ASI career in 2006 as an Account Manager for ASIFlex. Matt has been part of the ASIFlex Account Management team where he was responsible for implementation, open enrollment, payroll data exchange, service questions and changes for his respective clients. He has also been part of the Marketing and Communications team responsible for completing Requests for Proposals (RFP) and helping to create marketing campaigns for ASIFlex.

Education

University of South Dakota, Vermillion, South Dakota
Bachelor of Science, 2001

Employee Benefits Institute of America (EBIA): Annual Seminar Attendance
Certified COBRA Administrator
Leadership Columbia graduate, Chamber of Commerce 2018

References

Pima County, AZ

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University of Missouri

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County of San Diego

Ms. Elaine Pitpit
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John M. Riddick, CFCI, CGBA ***Executive Sponsor***

ASIFlex President/CEO

ASI COBRA Managing Member

Expertise

John is the founder and owner of ASIFlex. Under John's leadership the company has grown consistently since its inception and has always put the client and participant needs at the forefront of its business agenda. John serves as ASI's in-house expert, regarding Plan Document review and revision, Summary Plan Description updates and other compliance issues. He is responsible for all financial aspects of contractual obligations, including developing satisfactory banking methodologies for all of ASI's clientele and serves as the final arbiter for all appeals and grievance submissions. John is certified as a Government Benefits Administrator (CGBA) as identified by the State and Local Government Association (SALGBA) and as a Flexible Compensation Instructor (CFCI).

Prior Experience

John has over 25 years of professional experience in government and private sector employee health benefits administration, including FSA/HRA/HSA administration, commuter benefits, COBRA and retirement plans. With many years of employee benefit administration experience, John has been part of the many legislative changes that have taken place during those years and has been able to provide valuable experience when working with clients.

Education

University of Missouri, Columbia, Missouri

Bachelor of Science, Mathematics

Post-Graduate coursework in Business, Psychology and Computer Science

State and Local Government Benefits Association (SALGBA)

Certified Government Benefits Administrator

Professional & Community Affiliations

State and Local Government Benefits Association (SALGBA): Associate Member

Vice-President of the Missouri State Parks Foundation

Member, Advisory Board of the Callaway Bank

President of the Pednet Coalition

Vice-Chairman of the Columbia Airport Advisory Board

President of the Snakedance Homeowners Association in Taos Ski Valley, NM

Member, Columbia Chamber of Commerce

Member, Phi Beta Kappa



Rock Hall, CPA, CFCI CFO/COO

Vice President, Chief Financial Officer and Chief Operating Officer

Expertise

Rock is the chief financial officer and chief operating officer of ASI. Rock oversees all of ASI's financial operations and supports the management team in maintaining the company's overall strategy in sustained growth and profitability. Rock is a Certified Public Accountant and a Certified Flexible Benefits Instructor (CFCI) through the Employers Council of Flexible Compensation (ECFC).

Prior Experience

Rock brings a wide range of experience in the field of benefit administration, having been part of the management team of two other third party administrators that experienced substantial growth during the years of his employment. Prior to joining ASI, Rock was CFO for Creative Benefits, which was acquired by WageWorks in the fall of 2008. Rock has many years of professional experience in government and private sector employee health benefits administration, including FSA/HRA/HSA administration, commuter benefits, COBRA and retirement plans.

Education

University of Montana, Missoula, Montana
Bachelor of Science, Accounting with honors

Professional & Community Affiliations

Member, Employers Council of Flexible Compensation
AICPA – American Institute of Certified Public Accountants



ASIFlex

Sample FSA Employee Communication Material

Health Care Flexible Spending Account

Dependent Day Care Flexible Spending Account

What are Flexible Spending Accounts?

Flexible Spending Accounts (FSAs) allow you to set aside money from your paycheck pretax to pay for out-of-pocket health care expenses, or for dependent child/adult daycare expenses while you work. When you pay less in taxes, you have more money in your pocket. Most people save at least 30% on each dollar set aside pretax. There are two accounts from which to choose:

- ◆ **Health Care FSA** Set aside pretax money to pay for medical, prescriptions, dental, vision, hearing and over-the-counter health care products for yourself, your qualifying spouse and children.
- ◆ **Dependent Day Care FSA** Set aside pretax money to pay for work-related child day care expenses and, in some cases, elder care expenses. This includes daycare, regular babysitting, before/after school care, nursery/preschool or summer day camp while you and your spouse (if married) are working.



CAUTION! Do not put money into the Dependent Day Care FSA for health care expenses. The Dependent Day Care FSA is for work-related child or adult day care.

How much can I contribute to my FSAs?

Check your employer plan for the amount you can contribute to the Health Care FSA. You can set aside up to \$5,000 per household per calendar year for the Dependent Day Care FSA (\$2,500 if married and filing separate income tax returns).

How do I submit claims and get reimbursed?

As you incur expenses, you can submit a claim to be reimbursed. ASIFlex offers several easy ways to submit claims for reimbursement. You do not have to choose only one option; you can use multiple options throughout the year.

- ◆ **ASIFlex mobile app** Download the app and log in to your account. Then, just snap a picture of your insurance plan explanation of benefits (EOB) statement, or itemized statement from your provider and submit a claim via the app. It's easy and it's fast!
- ◆ **ASIFlex Online** Sign in to your online account at ASIFlex.com to submit a claim.
- ◆ **Toll-free fax or mail** Download and complete a claim form. Then, submit it with your insurance plan EOB or provider itemized statement. Keep a copy for your records.

Reimbursements will be made to you within three business days following receipt of a complete claim. Log in to your ASIFlex account to sign up for direct deposit reimbursement to a bank account of your choice. You can also sign up for email and text alerts.

Manage your account

Register your account at ASIFlex.com to see your account statement and balance, submit claims, sign up for email, text alerts and direct deposit.

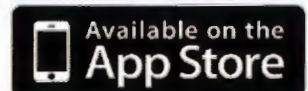
Check out over-the-counter (OTC) products

Bandages, blood pressure monitors, diabetic supplies, contact lens solution, and sunscreen are just a few of the eligible OTC items. Go to ASIFlex.com and click on the FSA Store link.

Get the ASIFlex app!

- Submit claims.
- Submit documentation.
- Access your balance and account statement.

Search ASIFlex Self Service and download the app today.



ASIFlex Customer Service

ASIFlex.com
asi@asiflex.com
P: 800.659.3035
F: 877.879.9038
P.O. Box 6044
Columbia, MO 65205-6044



How do I estimate expenses?

1. First, take a look at your prior year's out-of-pocket medical, dental and vision care expenses, as this is a good indicator of what you might anticipate for the next year.
2. Be sure to consider any recurring expenses that you may have, such as copays for monthly prescriptions or regular mail-order prescriptions, vision expenses such as contacts or contact lens solution, dental expenses such as monthly orthodontia payments, or even over-the-counter health care products you purchase on a regular basis.
3. Next, consider any planned expenses such as new eyeglasses, prescription sunglasses, dental implants or crowns, elective surgery such as laser eye surgery, or any planned surgery such as knee replacement.
4. Visit ASIFlex.com to view an extensive listing of eligible health care and dependent day care expenses. Also click the link to FSA Store which has thousands of eligible over-the-counter health care items.

If you have dependent day care expenses while you and your spouse (if married) work, be sure to consider the Dependent Day Care FSA. Just estimate your expenses for each month taking into consideration summer time, and vacation or holiday times when your day care needs may change.

What else should I know?

The FSA plan is regulated by the IRS. There are a few simple rules to keep in mind:

- ◆ You do not have to pay federal income tax, FICA tax, and (in most cases) state income tax on pretax dollars.
- ◆ You can enroll each year, and make a new election each year during open enrollment.
- ◆ You can access your total elected amount for health care, even if you have not contributed all funds.
- ◆ You can access up to your cash balance for dependent day care expenses.
- ◆ Qualified expenses are eligible if incurred during your period of coverage. Incurred means the service was provided that gave rise to the expense, regardless when paid, billed or charged for.
- ◆ Each account is separate and distinct; you cannot take money from one account to put into the other account.
- ◆ You can use the health care funds to pay for your own health expenses, as well as health care expenses for your spouse and eligible children.
- ◆ Your election remains in effect for the plan year. However, you may be able to change your election mid-year if you have a qualifying status change as described in the plan.
- ◆ The FSA is a year-to-year account so you should set aside only what you know you will spend on a regular and recurring basis, or planned expenses that you know you will incur during the plan year.
- ◆ Unused funds are forfeited. You can avoid forfeitures by planning carefully and setting aside enough to pay for predictable and recurring expenses.

Get your FSA information. Instantly.

You can manage your FSA anytime, anywhere! Register to access your **Account Detail** at ASIFlex.com.

- ◆ Sign up for email and text alerts
- ◆ Sign up for direct deposit reimbursements
- ◆ Access your account statement and balance
- ◆ Read secure messages sent to you from ASIFlex
- ◆ Submit claims

ASIFlex.com is an educational site as well. You can view an extensive listing of eligible expenses, read frequently asked questions, view educational videos, access claim and administrative forms, and access IRS forms and publications.

Account Detail

File a claim, review your balance, and access your account statements.

Username [Forgot your username?](#)

Password [Forgot your password?](#)

Sign in

Need to set up a new online account?

Create an account

For more information, view the employer plan document or visit ASIFlex.com to obtain IRS Publication 502, Medical and Dental Expenses and IRS Publication 503 Child and Dependent Care Expenses; a list of eligible expenses; and general plan information.

Eligible Expense Listing



HEALTH CARE EXPENSES

Medical, prescription, dental, vision, over-the-counter health care products for you or your qualifying spouse or children. For more information, visit ASIFlex.com Resources to view eligible/ineligible expenses.

Acupuncture	Laboratory and diagnostic fees	Prescription drugs
Ambulance	Lactation expenses	Prosthesis
Artificial limbs or teeth	Language training (e.g. for dyslexia)	Psychiatric care
Bandages	Laser eye surgery	Psychoanalysis
Birth control and contraceptives	Learning disability treatments	Psychologist fees
Blood pressure monitors	Massage therapy*	Reading glasses
Body scans	Medical conferences*	Sales tax, shipping, handling fees for medical supplies
Braille books and magazines	Medicines and drugs	Stop-smoking program
Breast pumps and supplies	Midwife	Stop-smoking prescriptions
Breast reconstruction	Mileage incurred to seek health care	Speech therapy
Chiropractors	Nursing services	Substance abuse treatment
Concierge medical care (amount billed for service; not the annual/monthly fee)	OB/GYN fees (based on date of birth)	Sunglasses (prescription)
Contact lenses, solution and cleaners	Occlusal guards	Sunscreen 15+ SPF and broad spectrum
Copays, coinsurance, deductibles	Operations	Surgery
Dental treatments	Optometrist	Sterilization
Diagnostic services and devices	Organ donors	Telephone or TV for disability or impairment
Durable medical equipment (crutches, canes, walkers, wheelchairs)	Orthodontia	Therapy for medical condition
Eye exams and prescription eyeglasses	Orthotics	Thermometers, vaporizers & inhalers
Fertility enhancement and treatments*	Osteopath	Transplants
First aid kits, first aid treatments and supplies	Over-the-counter drugs*	Trip or travel expenses to seek health care
Guide dog; or service animal*	Over-the-counter health care products	Vasectomy
Hearing exams, aids/devices and batteries	Oxygen	Vision care
Hospital services	Physical examinations	Vision correction surgery
Immunizations	Physical therapy	Weight loss program for medical condition*
Infertility treatments*	Physician office visits	Wigs*
Insulin and diabetic supplies	Pregnancy test kits	X-rays

DEPENDENT CARE EXPENSES

Child or adult day care services while you and your spouse (if married) are working. For more information, visit ASIFlex.com Resources to view eligible/ineligible expense.

Adult, elder or senior day care center	Child day care center	Preschool
Au pair services	Day camp expenses (not overnight camp)	Registration fees
Babysitting services	Nanny services	Sick child care center
Before- or after-school care	Nursery school	

*Items are eligible for reimbursement through a Health Care FSA if they are treating a current or imminent medical condition. Some items may require additional documentation such as a letter of medical necessity or a prescription (for over-the-counter medications) from your medical provider. Review your employer plan document or visit ASIFlex.com for more information and a comprehensive list of eligible expenses. 08_2019

Expense Worksheet



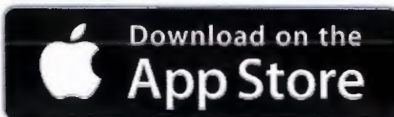
Use this worksheet to estimate your expenses and plan only for recurring and predictable expenses, or for planned surgery or treatments you will incur during the plan year.

Health Care Worksheet

Medical	Amount
Copays, deductibles	\$ _____
Physician visits	\$ _____
Prescriptions	\$ _____
Over-the-Counter items	\$ _____
Diabetic supplies	\$ _____
Chiropractic treatments	\$ _____
Mileage	\$ _____
Dental	
Fillings	\$ _____
Crowns	\$ _____
Bridges	\$ _____
Dentures & cleaners	\$ _____
Oral surgery	\$ _____
Orthodontia	\$ _____
Mileage	\$ _____
Vision/Hearing	
Prescription eyeglasses	\$ _____
Prescription sunglasses	\$ _____
Reading glasses	\$ _____
Contact lenses	\$ _____
Contact cleaners	\$ _____
Laser eye surgery	\$ _____
Hearing exams	\$ _____
Hearing aids & batteries	\$ _____
Mileage	\$ _____
TOTAL	\$ _____

Dependent Care Worksheet

Month	Amount
Month 1	\$ _____
Month 2	\$ _____
Month 3	\$ _____
Month 4	\$ _____
Month 5	\$ _____
Month 6	\$ _____
Month 7	\$ _____
Month 8	\$ _____
Month 9	\$ _____
Month 10	\$ _____
Month 11	\$ _____
Month 12	\$ _____
TOTAL	\$ _____



Download the ASIFlex Mobile App!





Go Mobile!






Download our free mobile app!

What participants are saying:

"This app is great for checking claims and filing claims."

"Very easy to use and super convenient."

Mobile app features

-  **Submit documentation by taking a picture of it with your device.**
-  **Find information about your account(s).**
-  **Access your account statement.**

Visit ASIFlex.com to view an instructional video.



Download on the
App Store



GET IT ON
Google Play

FSA Store

THE FLEXIBLE SPENDING ACCOUNT SITE

Flexible Spending Account Resources and Eligible Products are Available at FSA Store

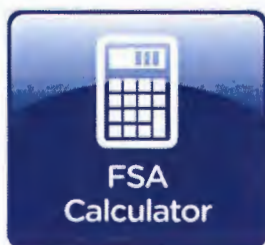
FSA Store is exclusively stocked with FSA eligible products so there are no guessing games about what is and is not reimbursable by an FSA. The site also offers tools and resources to help you better understand and use your funds.

Go to asiflex.com and click on the FSA Store banner



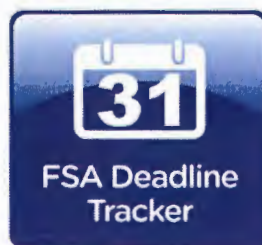
FSA Eligibility List

Eliminate eligibility guessing games



FSA Calculator

Estimate your annual FSA spending



FSA Deadline Tracker

Receive deadline reminders.



FSA Learning Center

Get answers to all your FSA questions!



Shop Now and Get **\$5 Off Orders \$35+**
Coupon Code: **ASIFLEX5**

Coupon code valid through 12/31/2019
Cannot be combined with other offers. 1 use per customer



Leah saved
\$1,473!

"Day care expenses are extraordinary for my family of three little ones. Being able to pay for part of this expense with my DCFSA pretax account is great! With our tax savings of over \$1,400, we bought a new jungle gym for the backyard!"

DCFSA
Dependent Care
Flexible
Spending
Account



For more information visit
www.asiflex.com



FSA
Flexible
Spending
Account

Debbie saved
\$1,350!

With two kids, ages 4 and 7, my health care and daycare expenses add up quickly. Since I've started contributing **pretax dollars to my FSA**, I've saved over a thousand dollars on daycare and everything from prescriptions and doctors' visits, dental appointments, to contact lenses and solutions.

With the extra money we are buying new bicycles for the whole family!

For more information visit
www.asiflex.com



Are you leaving
money on the
table?

SIGN UP for a
flexible spending
account (FSA)!

**OPEN
ENROLLMENT**

Don't miss out!
Pay **less** in taxes and
have more take
home pay.
You can save as
much as **25%**!

For more information visit
www.asiflex.com



ASI INSURANCE AGENT LETTER

RE: STATE OF NE RFP 6171 Z1

From: Lisa Franke [<mailto:lfranke@tigadvisors.com>]

Sent: Monday, November 11, 2019 1:54 PM

To: Rock Hall <rhall@asiflex.com>

Subject: State of Nebraska

CAUTION: ***** This email originated from outside our organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. *****

Rock,

This is in follow up to our phone conversation regarding the \$10,000,000 Errors & Omissions limit the State of Nebraska has requested. It will be extremely difficult to find an insurance company that will be willing to provide a policy limit that is higher than the annual revenues of the company. It appears that is the case we have here.

Let me know if you have questions.



Lisa M. Franke CIC, CISR

Senior Client Manager

p: 573-875-4800 p: 636-537-0002

200 E. Southampton Drive, Columbia, MO 65203

lfranke@tigadvisors.com

www.tigadvisors.com

Coverage cannot be changed, bound, or altered through email or voicemail. Please do not send any communication to this email address containing unencrypted protected health information (PHI). TIG Advisors does not engage in the practice of law, accounting or tax consulting. The information in this message is intended only for the person(s) or entity/entities to which it is addressed and may contain confidential and/or privileged material. If you received this in error, please contact the sender and delete the material.



APPLSOF-01

LFRANKE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/18/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER TIG Advisors-Col 200 East Southampton Drive Columbia, MO 65203	CONTACT NAME: Lisa M. Franke PHONE (A/C, No, Ext): (573) 875-4800 FAX (A/C, No): (573) 875-4514 E-MAIL ADDRESS: lfranke@tigadvisors.com														
INSURED Application Software, Inc. ASI Cobra, LLC PO Box 6044 Columbia, MO 65205	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Cincinnati Insurance Company</td> <td>10677</td> </tr> <tr> <td>INSURER B : Travelers Property Casualty Company of America</td> <td>25674</td> </tr> <tr> <td>INSURER C : Federal Insurance Company</td> <td>20281</td> </tr> <tr> <td>INSURER D : Executive Risk Indemnity</td> <td>35181</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Cincinnati Insurance Company	10677	INSURER B : Travelers Property Casualty Company of America	25674	INSURER C : Federal Insurance Company	20281	INSURER D : Executive Risk Indemnity	35181	INSURER E :		INSURER F :	
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INSURER E :															
INSURER F :															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			EPP 0134715	1/1/2019	1/1/2022	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 500,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ 5,000</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COM/OP AGG</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COM/OP AGG	\$ 2,000,000		\$
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AGGREGATE	\$ 2,000,000																				
	\$																				
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	6JUB-1K62525-8-19	1/1/2019	1/1/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$ 1,000,000</td></tr> </table>	E.L. EACH ACCIDENT	\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000								
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E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000																				
E.L. DISEASE - POLICY LIMIT	\$ 1,000,000																				
C	Cyber Liability			8225-9819	1/1/2019	1/1/2020	Occurrence/Aggregate														
D	Professional Liab			8224-7584	1/1/2019	1/1/2020	Occurrence/Aggregate														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Contract 56047(O4)

Blanket Additional Insured on General Liability on primary and non-contributory basis, when required by written contract, but only to extent provided in policy form GA472.

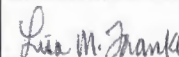
Waiver of Subrogation on Workers Compensation but only to extent provided in policy form WC000313.

CERTIFICATE HOLDER**CANCELLATION**

State of Nebraska
 Administrative Services - Purchasing Bureau
 1526 K Street, Suite 130
 Lincoln, NE 68508

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE





VII. COST PROPOSAL REQUIREMENTS

This section describes the requirements to be addressed by bidders in preparing the State's Cost Proposal. The bidder must use the State's Cost Proposal.

THE STATE'S COST PROPOSAL AND ANY OTHER COST DOCUMENT SUBMITTED WITH THE PROPOSAL SHALL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY AND IS CONSIDERED A PUBLIC RECORD IN THE STATE OF NEBRASKA AND WILL BE POSTED TO A PUBLIC WEBSITE.

A. COST PROPOSAL

This summary shall present the total fixed price to perform all of the requirements of the RFP. The bidder must include details in the State's Cost Sheet supporting any and all costs.

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

B. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, F.O.B. destination named in the RFP. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

ASI has responded to the Cost Proposal Requirements as requested.

**Cost Proposal
RFP # 6171 Z1
State of Nebraska**

FSA, COBRA, and Retiree Billing Administrative Services RFP

Cost proposal is all inclusive including but not limited to administration fees, PPACA (existing or future requirements), data feeds and run out fees. Cost proposal must include reimbursement through the grace period of October 31 with a date of service through June 30. Cost must be proposed on a PEEPM (Per Eligible Employee Per Month) basis.

Bidder Name: Application Software, Inc. dba ASIFlex and ASI COBRA, LLC

COSTS (INDICATE COSTS FOR THE FOLLOWING):		INITIAL TERM	Optional Renewal Year 4	Optional Renewal Year 5	Optional Renewal Year 6	Optional Renewal Year 7
Administration Fees (Plan year July 1 - June 30)		2020 - 2023	2023-2024	2024-2025	2025-2026	2026-2027
Financial Information						
1	Monthly Administrative Fee PEEPM (Per Eligible Employee Per Month) for FSA, COBRA and Retiree Billing Combined	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95
Additional Services to be included in fees						
FSA:						
1	Claims Processing/Payment					
2	Accept Electronic Enrollment File					
3	Electronic Data Feeds					
4	Direct Deposit					
5	Employer Web Services - enrollment					
6	Employer Web Services - payment lookup					
7	Plan Doc/SPD Preparation					
8	Management Reports					
9	Ad Hoc Reports					
10	Discrimination Testing for FSA Plan					
11	Enrollment Kits					
12	Communication Materials					
13	Open Enrollment Support					
14	Postage (for claim/card communication to participants)					
15	Toll Free Customer Service					
16	Runout fee at termination					
COBRA / Retiree Billing:						
17	2% Administrative Fee Retained					
18	Full Notification Services					
19	Premium Collection					
20	Termination for Non-Payment					
21	Eligibility to Carrier					
22	Postage					
23	Premium Coupons					
24	Premium Remittance to State					
25	Online Payment Option					
25	Other (Specify) - Educational webinars, newsletter articles for FSA					
26	Other (Specify) - Value added offer (see Attachment A. 1.62) for all State benefit-eligible employees					
27	Other (Specify)					

ADDENDUM TWO, QUESTIONS and ANSWERS

Date: November 5, 2019

To: All Bidders

From: Julie Schiltz/Connie Heinrichs, Buyers
AS Materiel State Purchasing Bureau

RE: Addendum for Request for Proposal Number RFP 6171 Z1 to be opened November 14, 2019,
at 2:00 P.M. Central Time

Questions and Answers

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
1.	II (intro paragappgh)	8	Our standard services contract covers many of the processes and procedures that are part of our standard administration. Should it also be included with our proposal so that parts of our contract can be incorporated into the final contract if we are selected as the awarded bidder?	The bidder should provide a response to the RFP that meets the RFP requirements. Responses that fail to meet the RFP requirements may be considered unresponsive.
2.	II (O)	13	Regarding the performance bond, the suggested amount is more than the combined fees for all services for the year. Can this amount be negotiated? Performance bonds are typically not part of our industry's services as we deal in services and not any material goods.	The Performance Bond will remain as written.
3.	V (B)	27	Will the State consider the \$500 carryover option for the new plan year eff. 7/1/2020?	No, the State will not consider the \$500 carryover option.
4.	V (B)	27	How many payrolls are run through the State for the purpose of FSA payroll deduction reporting?	24 Bi-weekly payrolls and 12 monthly payrolls
5.	V (B)	27	Is there any kind of deposit held by the current vendor for the FSA plan? Either for the debit card or for the funding method used.	No
6.	V (C)	27	Can you give us an idea of how many benefit fairs the State would hold for the FSA plan? Maybe the	All Contractors re required to participate in a One day Benefits update meeting for all HR partners in April. (Two

			number from the last OE period.	Sessions in one day)
7.	V (E)	30	It indicates that the premiums are sent to the contractor and the 2% premium is retained by the State. Are COBRA QBs and retirees sending all amounts to the contractor and the contractor is remitting the 2% to State or is billing handled directly by the State? If COBRA payments are not sent to the contractor in their entirety, is the State open to this arrangement?	All participant billing is processed by the contractor. All premiums and the 2% are remitted by participants to the contractor. The premiums and 2% are then remitted to the State. The State in turn submits the premiums to the Contractor and retains the 2%.
8.	V (E)	30	Can you please confirm that the 2% fee is retained by the State? This is not usual for our industry? Is the State open to the contractor retaining the 2% admin fee for a reduced admin cost for the COBRA services?	The 2% fee is retained by the State. No, the State is not open to the Contractor retaining the 2% administration fee.
9.	Cost Proposal		The cost proposal states that fees should be proposed on a peepm basis. Is the State open to a more traditional cost structure where the FSA administration is proposed on a per participant per month basis and the COBRA is on a PEEPM basis? Are the current fees on a PEEPM basis all-inclusive of all services?	No. Current fees for COBRA/Retirees are on a Per Eligible Employee Per Month basis and FSA fees are on a Per Member Per Month basis. The fees for both are all-inclusive of all services.
10.			Is there any type of vendor questionnaire the State would like the proposer to complete?	No, there is not a vendor questionnaire however Attachment A should be submitted with the Bidders response.
11.			Are there any current performance guarantees in place with the incumbent vendor? If so, has the incumbent ever failed to meet one of the guarantees?	This question is out of scope for solicitation 6171 Z1.
12.			Does the current vendor attend any of the State's benefit fairs and/or enrollment meetings?	This question is out of scope for solicitation 6171 Z1.
13.			In the event of a TPA change for the plan year eff. 7/1/2020, will the incumbent handle the 90-day claims run-out period for the plan year ending on 6/30/2019?	Yes
14.			Does the current vendor remit the COBRA premiums back to the State with an accounting or do they pay the carriers directly?	This question is out of scope for solicitation 6171 Z1.

15.			Does the current vendor receive any claims file feeds from the State's insurance carriers?	This question is out of scope for solicitation 6171 Z1.
16.			Are there any specific areas for improvement or innovation that the State is looking for?	Bidder should submit a response that best meets the requirements of the RFP.
17.			Would the State be interested in considering a switch in HSA TPAs as well if there are any efficiencies created between having both HSA/FSA through one provider?	This question is out of scope for solicitation 6171 Z1.
18.			Is there a scoring rubric or matrix that the State can share showing how the technical and cost proposal components are weighted?	Evaluation criteria was released with the RFP and is available on the Materiel website.
19.			Are we able to outsource and aspects of our customer service call center through an offshore location or does the State require all services be performed within the US?	Per Attachment A # 1.28, Contractor will not render or administer services offshore, and all work performed will be in the contiguous United States.
20.			Can the State confirm that State registration is required for corporations domiciled outside the State of Nebraska upon award of the contract?	Yes, Per Section I. Procurement Procedure E. Secretary of State. All bidders must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements. This must be accomplished prior to execution of the contract.
21.			Why has the State decided to bid these services at this time (fees, service issues, standard due diligence, etc.)? a. Are there service level concerns with the current administrator? b. If no service issues, what would be the catalyst for State to change administrators?	Current contract expires 6/30/2020. a) This question is out of scope for solicitation 6171 Z1. b) Current contract expires 6/30/2020.
22.			How long has the current administrator provided services to the State? Who is the current administrator?	http://das.nebraska.gov/materiel/purchasing/contracts/pdfs/56047(o4)ren(4)awd.pdf
23.			Is the State satisfied with the level of FSA and DCAP participation?	This question is out of scope for solicitation 6171 Z1.
24.			What is the current administrative fee for the benefits which the State is seeking (i.e. FSA, COBRA, Retiree	http://das.nebraska.gov/materiel/purchasing/contracts/pdfs/56047(o4)ren(4)awd.pdf

			Benefits? Does the State cover the cost of these benefits or do participants pay the fee?	
25.			Does the State work with a benefits consultant or broker? If so, who (name, company).	http://das.nebraska.gov/materiel/purchasing/contracts/pdfs/73507(o4)ren(1)awd.pdf
26.			Please provide the current sponsored health carriers and dental and vision carriers?	Medical: UnitedHealthcare Dental: Ameritas Vision: EyeMed
27.			Who is your benefit administration platform provider and payroll vendor? Does the State anticipate any changes to these platforma or replacement of current systems?	Workday is the HR system of Record and OE platform and JD Edwards, Enterprise One for payroll. No changes are anticipated at this time.
28.			Can the State provide an overview of the key organizational and benefit account priorities in 2020 and 2021, as well as, long term strategies to attract and retain key talent in an increasingly competitive labor market?	This question is out of scope for solicitation 6171 Z1.
29.			What was the average FSA (health care and dependent care) program contribution election amounts for the last plan year?	Average contribution amount for Medical FSA as of 7/1/19 was \$1410.00. The average contribution Dependent FSA as of 7/1/19 was \$3586.00.
30.			Are any communication/marketing materials being mailed directly to participant homes? If so, what is the quantity? Is this collateral being mailed to all eligible employees or current participants?	Yes, All new hires receive the COBRA General Rights notice. There were approximately 3700 mailed out in the last year. The State mails out OE materials to enrolled COBRA/Retiree participants.
31.			Is there any requirement for marketing material to be mailed? What was the quantity and number of locations for the most recent plan year? Can material be emailed or otherwise posted on the website?	No there is not a requirement to mail marketing material. The State needs clarification concerning "quantity and number of locations for the most recent plan year." (See response to question # 6) No, material cannot be emailed or otherwise posted to the website.
32.			What is the expectation / projections for increased participation? Has enrollment been relatively flat	The State has no known projection for increased participation.

			the past two plan years?	2019 Medical Flex enrollment:3533 Dep. Care Flex: 432 2018 Medical Flex enrollment:3629 Dep. Care Flex: 421
33.			What was the forfeiture information such as; a) The total number of participants who forfeited money in the last plan year for health care FSAs? b) The total amount of forfeited money for the last plan year for health care FSAs? c) The total number of participants who forfeited money in the last plan year for Dependent Care FSAs? d) The total amount of forfeited money for the last plan year for dependent care FSAs?	All forfeited funds are retained by the State. A) 1778 B) \$115,685.91 C) 124 D) \$22,136.45
34.			What amenities or service features do you like the most about the current FSA, COBRA and Retiree plan administrator?	Bidder should submit a response that best meets the requirements of the RFP.
35.			Does the state have new technological objectives for administration of these services?	Bidder should submit a response that best meets the requirements of the RFP.
36.			Are there particular features or processes the State is seeking in the chosen vendor?	Bidder should submit a response that best meets the requirements of the RFP.
37.			Will the incumbent TPA handle the claims run-out administration for the final plan year of the contract?	See response to question # 13.
38.			Would the State entertain using a different field than Social Security number which is requested as part of the weekly backup support for the Flexible Spending reimbursement request which is listed on page 25 under section IV. Payment, Item C Invoices?	No, the State uses the Social Security number as the unique identifier.
39.			What is the current administrator's claims processing turnaround time for FSA and DCAP services?	Bidder should submit a response that best meets the requirements of the RFP.

40.			Approximately what percentage of your employee base has access to email?	Most employees have access to email however employee usage cannot be verified.
41.			How important is it to for the State to have a solution that offers a single debit card for all the account with an online portal and mobile app that provides full account functionality for participants?	Refer to Section V. Project Description and Scope of Work B. Flexible Spending Accounts Project Environment ...Flex card is for medical related and pharmacy spending. Dependent care can only be submitted through receipt reimbursement process....
42.			Can the State provide the sample file formats for the Workday System used for enrollment purposes?	This will be provided to the awarded bidder.
43.			Does the current service provider provide claims integration?	Bidder should submit a response that best meets the requirements of the RFP.
44.			Will the State provide additional supporting documentation which clarifies what the Nondiscrimination Testing Management Report entails?	No the State will not be providing additional documentation. The TPA provides the questions to the State of Nebraska. The State will then gather the data to complete the testing.
45.			Can the state elaborate on the expectation to Provide guidance and written documentation within thirty (30) days upon request, on the PPACA and any future issues as related to health care reform, including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as those issues pertain to the State's experience.	The contractor will provide information about Federal regulations, changes and updates concerning FSA's and COBRA/Retiree plans.
46.			Will the State furnish a sample of the current annual score card used by the State to assess the Contractor's performance?	No
47.			Can the State provide information regarding any service provider expectations involved with annual open enrollment meetings held in April, including the format the State might utilize as part of this process. How many days and locations will the new service provider be expected to attend?	See response to question # 6.

48.			Will the State provide the current performance guarantees established with the current provider?	Bidder should submit a response that best meets the requirements of the RFP.
49.			Has the current administrator paid penalties for failing to meet performance guaranteed? Is so, where did they call short?	Bidder should submit a response that best meets the requirements of the RFP.
50.			Can the State confirm the annual quantity of printed materials needed for FSA, COBRA, as well as, the annual OE meetings with HR across the State?	FSA materials are needed for approximately 750 individuals/40 locations across the state.
51.			Can the State confirm there is no restriction in allowing dependent care participants to utilize the provided debit card for both qualified healthcare and dependent care expense?	See response to question number 41.
52.			Is the State open to an alternative Account Executive support model which does not include an executive located in Nebraska? Can the State confirm the current service provider meets this service requirement?	No, the State is not interested in an alternative Account Executive support model. Bidder should submit a response that best meets the requirements of the RFP.
53.			In assessing a new partner to provide the FSA, COBRA and Retiree services to the State, can you please rate on a scale of 1-10, the importance of the following in a new partner; a) Single, integrated solution to deliver all accounts with a single card to access all benefit dollars? b) Enhanced features/functionality that is not available with your current solution? c) Client portal to manage enrollment, transactions, funding, etc. d) Mobile and Online application that links all accounts and shows a dashboard of accounts, balances, transactions, etc.	The requirements of this RFP can be found in Section V. The evaluation criteria was released with the RFP and is available on the Materiel website.
54.			Please confirm the State will retain the 2% COBRA administrative fee.	See response to question # 7.

55.			Can the State provide copies of its communication and education collateral material used as part of its current COBRA program?	No
56.			How does the State pay for COBRA fee today? Is the State open to a "per eligible per month" fee?	Current COBRA fee is based on a per eligible employee per month basis. However per solicitation 6171 Z1 the State is requiring Monthly Administrative Fee (Per Eligible Employee Per Month) for FSA, COBRA and Retiree Billing Combined.
57.			Can the State provide additional clarification on Item E page 3 "SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS (Statutory)""All bidders must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements." Please confirm that if bidder is in the process of registration, the bidder can submit a response to this proposal and this will not negatively impact scoring or potential for award.	See response to question # 20.
58.			Can the State provide additional clarification on Item E page 3 "SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS (Statutory)""All bidders must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements." Please confirm that if bidder is in the process of registration, the bidder can submit a response to this proposal and this will not negatively impact scoring or potential for award.	See response to question # 20.
59.	I.H.	3	Can you confirm if the State would want an electronic copy of the proposal on a jump drive? Or is only one hard copy needed?	Refer to Section I. Procurement Procedure, H. Submission of Proposals for Proposal submission requirements and instructions.
60.	III.G.	21	The liability and cyber insurance amounts requested are higher than	The insurance requirements remain as written.

			what are commercially available to our firm. Will the State accept limits that our firm can obtain?	
61.	Attachment A, 1.31	11	Since IRS regulations require all expenses be substantiated, can you clarify this question?	This question is in reference to pre-programmed co-pays or purchases made using the FSA card on eligible purchases, however due to automatic substantiation at the point of sale, the member is not required to submit additional documentation.
62.	Cost Proposal	1	Since the participant population is unique to each program, will the State consider separate pricing for each product?	No
63.	V – Project Description and Scope of Work – A. Project Overview	Page 27	The State states “this RFP requires a single administrator for all parts of the request, including FSA(Medical and Dependent Care) along with COBRA and Retiree Administration related services.” With that will the state consider a solution offered by one provider through a partnership agreement that helps each organization have a specialty and expertise in their solution?	The State will be contracting with a Single Administrator however the Contractor may utilize Subcontractors.
64.	2019-20COBRARETI REE - Address & Phone Number Changes	pg. 2	Post termination, will the State of Nebraska continue to pass indicative data updates on the HRIS file to the COBRA/retiree administrator, or are you seeking the provider to be the system of record with integration back to the HRIS system?	Once the employee terminates we pass the information to the Administrator of the plan and they become the system of record.
65.	2019-20COBRARETI REE - Early Retiree Insurance Program	N/A	Is support requested for the determination of retirement eligibility? If no, please confirm the benefits administrator will receive a change in employment status via the HRIS file indicating transition from active to retiree. If yes, please provide a summary of the data elements to be included on the HRIS file in support of the calculation as well as an example calculation (age and service, rounded/unrounded, etc.).	No, The State Benefits System reports to the current vendor who is eligible for the Retiree Insurance Program on the weekly file. Confirmed, the Benefits Administrator will receive a change in employment status via the HRIS file indicating transition from active to retiree. Data elements include between the ages of 55-64 and paying into a State Retirement
66.	2019-20COBRARETI	pg. 2	Please confirm the number of carrier interfaces requested (eligibility file to	There are three (3) carrier interfaces. Eligibility files are sent to Medical,

	REE - Basic & Voluntary Life		<p>medical, dental and/or vision carrier, port/convert file to life insurance provider, etc.).</p> <p>In addition, are any single sign-on integrations requested?</p>	<p>dental and vision, and FSA carrier.</p> <p>No, single sign-on integrations are not requested.</p>
67.	2019-20COBRARETI REE - Early Retiree Insurance Program	pg. 2	<p>It is noted that retirees ≥ age 65 lose eligibility for benefits and COBRA offered. Confirm if this applies to medical, dental, vision, and FSA.</p> <p>If medical, we understand the provisions for dependents <65; however, does the State of Nebraska allow for retiree COBRA enrollment?</p> <p>Does the State of Nebraska perform any validation of a retiree's enrollment in Medicare Parts A and Part B (i.e., ineligible for COBRA)?</p> <p>Please describe how this consideration is addressed current state.</p>	<p>Confirmed – Retirees 65 and older are offered 18 months of COBRA for Medical, Dental, Vision, EAP and FSA (if applicable)</p> <p>Retirees 55-64 are offered continuation through the State of Nebraska Retiree Insurance Program for Medical, Dental, vision, EAP and FSA (if applicable)</p> <p>The Current Vendor pre-populates an end date of benefits for Retirees 55-64 for when they become Medicare eligible.</p>
68.	2019-20OptionsGuide--FSA - Direct Primary Care Monthly Premiums and Membership Fees	pg. 41	<p>Please describe how enrollment in the Direct Primary Care (DPC) program is administered today. How are membership fees collected?</p>	<p>DPC is administered through the Medical provider.</p> <p>The State will pay the provider the membership fees as with all other plans.</p>
69.	2019-20OptionsGuide--FSA - What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?	pg. 46	<p>If an individual enrolls in a Medicare drug plan, are benefits through the State of Nebraska impacted? If yes, please describe the points of integration for determining Medicare drug plan enrollment and subsequent process to update benefits through the State of Nebraska.</p>	<p>No, the benefits through the State are not impacted.</p>
70.	FSA, COBRA, Retiree RFP - State Patrol Lifer Retiree	pg. 37	<p>Do the State Patrol Lifer Retirees receive the same medical/Rx benefits as all other retirees? If no, please describe the benefits offered.</p> <p>Are there any changes to the benefits offered upon attainment of age 65 (e.g., Medicare Supplement, Medicare Advantage plan, Commercial or EGWP Rx)?</p>	<p>Yes, State Patrol Lifers are offered the same plans.</p> <p>The State Patrol Lifers are only allowed to stay on Medical/Rx coverage past age 65, their other benefits i.e. dental, and vision end when they turn 65.</p>
71.	FSA, COBRA, Retiree RFP - E. COBRA and Retiree	pg. 38	<p>Is the State of Nebraska open to leveraging the service provider for direct billing services (i.e., COBRA</p>	<p>No</p>

	requirements, 2		plan participant/retiree pays the administrator rather than the State).	
72.	FSA, COBRA, Retiree RFP - E. COBRA and Retiree Requirements,; 7. Comply with the following eligibility process	pg. 38	Is the State of Nebraska open to best practice discussions/alternative approaches to the enrollment process (e.g., an arrangement where the COBRA/retiree benefits administrator provides support for enrollment via electronic means and therefore is the system of record for election data)?	The bidder should provide a response to the RFP that meets the RFP requirements. Responses that fail to meet the RFP requirements may be considered unresponsive.
73.	FSA, COBRA, Retiree RFP - E. COBRA and Retiree Requirements, 8	pg. 38	Please clarify the "services" to be provided to "all present active employees enrolled on the program effective date." Does this refer to providing an enrollment opportunity at the time of retirement or other (if the latter, describe).	Reference the RFP, Section V. Project Description and Scope of Work, D. COBRA and Retiree Project Environment, for "Services" to be provided. These services will be provided to any participants who are currently enrolled in COBRA and the Early Retiree program. These services will also be provided to any Active State employee and their dependents who become COBRA eligible or retiree from the State.
74.	FSA, COBRA, Retiree RFP - E. COBRA and Retiree Requirements, 9	pg. 38	Please provide additional detail for the reporting support requested as well as clarification for the specific disclosure requirements for which support is requested.	The State is answering the question which is in Section V.E.10. Reports include enrollment, claims funding of FSA accounts, number of claims processed, forfeiture reports, etc. Disclosure requirements include notices to employees such as COBRA General Notices, COBRA Election Notices, etc. This also includes assistance with W2 reporting of the Health FSA value for the plan year in excess of employee's salary reductions for all qualified benefits, when applicable, as required by the IRS.
75.	General	N/A	Why is the State of Nebraska going out to bid (looking for expanded capabilities, contract expiring, etc.)?	See response to question # 21.
76.	General	N/A	How many agency-specific health fairs does the State of Nebraska have each year? How many agency-specific health fairs has ASI supported in the last 3 years?	See response to question # 6.
77.	FSA, COBRA, Retiree RFP - C. Flexible Spending Account	p. 28	How many printed materials will be needed? How many SPDs will be needed?	See response to question # 50 Electronic link to SPD is appropriate.

	Requirements, 3 & 4			
78.	FSA, COBRA, Retiree RFP - C. Flexible Spending Account Requirements, 12b; E. COBRA and Retiree Requirements, 15b	p. 28; p. 31	Is the requirement that the Account Executive be located in Nebraska open for discussion?	See response to question # 52.
79.	FSA, COBRA, Retiree RFP - C. Flexible Spending Account Requirements, 14; E. COBRA and Retiree Requirements, 17	p. 28; p. 31	Can we assume the 2-hour turnaround return call request is within normal, 8 am-5 pm CT business hours?	Yes
80.	FSA, COBRA, Retiree RFP - C. Flexible Spending Account Requirements, 12; E. COBRA and Retiree Requirements, 15	p. 28; p. 30	What is the State of Nebraska's definition of "dedicated" as it relates to staff assigned to your account?	The State defines dedicated as Contractor's staff members who are solely assigned to perform services in furtherance of this Contract, which means the Contractor does not assign them to work for any other client or customer.
81.	FSA, COBRA, Retiree RFP - C. Flexible Spending Account Requirements, 8; E. COBRA and Retiree Requirements, 11	p. 28; p. 30	For healthcare reform updates provided within 30 days, do you mean those related to FSA, COBRA, Retiree, or any healthcare reform updates?	Related to FSA, COBRA and Retiree.
82.	6171 Z1 cost proposal - FSA, 8	N/A	Within the Cost Proposal, what is the State of Nebraska looking for when referencing Management Reports?	State of Nebraska requires access to the following reports: Weekly reports which backup the daily claims reimbursement requests; Monthly Admin fee invoice and the report that backs up that invoice; Enrollment report that lists enrollment, contribution and reimbursement detail.
83.	6171 Z1 cost proposal - FSA, 11	N/A	Within the Cost Proposal, what items are currently provided as part of the Enrollment Kits?	A Welcome letter and Debit card for members is part of the Enrollment Kits.
84.	General	N/A	What does the dependent verification process look like for retirees adding new dependents?	The dependent verification process is the same process as for any other current employee.

85.	General	N/A	Is an SSO connection needed so retirees can log in via an internal company intranet?	No
86.	General	N/A	Is data available to understand how many new retirements are expected to occur in the next 1-3 years?	Expected new retirements in the next 1-3 years is unknown at this time. The last plan year had 446 new retirements.
87.	FSA, COBRA, Retiree RFP - C. Flexible Spending Account Requirements, 15; E. COBRA and Retiree Requirements, 18	p. 28; p. 31	Please provide additional details around the request for us to "Provide data feeds (ex. Eligibility file) to the State's contractors such as Medical/Rx contractors, as requested."	Contractor must notify each of the State's contractors for COBRA/Retiree enrollments, changes and terminations.
88.	General	N/A	Is the State of Nebraska substantiating and reimbursing claims using carrier files?	No, This is the responsibility of the TPA.
89.	General	N/A	How important is mobile technology to the State of Nebraska's participants?	Bidder should submit a response that best meets the requirements of the RFP.
90.	General	N/A	Does the State of Nebraska have any specific language requirements?	The State is not clear on the question. English and 508 compliant for visually impaired population.
91.	General	N/A	How does the State of Nebraska send payroll and eligibility information today?	The State of Nebraska sends payroll and eligibility information within the integration file.
92.	General	N/A	What types of campaigns has the State of Nebraska done to increase participation in your FSA plans?	See response to question # 6. No additional "campaigns" have been done.

This addendum will become part of the proposal and should be acknowledged with the Request for Proposal response.

ADDENDUM ONE REVISED SCHEDULE OF EVENTS

Date: November 04, 2019

To: All Bidders

From: Julie Schiltz/Connie Heinrichs, Buyers
AS Materiel Purchasing

RE: Addendum for RFP Number 6171 Z1 opening November 14, 2019 at 2:00 p.m. Central

REVISED Schedule of Events

The State expects to adhere to the tentative procurement schedule shown below. It should be noted, however, that some dates are approximate and subject to change. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

ACTIVITY	DATE/TIME
1. State responds to written questions through Solicitation "Addendum" and/or "Amendment" to be posted to the Internet at: http://das.nebraska.gov/materiel/purchasing.html	November 05, 2019
2. Proposal Opening Location: State Purchasing Bureau 1526 K Street, Suite 130 Lincoln, NE 68508	November 14, 2019 2:00 PM Central Time
3. Review for conformance to solicitation requirements	November 14, 2019
4. Evaluation period	November 15, 2019 through November 27, 2019
5. "Oral Interviews/Presentations and/or Demonstrations" (if required)	TBD
6. Post "Notification of Intent to Award" to Internet at: http://das.nebraska.gov/materiel/purchasing.html	November 27, 2019
7. Contract finalization period	November 27, 2019 through December 19, 2019
8. Contract award	December 20, 2019
9. Contractor start date	July 1, 2020

**State of Nebraska State Purchasing Bureau
REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES**

RETURN TO:
State Purchasing Bureau
1526 K Street Ste. 130
Lincoln, NE 68508
402-471-6500

SOLICITATION NUMBER	RELEASE DATE
RFP 6171 Z1	October 22, 2019
OPENING DATE AND TIME	PROCUREMENT CONTACT
November 14, 2019 2:00 P.M. Central Time	Julie Schiltz / Connie Heinrichs

**PLEASE READ CAREFULLY!
SCOPE OF SERVICE**

The State of Nebraska (State), Department of Administrative Services (DAS), Materiel Division, State Purchasing Bureau (SPB), is issuing this Request for Proposal (RFP) Number 6171 Z1 for the purpose of selecting a qualified Contractor to provide Flexible Spending Account and COBRA and Retiree Benefits Services. A more detailed description can be found in Section V. The resulting contract may not be an exclusive contract as the State reserves the right to contract for the same or similar services from other sources now or in the future.

The term of the contract will be three (3) years commencing upon execution of the contract by the State and the Contractor (Parties). The Contract includes the option to renew for four (4) additional one (1) year periods upon mutual agreement of the Parties. The State reserves the right to extend the period of this contract beyond the termination date when mutually agreeable to the Parties.

ALL INFORMATION PERTINENT TO THIS REQUEST FOR PROPOSAL CAN BE FOUND ON THE INTERNET AT:
<http://das.nebraska.gov/materiel/purchasing.html>.

IMPORTANT NOTICE: Pursuant to Neb. Rev. Stat. § 84-602.04, State contracts in effect as of January 1, 2014, and contracts entered into thereafter, must be posted to a public website. The resulting contract, the solicitation, and the successful bidder's proposal or response will be posted to a public website managed by DAS, which can be found at <http://statecontracts.nebraska.gov>.

In addition and in furtherance of the State's public records Statute (Neb. Rev. Stat. § 84-712 et seq.), all proposals or responses received regarding this solicitation will be posted to the State Purchasing Bureau public website.

These postings will include the entire proposal or response. Bidder must request that proprietary information be excluded from the posting. The bidder must identify the proprietary information, mark the proprietary information according to state law, and submit the proprietary information in a separate container or envelope marked conspicuously using an indelible method with the words "PROPRIETARY INFORMATION". The contractor must submit a detailed written document showing that the release of the proprietary information would give a business advantage to named business competitor(s) and explain how the named business competitor(s) will gain an actual business advantage by disclosure of information. The mere assertion that information is proprietary or that a speculative business advantage might be gained is not sufficient. (See Attorney General Opinion No. 92068, April 27, 1992) THE BIDDER MAY NOT ASSERT THAT THE ENTIRE PROPOSAL IS PROPRIETARY. COST PROPOSALS WILL NOT BE CONSIDERED PROPRIETARY AND ARE A PUBLIC RECORD IN THE STATE OF NEBRASKA. The State will determine, in its sole discretion, if the disclosure of the information designated by the Bidder as proprietary would 1) give advantage to business competitors and 2) serve no public purpose. The Bidder will be notified of the State's decision. Absent a determination by the State that the information may be withheld pursuant to Neb. Rev. Stat. § 84-712.05, the State will consider all information a public record subject to disclosure.

If the agency determines it is required to release proprietary information, the contractor will be informed. It will be the contractor's responsibility to defend the contractor's asserted interest in non-disclosure.

To facilitate such public postings, with the exception of proprietary information, the State of Nebraska reserves a royalty-free, nonexclusive, and irrevocable right to copy, reproduce, publish, post to a website, or otherwise use any contract, proposal, or response to this solicitation for any purpose, and to authorize others to use the documents. Any individual or entity awarded a contract, or who submits a proposal or response to this solicitation, specifically waives any copyright or other protection the contract, proposal, or response to the solicitation may have; and, acknowledges that they have the ability and authority to enter into such waiver. This reservation and waiver is a prerequisite for submitting a proposal or response to this solicitation, and award of a contract. Failure to agree to the reservation and waiver will result in the proposal or response to the solicitation being found non-responsive and rejected.

Any entity awarded a contract or submitting a proposal or response to the solicitation agrees not to sue, file a claim, or make a demand of any kind, and will indemnify and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses, sustained or asserted against the State, arising out of, resulting from, or attributable to the posting of the contract or the proposals and responses to the solicitation, awards, and other documents.

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GLOSSARY OF TERMS

Acceptance Test Procedure: Benchmarks and other performance criteria, developed by the State of Nebraska or other sources of testing standards, for measuring the effectiveness of products or services and the means used for testing such performance.

Addendum: Something to be added or deleted to an existing document; a supplement.

Agency: Any state agency, board, or commission other than the University of Nebraska, the Nebraska State colleges, the courts, the Legislature, or any other office or agency established by the Constitution of Nebraska.

Agent/Representative: A person authorized to act on behalf of another.

Amend: To alter or change by adding, subtracting, or substituting.

Amendment: A written correction or alteration to a document.

Appropriation: Legislative authorization to expend public funds for a specific purpose. Money set apart for a specific use.

Automated Clearing House: (ACH) Electronic network for financial transactions in the United States

Award: All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the solicitation.

Best and Final Offer (BAFO): In a competitive proposal, the final offer submitted which contains the bidder's most favorable terms for price.

Bid Bond: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the bidder will not withdraw the solicitation.

Bidder: A bidder who submits a proposal in response to a written solicitation.

Breach: Violation of a contractual obligation by failing to perform or repudiation of one's own promise.

Business: Any corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other private legal entity.

Business Day: Any weekday, except State-recognized holidays.

Calendar Day: Every day shown on the calendar including Saturdays, Sundays, and State/Federal holidays.

Change Order: Document that provides amendments to an executed purchase order or contract.

COBRA: continuation of coverage to be offered to covered employees, their spouses, former spouses, and dependent children when group health coverage would otherwise be lost due to certain specific events.

COBRA Participant: an employee who was covered by a group health plan on the day before a qualifying event occurred or that employee's spouse, former spouse, or dependent child who has enrolled in COBRA.

Collusion: An agreement or cooperation between two or more persons or entities to accomplish a fraudulent, deceitful, or unlawful purpose.

Competition: The effort or action of two or more commercial interests to obtain the same business from third parties.

Confidential Information: Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive.

Contract: An agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law; the writing that sets forth such an agreement.

Contract Administration: The administration of the contract which includes and is not limited to; contract signing, contract

amendments and any necessary legal actions.

Contract Award: Occurs upon execution of the State document titled "Service Contract Award" by the proper authority.

Contract Management: The management of day to day activities at the agency which includes and is not limited to ensuring deliverables are received, specifications are met, handling meetings and making payments to the Contractor.

Contract Period: The duration of the contract.

Contractor: An individual or entity lawfully conducting business in the State, or licensed to do so, who seeks to provide goods or services under the terms of a written solicitation.

Copyright: A property right in an original work of authorship fixed in any tangible medium of expression, giving the holder the exclusive right to reproduce, adapt and distribute the work.

Customer Service: The process of ensuring customer satisfaction by providing assistance and advice on those products or services provided by the Contractor.

Default: The omission or failure to perform a contractual duty.

Dependent Care Expenses (under FSA): Day care, babysitting, and general purpose day camps.

Dependent Care Flexible Spending Account: The Dependent Care FSA allows use of tax free money to pay for dependent care expenses that enable employees to work.

Deviation: Any proposed change(s) or alteration(s) to either the terms and conditions or deliverables within the scope of the written solicitation or contract.

Evaluation: The process of examining an offer after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the offer that relate to determination of the successful award.

Evaluation Committee: Individual's appointed by the requesting agency that advises and assists the procuring office in the evaluation of proposals (offers made in response to written solicitations).

Extension: Continuance of a contract for a specified duration upon the agreement of the parties beyond the original Contract Period. Not to be confused with "Renewal Period".

Flexible spending account: an account that pre-tax dollars can be contributed into. These pre-tax funds can be used for paying health care (medical, dental, vision, or pharmacy) or dependent care (day care) expenses. (Employees cannot contribute to a general-purpose FSA and Health Savings Account in the same plan year.)

Foreign Corporation: A foreign corporation that was organized and chartered under the laws of another state, government, or country.

Health Care Expenses: Deductibles, copays, and coinsurance for health care, prescription drugs, dental, and vision care.

Health Care Flexible Spending Account: The Health Care FSA reimbursed employees for eligible out-of-pocket health care expenses not covered by any health, dental, or vision care plan they may have.

Installation Date: The date when the procedures described in "Installation by Contractor", and "Installation by State", as found in the solicitation, or contract, are completed.

Interested Party: A person, acting in their personal capacity, or an entity entering into a contract or other agreement creating a legal interest therein.

Invalid Proposal: A proposal that does not meet the requirements of the solicitation or cannot be evaluated against the other proposals.

Late Proposal: An offer received after the Opening Date and Time.

Mandatory/Must: Required, compulsory, or obligatory.

May: Discretionary, permitted; used to express possibility.

Must: See Mandatory/Must and Shall/Will/Must.

Opening Date and Time: Specified date and time for the public opening of received, labeled, and sealed formal proposals.

Operating System: The control program in a computer that provides the interface to the computer hardware and peripheral devices, and the usage and allocation of memory resources, processor resources, input/output resources, and security resources.

Outsourcing: The contracting out of a business process which an organization may have previously performed internally or has a new need for, to an independent organization from which the process is purchased back.

Performance Bond: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the Contractor fulfills any and all obligations under the contract.

Platform: A specific hardware and Operating System combination that is different from other hardware and Operating System combinations to the extent that a different version of the Licensed Software product is required to execute properly in the environment established by such hardware and Operating System combination.

Point of Contact (POC): The person designated to receive communications and to communicate.

Pre-Proposal Conference: A meeting scheduled for the purpose of clarifying a written solicitation and related expectations.

Product: Something that is distributed commercially for use or consumption and that is usually (1) tangible personal property, (2) the result of fabrication or processing, and (3) an item that has passed through a chain of commercial distribution before ultimate use or consumption.

Program Error: Code in Licensed Software which produces unintended results or actions, or which produces results or actions other than those described in the specifications. A program error includes, without limitation, any Critical Program Error.

Program Set: The group of programs and products, including the Licensed Software specified in the solicitation, plus any additional programs and products licensed by the State under the contract for use by the State.

Project: The total scheme, program, or method worked out for the accomplishment of an objective, including all documentation, commodities, and services to be provided under the contract.

Proposal: An offer, bid, or quote submitted by a contractor/vendor in a response to a written solicitation

Proprietary Information: Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serves no public purpose (see Neb. Rev. Stat. § 84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific named competitor(s) advantaged by release of the information and the demonstrated advantage the named competitor(s) would gain by the release of information.

Protest/Grievance: A complaint about a governmental action or decision related to a solicitation or resultant contract, brought by a contractor who has timely submitted a proposal response in connection with the award in question, to AS Materiel Division or another designated agency with the intention of achieving a remedial result.

Public Proposal Opening: The process of opening correctly submitted offers at the time and place specified in the written solicitation and in the presence of anyone who wished to attend.

Recommended Hardware Configuration: The data processing hardware (including all terminals, auxiliary storage, communication, and other peripheral devices) to the extent utilized by the State as recommended by the Contractor.

Release Date: The date of public release of the written solicitation to seek offers.

Renewal Period: Optional contract periods subsequent to the original Contract Period for a specified duration with previously agreed to terms and conditions. Not to be confused with Extension.

Request for Proposal (RFP): A written solicitation utilized for obtaining competitive offers.

Responsible Contractor: A contractor who has the capability in all respects to perform fully and lawfully all requirements with integrity and reliability to assure good faith performance.

Responsive Contractor: A contractor who has submitted a proposal which conforms to all requirements of the solicitation document.

Retiree: State employees who meet the qualifications and retire from employment between the ages of 55 through 64.

Shall/Will/Must: An order/command; mandatory.

Should: Expected; suggested, but not necessarily mandatory.

Specifications: The detailed statement, especially of the measurements, quality, materials, and functional characteristics, or other items to be provided under a contract.

Statutory: These clauses are controlled by state law and are not subject to negotiation.

Subcontractor: Individual or entity with whom the contractor enters a contract to perform a portion of the work awarded to the contractor.

Termination: Occurs when either Party, pursuant to a power created by agreement or law, puts an end to the contract prior to the stated expiration date. All obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

Third Party: Any person or entity, including but not limited to fiduciaries, shareholders, owners, officers, managers, employees, legally disinterested persons, and sub-contractors or agents, and their employees. It shall not include any entity or person who is an interested Party to the contract or agreement.

Trade Secret: Information, including, but not limited to, a drawing, formula, pattern, compilation, program, device, method, technique, code, or process that (a) derives independent economic value, actual or potential, from not being known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (see Neb. Rev. Stat. §87-502(4)).

Trademark: A word, phrase, logo, or other graphic symbol used by a manufacturer or contractor to distinguish its product from those of others, registered with the U.S. Patent and Trademark Office.

Upgrade: Any change that improves or alters the basic function of a product or service.

Vendor Performance Report: A report completed by the using agency and submitted to State Purchasing Bureau documenting products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or solicitation specifications.

Vendor: Inclusive term for any Bidder or Contractor

Will: See Mandatory/Shall/Will/Must.

Work Day: See Business Day.

ACRONYM LIST

ACH – Automated Clearing House

ASI – Application Software Inc.

COBRA - Consolidated Omnibus Budget Reconciliation Act

COI – Certificate of Insurance

DAS – Department of Administrative Services

FSA – Flexible Spending Account

PEEPM – Per Eligible Employee Per Month

PPACA – Patient Protection and Affordable Care Act

RFP – Request for Proposal

SPB – State Purchasing Bureau

SPD – Summary Plan Documents

SSDI – Social Security Disability

I. PROCUREMENT PROCEDURE

A. GENERAL INFORMATION

The solicitation is designed to solicit proposals from qualified Bidder who will be responsible for providing Flexible Spending Account and COBRA and Retiree Benefits Services at a competitive and reasonable cost. Terms and Conditions, Project Description and Scope of Work, Proposal instructions, and Cost Proposal Requirements may be found in Sections II through VII.

Proposals shall conform to all instructions, conditions, and requirements included in the solicitation. Bidders should carefully examine all documents, schedules, and requirements in this solicitation, and respond to each requirement in the format prescribed. Proposals may be found non-responsive if they do not conform to the solicitation.

B. PROCURING OFFICE AND COMMUNICATION WITH STATE STAFF AND EVALUATORS

Procurement responsibilities related to this solicitation reside with State Purchasing Bureau. The point of contact (POC) for the procurement is as follows:

Name: Julie Schiltz/ Connie Heinrichs
RFP # 6171 Z1
Agency: State Purchasing Bureau
Address: 1526 K Street, Suite 130
Lincoln, NE 68508

Telephone: 402-471-6500

E-Mail: as.materielpurchasing@nebraska.gov

From the date the solicitation is issued until the Intent to Award is issued, communication from the Bidder is limited to the POC listed above. After the Intent to Award is issued, the Bidder may communicate with individuals the State has designated as responsible for negotiating the contract on behalf of the State. No member of the State Government, employee of the State, or member of the Evaluation Committee is empowered to make binding statements regarding this solicitation. The POC will issue any answers, clarifications or amendments regarding this solicitation in writing. Only the SPB or awarding agency can award a contract. Bidders shall not have any communication with, or attempt to communicate or influence any evaluator involved in this solicitation.

The following exceptions to these restrictions are permitted:

1. Contact made pursuant to pre-existing contracts or obligations;
2. Contact required by the schedule of events or an event scheduled later by the solicitation POC; and
3. Contact required for negotiation and execution of the final contract.

The State reserves the right to reject a bidder's proposal, withdraw an Intent to Award, or terminate a contract if the State determines there has been a violation of these procurement procedures.

C. SCHEDULE OF EVENTS

The State expects to adhere to the procurement schedule shown below, but all dates are approximate and subject to change.

ACTIVITY		DATE/TIME
1.	Release Solicitation	October 22, 2019
2.	Last day to submit written questions	October 30, 2019
3.	State responds to written questions through Solicitation "Addendum" and/or "Amendment" to be posted to the Internet at: http://das.nebraska.gov/materiel/purchasing.html	November 04, 2019
4.	Proposal Opening Location: State Purchasing Bureau 1526 K Street, Suite 130 Lincoln, NE 68508	November 14, 2019 2:00 PM Central Time
5.	Review for conformance to solicitation requirements	November 14, 2019
6.	Evaluation period	November 15, 2019 through November 27, 2019
7.	"Oral Interviews/Presentations and/or Demonstrations" (if required)	TBD
8.	Post "Notification of Intent to Award" to Internet at: http://das.nebraska.gov/materiel/purchasing.html	November 27, 2019
9.	Contract finalization period	November 27, 2019 through December 19, 2019
10.	Contract award	December 20, 2019
11.	Contractor start date	July 1, 2020

D. WRITTEN QUESTIONS AND ANSWERS

Questions regarding the meaning or interpretation of any solicitation provision must be submitted in writing to State Purchasing Bureau and clearly marked "RFP Number 6171 Z1; Flexible Spending Account and COBRA and Retiree Benefits Services Questions". The POC is not obligated to respond to questions that are received late per the Schedule of Events.

Bidders should present, as questions, any assumptions upon which the Bidder's proposal is or might be developed. Proposals will be evaluated without consideration of any known or unknown assumptions of a contractor. The contract will not incorporate any known or unknown assumptions of a contractor.

It is preferred that questions be sent via e-mail to as.materielpurchasing@nebraska.gov, but may be delivered by hand or by U.S. Mail. It is recommended that Bidders submit questions using the following format.

Solicitation Section Reference	Solicitation Page Number	Question

Written answers will be posted at <http://das.nebraska.gov/materiel/purchasing.html> per the Schedule of Events.

E. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS (Statutory)

All bidders must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements. The contractor who is the recipient of an Intent to Award may be required to certify that it has complied and produce a true and exact copy of its current (within ninety (90) calendar days of the intent to award) Certificate or Letter of Good Standing, or in the case of a sole proprietorship, provide written documentation of sole proprietorship and complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>. This must be accomplished prior to execution of the contract.

F. ETHICS IN PUBLIC CONTRACTING

The State reserves the right to reject proposals, withdraw an intent to award or award, or terminate a contract if a contractor commits or has committed ethical violations, which include, but are not limited to:

1. Offering or giving, directly or indirectly, a bribe, fee, commission, compensation, gift, gratuity, or anything of value to any person or entity in an attempt to influence the bidding process;
2. Utilize the services of lobbyists, attorneys, political activists, or consultants to influence or subvert the bidding process;
3. Being considered for, presently being, or becoming debarred, suspended, ineligible, or excluded from contracting with any state or federal entity;
4. Submitting a proposal on behalf of another Party or entity; and
5. Collude with any person or entity to influence the bidding process, submit sham proposals, preclude bidding, fix pricing or costs, create an unfair advantage, subvert the proposal, or prejudice the State.

The Contractor shall include this clause in any subcontract entered into for the exclusive purpose of performing this contract.

Contractor shall have an affirmative duty to report any violations of this clause by the Contractor throughout the bidding process, and throughout the term of this contract for the successful Contractor and their subcontractors.

G. DEVIATIONS FROM THE REQUEST FOR PROPOSAL

The requirements contained in the solicitation (Sections II thru VI) become a part of the terms and conditions of the contract resulting from this solicitation. Any deviations from the solicitation in Sections II through VI must be clearly defined by the contractor in its proposal and, if accepted by the State, will become part of the contract. Any specifically defined deviations must not be in conflict with the basic nature of the solicitation, requirements, or applicable state or federal laws or statutes. "Deviation", for the purposes of this solicitation, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this solicitation. The State discourages deviations and reserves the right to reject proposed deviations.

H. SUBMISSION OF PROPOSALS

Bidders should submit one proposal marked on the first page: "ORIGINAL". If multiple proposals are submitted, the State will retain one copy marked "ORIGINAL" and destroy the other copies. The Contractor is solely responsible for any variance between the copies submitted. Proposal responses should include the completed Form A, "Contractor Proposal Point of Contact". Proposals must reference the RFP number and be sent to the specified address. Please note that the address label should appear as specified in Section I B. on the face of each container or contractor's proposal response packet. If a recipient phone number is required for delivery purposes,

402-471-6500 should be used. The RFP number should be included in all correspondence. The State will not furnish packaging and sealing materials. It is the contractor's responsibility to ensure the solicitation is received in a sealed envelope or container and submitted by the date and time indicated in the Schedule of Events. Sealed proposals must be received in the State Purchasing Bureau by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted.

The Request for Proposal form must be manually signed in an indelible manner and returned by the proposal opening date and time along with the contractor's Request for Proposal along with any other requirements as stated in the Request for Proposal document in order for the contractor's Request for Proposal response to be evaluated.

It is the responsibility of the contractor to check the website for all information relevant to this Request for Proposal to include addenda and/or amendments issued prior to the opening date. Website address is as follows: <http://das.nebraska.gov/materiel/purchasing.html>.

Emphasis should be concentrated on conformance to the solicitation instructions, responsiveness to requirements, completeness, and clarity of content. If the contractor's proposal is presented in such a fashion that makes evaluation difficult or overly time consuming the State reserves the right to reject the proposal as non-conforming.

By signing the "Request for Proposal for Contractual Services" form, the contractor guarantees compliance with the provisions stated in this solicitation.

The State shall not incur any liability for any costs incurred by contractors in replying to this solicitation, in the demonstrations and/or oral presentations, or in any other activity related to bidding on this solicitation.

The Technical and Cost Proposals Template should be presented in separate sections (loose-leaf binders are preferred) on standard 8 1/2" x 11" paper, except that charts, diagrams and the like may be on fold-outs which, when folded, fit into the 8 1/2" by 11" format. Pages may be consecutively numbered for the entire proposal, or may be numbered consecutively within sections. Figures and tables should be numbered consecutively within sections. Figures and tables should be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text.

I. PROPOSAL PREPARATION COSTS

The State shall not incur any liability for any costs incurred by Bidders in replying to this solicitation, including any activity related to bidding on this solicitation.

J. FAILURE TO COMPLY WITH REQUEST FOR PROPOSAL

Violation of the terms and conditions contained in this solicitation or any resultant contract, at any time before or after the award, shall be grounds for action by the State which may include, but is not limited to, the following:

1. Rejection of a bidder's proposal;
2. Withdrawal of the Intent to Award;
3. Withdrawal of the Award;
4. Negative Vendor Performance Report(s)
5. Termination of the resulting contract;
6. Legal action; and
7. Suspension of the bidder from further bidding with the State for the period of time relative to the seriousness of the violation, such period to be within the sole discretion of the State.

K. PROPOSAL CORRECTIONS

A bidder may correct a mistake in a proposal prior to the time of opening by giving written notice to the State of intent to withdraw the proposal for modification or to withdraw the proposal completely. Changing a proposal after opening may be permitted if the change is made to correct a minor error that does not affect price, quantity, quality, delivery, or contractual conditions. In case of a mathematical error in extension of price, unit price shall govern.

L. LATE PROPOSALS

Proposals received after the time and date of the proposal opening will be considered late proposals. Late proposals will be returned unopened, if requested by the bidder and at bidder's expense. The State is not responsible for proposals that are late or lost regardless of cause or fault.

M. PROPOSAL OPENING

The opening of proposals will be public and the bidders will be announced. Proposals **WILL NOT** be available for viewing by those present at the proposal opening. Proposals will be posted to the State Purchasing Bureau website once an Intent to Award has been posted to the website. Contractors may contact the State to schedule an

appointment for viewing proposals after the Intent to Award has been posted to the website. Once proposals are opened, they become the property of the State of Nebraska and will not be returned.

N. REQUEST FOR PROPOSAL/PROPOSAL REQUIREMENTS

The proposals will first be examined to determine if all requirements listed below have been addressed and whether further evaluation is warranted. Proposals not meeting the requirements may be rejected as non-responsive. The requirements are:

1. Original Request for Proposal for Contractual Services form signed using an indelible method;
2. Clarity and responsiveness of the proposal;
3. Completed Corporate Overview; **(Attachment A Bidder Questionnaire)**
4. Completed Sections II through VII;
5. Completed Technical Approach; and **(Attachment A Bidder Questionnaire)**
6. Completed State Cost Proposal.

O. DISCOUNTS

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the proposal. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

P. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the contractor, F.O.B. destination named in the solicitation. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

Prices submitted on the cost proposal form, once accepted by the State, shall remain fixed for the initial three years) (3) of the contract. Any request for a price increase subsequent to the initial term of the contract shall not exceed three percent (3%) of the price proposed for the period. Increases shall not be cumulative and will only apply to that period of the contract. The request for a price increase must be submitted in writing to the State Purchasing Bureau a minimum of 120 days prior to the end of the current contract period. Documentation may be required by the State to support the price increase.

The State will be given full proportionate benefit of any decreases for the term of the contract.

Q. COST CLARIFICATION

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

R. EVALUATION COMMITTEE

Proposals are evaluated by members of an Evaluation Committee(s). The Evaluation Committee(s) will consist of individuals selected at the discretion of the State. Names of the members of the Evaluation Committee(s) will not be published prior to the intent to award.

Any contact, attempted contact, or attempt to influence an evaluator that is involved with this solicitation may result in the rejection of this proposal and further administrative actions.

S. EVALUATION OF PROPOSALS

All proposals that are responsive to the solicitation will be evaluated. Each evaluation category will have a maximum point potential. The State will conduct a fair, impartial, and comprehensive evaluation of all proposals in accordance with the criteria set forth below. Areas that will be addressed and scored during the evaluation include:

1. Corporate Overview;
2. Technical Approach; and,
3. Cost Proposal.

Neb. Rev. Stat. §81-161 allows the quality of performance of previous contracts to be considered when evaluating responses to competitively bid solicitations in determining the lowest responsible bidder. Information obtained from any Vendor Performance Report (See Terms & Conditions, Section H) may be used in evaluating responses to solicitations for goods and services to determine the best value for the State.

Neb. Rev. Stat. §73-107 allows for a preference for a resident disabled veteran or business located in a designated enterprise zone. When a state contract is to be awarded to the lowest responsible bidder, a resident

disabled veteran or a business located in a designated enterprise zone under the Enterprise Zone Act shall be allowed a preference over any other resident or nonresident bidder, if all other factors are equal.

Resident disabled veterans means any person (a) who resides in the State of Nebraska, who served in the United States Armed Forces, including any reserve component or the National Guard, who was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions), and who possesses a disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected disability or a disability determination from the United States Department of Defense and (b)(i) who owns and controls a business or, in the case of a publicly owned business, more than fifty percent of the stock is owned by one or more persons described in subdivision (a) of this subsection and (ii) the management and daily business operations of the business are controlled by one or more persons described in subdivision(a) of this subsection. Any contract entered into without compliance with this section shall be null and void.

Therefore, if a resident disabled veteran or business located in a designated enterprise zone submits a proposal in accordance with Neb. Rev. Stat. §73-107 and has so indicated on the solicitation cover page under "Bidder must complete the following" requesting priority/preference to be considered in the award of this contract, the following will need to be submitted by the bidder within ten (10) business days of request:

1. Documentation from the United States Armed Forces confirming service;
2. Documentation of discharge or otherwise separated characterization of honorable or general (under honorable conditions);
3. Disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected disability or a disability determination from the United States Department of Defense; and
4. Documentation which shows ownership and control of a business or, in the case of a publicly owned business, more than fifty percent of the stock is owned by one or more persons described in subdivision (a) of this subsection; and the management and daily business operations of the business are controlled by one or more persons described in subdivision (a) of this subsection.

Failure to submit the requested documentation within ten (10) business days of notice will disqualify the contractor from consideration of the preference.

T. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS

The State may determine after the completion of the Technical and Cost Proposal evaluation that oral interviews/presentations and/or demonstrations are required. Every bidder may not be given an opportunity to interview/present and/or give demonstrations; the State reserves the right, in its discretion, to select only the top scoring bidders to present/give oral interviews. The scores from the oral interviews/presentations and/or demonstrations will be added to the scores from the Technical and Cost Proposals. The presentation process will allow the contractors to demonstrate their proposal offering, explaining and/or clarifying any unusual or significant elements related to their proposals. Bidder's key personnel, identified in their proposal, may be requested to participate in a structured interview to determine their understanding of the requirements of this proposal, their authority and reporting relationships within their firm, and their management style and philosophy. Only representatives of the State and the presenting bidder will be permitted to attend the oral interviews/presentations and/or demonstrations. A written copy or summary of the presentation, and demonstrative information (such as briefing charts, et cetera) may be offered by the bidder, but the State reserves the right to refuse or not consider the offered materials. Bidders shall not be allowed to alter or amend their proposals.

Once the oral interviews/presentations and/or demonstrations have been completed, the State reserves the right to make an award without any further discussion with the bidders regarding the proposals received.

Any cost incidental to the oral interviews/presentations and/or demonstrations shall be borne entirely by the bidder and will not be compensated by the State.

U. BEST AND FINAL OFFER

If best and final offers (BAFO) are requested by the State and submitted by the bidder, they will be evaluated (using the stated BAFO criteria), scored, and ranked by the Evaluation Committee. The State reserves the right to conduct more than one Best and Final Offer. The award will then be granted to the highest scoring bidder. However, a bidder should provide its best offer in its original proposal. Bidders should not expect that the State will request a best and final offer.

V. REFERENCE AND CREDIT CHECKS

The State reserves the right to conduct and consider reference and credit checks. The State reserves the right to use third parties to conduct reference and credit checks. By submitting a proposal in response to this solicitation, the bidder grants to the State the right to contact or arrange a visit in person with any or all of the contractor's

clients. Reference and credit checks may be grounds to reject a proposal, withdraw an intent to award, or rescind the award of a contract.

W. AWARD

The State reserves the right to evaluate proposals and award contracts in a manner utilizing criteria selected at the State's discretion and in the State's best interest. After evaluation of the proposals, or at any point in the solicitation process, the State of Nebraska may take one or more of the following actions:

1. Amend the solicitation;
2. Extend the time of or establish a new proposal opening time;
3. Waive deviations or errors in the State's solicitation process and in bidder proposals that are not material, do not compromise the solicitation process or a contractor's proposal, and do not improve a bidder's competitive position;
4. Accept or reject a portion of or all of a proposal;
5. Accept or reject all proposals;
6. Withdraw the solicitation;
7. Elect to rebid the solicitation;
8. Award single lines or multiple lines to one or more bidders; or,
9. Award one or more all-inclusive contracts.

The solicitation does not commit the State to award a contract. Once intent to award decision has been determined, it will be posted to the Internet at:

<http://das.nebraska.gov/materiel/purchasing.html>

Any protests must be filed by a bidder within ten (10) business days after the intent to award decision is posted to the Internet. Grievance and protest procedure is available on the Internet at:

<http://das.nebraska.gov/materiel/purchasing.html>

X. ALTERNATE/EQUIVALENT PROPOSALS

Bidder may offer proposals which are at variance from the express specifications of the solicitation. The State reserves the right to consider and accept such proposals if, in the judgment of the Materiel Administrator, the proposal will result in goods and/or services equivalent to or better than those which would be supplied in the original proposal specifications. Bidder must indicate on the solicitation the manufacturer's name, number and shall submit with their proposal, sketches, descriptive literature and/or complete specifications. Reference to literature submitted with a previous proposal will not satisfy this provision. Proposals which do not comply with these requirements are subject to rejection. In the absence of any stated deviation or exception, the proposal will be accepted as in strict compliance with all terms, conditions and specification, and the Contractor shall be held liable therefore.

Y. LUMP SUM OR "ALL OR NONE" PROPOSALS

The State reserves the right to purchase item-by-item, by groups or as a total when the State may benefit by so doing. Bidders may submit a proposal on an "all or none" or "lump sum" basis, but should also submit a proposal on an item-by-item basis. The term "all or none" means a conditional proposal which requires the purchase of all items on which proposals are offered and Bidder declines to accept award on individual items; a "lump sum" proposal is one in which the Bidder offers a lower price than the sum of the individual proposals if all items are purchased, but agrees to deliver individual items at the prices quoted.

Z. EMAIL SUBMISSIONS

SPB will not accept proposals by email, electronic, voice, or telephone proposals except for one-time purchases under \$50,000.00.

AA. REJECTION OF PROPOSALS

The State reserves the right to reject any or all proposals, wholly or in part, in the best interest of the State.

BB. RESIDENT BIDDER

Pursuant to Neb. Rev. Stat. §§ 73-101.01 through 73-101.02, a Resident Bidder shall be allowed a preference against a Non-resident Bidder from a state which gives or requires a preference to Bidders from that state. The preference shall be equal to the preference given or required by the state of the Nonresident Bidders. The provision of this preference shall not apply to any contract for any project upon which federal funds would be withheld because of the provisions of this preference.

II. TERMS AND CONDITIONS

Bidders should complete Sections II through VII as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the solicitation, contractor is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and contractor fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this solicitation. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder’s commercial contracts and/or documents for this solicitation.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder’s proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State’s clause shall control.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The contract resulting from this Request for Proposal shall only incorporate the following documents:

The contract resulting from this solicitation shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the solicitation;
3. Questions and Answers;
4. Contractor’s proposal (Solicitation and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to solicitation and any Questions and Answers, 4) the original solicitation document and any Addenda, and 5) the Contractor’s submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or five (5) calendar days following deposit in the mail.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

C. BUYER REPRESENTATIVE (POC)

The State reserves the right to appoint a Buyer's Representative to manage [or assist the Buyer in managing] the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the Contractor will be provided a copy of the appointment document, and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

E. BEGINNING OF WORK

The contractor shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

F. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

G. CHANGE ORDERS OR SUBSTITUTIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the solicitation. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

In the event any product is discontinued or replaced upon mutual consent during the contract period or prior to delivery, the State reserves the right to amend the contract or purchase order to include the alternate product at the same price.

*****Contractor will not substitute any item that has been awarded without prior written approval of SPB*****

H. VENDOR PERFORMANCE REPORT(S)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The State may document any instance(s) of products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or solicitation specifications. The State Purchasing Bureau may contact the Vendor regarding any such report. Vendor performance report(s) will become a part of the permanent record of the Vendor.

I. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the

State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

J. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby. OR In case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

K. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

L. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

M. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials (“the indemnified parties”) from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (“the claims”), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY (Optional)

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State’s use of the Licensed Software without the State’s prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State’s use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor’s sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State’s behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State’s election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this solicitation.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker’s compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor’s and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

N. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

O. PERFORMANCE BOND

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor will be required to supply a cashier's check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the cashier's check or bond must be established dollar amount of \$200,000 The check or bond will guarantee that the Contractor will faithfully perform all requirements, terms and conditions of the contract. If the Contractor chooses to provide a cashier's check, the check must show an expiration date on the check. Cashier's checks will only be allowed for contracts for three (3) years or less, including all renewal options. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or cashier's check will be returned when the contract has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

P. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

Q. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

R. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

S. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

T. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
 - g. Contractor intentionally discloses confidential information;
 - h. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

U. CONTRACT CLOSEOUT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;

5. Cooperate with any successor Contactor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor’s representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor’s employees, including all insurance required by state law;
3. Damages incurred by Contractor’s employees within the scope of their duties under the contract;
4. Maintaining Workers’ Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
5. Determining the hours to be worked and the duties to be performed by the Contractor’s employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor’s employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the contractor’s proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
2. The completed United States Attestation Form should be submitted with the solicitation response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this solicitation.

D. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

G. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Agreement Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE		
COMMERCIAL GENERAL LIABILITY		
General Aggregate		\$2,000,000
Products/Completed Operations Aggregate		\$2,000,000
Personal/Advertising Injury		\$1,000,000 per occurrence
Bodily Injury/Property Damage		\$1,000,000 per occurrence
Medical Payments		\$10,000 any one person
Damage to Rented Premises (Fire)		\$300,000 each occurrence
Contractual		Included
XCU Liability (Explosion, Collapse, and Underground Damage)		Included
Independent Contractors		Included
Abuse & Molestation		Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>		
WORKER'S COMPENSATION		
Employers Liability Limits		\$500K/\$500K/\$500K
Statutory Limits- All States		Statutory - State of Nebraska
Voluntary Compensation		Statutory
COMMERCIAL AUTOMOBILE LIABILITY		
Bodily Injury/Property Damage		\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability		Included
Motor Carrier Act Endorsement		Where Applicable
UMBRELLA/EXCESS LIABILITY		
Over Primary Insurance		\$5,000,000 per occurrence
PROFESSIONAL LIABILITY		
Professional liability (Medical Malpractice)		Limits consistent with Nebraska Medical Malpractice Cap
Qualification Under Nebraska Excess Fund		
All Other Professional Liability (Errors & Omissions)		\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME		
Crime/Employee Dishonesty Including 3rd Party Fidelity		\$1,000,000
CYBER LIABILITY		
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties		\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE		
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."		
MANDATORY COI LIABILITY WAIVER LANGUAGE		
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."		

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Administrative Services
 Attn: Wellness & Benefits Administrator
 1526 K Street, Suite 110
 Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

H. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

If Contractor breaches the contract or anticipates breaching the contract the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

I. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

J. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

By submitting a proposal, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

K. STATE PROPERTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

L. SITE RULES AND REGULATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

M. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

N. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

O. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

P. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

Q. WARRANTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

Neb. Rev. Stat. §§81-2403 states, “[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency.”

B. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor

C. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. The State can support a daily invoice and process ACH transfers within three (3) business days. The State cannot support a pre-funded account. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

Invoices for payments must include:

Monthly invoice (for the Flexible spending administration fees. The fees should be invoiced after the end of the month. (For example, the August admin fees would be invoiced 9/1/19.)

Flexible Spending daily reimbursement documentation must be emailed to the State and must include:

The date the payments are processed & for what plan year, a separate amount for the dependent care & Health Care, an invoice #, in addition to a remittance address.

Weekly backup to support the daily Flexible Spending reimbursement requests must include:

The employee name, SS#, date of the reimbursement, dollar amount of the reimbursement & whether the reimbursement was for Health Care or Dependent Care.

The Admin Fee Invoice and weekly backup reports shall be posted to the vendor's site and picked up by the State.

D. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

E. PAYMENT (Statutory)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

F. LATE PAYMENT (Statutory)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)

The State's obligation to pay amounts due on the Contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Statutory)

The State shall have the right to audit the Contractor's performance of this contract upon a thirty (30) days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. §84-304 et seq.) The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent to three (3) percent of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

V. PROJECT DESCRIPTION AND SCOPE OF WORK

The contractor should provide the following information in response to this solicitation.

A. PROJECT OVERVIEW

This Request for Proposal (RFP) is being issued to find a qualified contractor to provide a Flexible Spending Account and COBRA and Retiree Benefits Administration program for approximately 16,100 eligible and 15,126 enrolled state employees effective on July 1, 2020.

Stand-alone proposals will not be accepted for FSA (Medical & Dependent care) and/or COBRA/Retiree Administration. This RFP requires a single administrator for all parts of this request, including FSA (Medical and Dependent Care) along with all COBRA and Retiree Administration related services. The State of Nebraska currently outsources administration of FSA, COBRA and Retiree benefits to ASI COBRA.

The State's open enrollment period is during May for the July 1 through June 30 plan year. All active employees along with COBRA and Retiree individuals must re-enroll each year to choose their options for the next plan year. The State of Nebraska also completes new hire and status change enrollments as necessary.

The State wishes to accomplish the following objectives:

1. Minimize the cost and rate of future fee increases.
2. Establish performance targets to assess and monitor administrator's performance.
3. Allow both Health Care and Dependent Care expenses with the Flexible Spending Account.
4. Streamline the efficiency and compliance of its current COBRA and Retiree process with a high level of performance in COBRA and Retiree administration and billing.

B. FLEXIBLE SPENDING ACCOUNTS PROJECT ENVIRONMENT

All eligible permanent State of Nebraska employees (full time and part time) located throughout the State of Nebraska can choose to enroll and participate in the Flexible Spending Account program. Enrollment is completed within the State of Nebraska Workday system, the enrollment information (name, date of birth, social security number, affective date, amount, etc.) is pulled from Workday and those files are transferred to the Contractor. Employees have the option to participate in a Health Care Flexible Spending Account, a Dependent Care Flexible Spending Account, or both. One fee is paid if employee is enrolled in both Dependent Care and Health Care Accounts.

Employees can set aside up to \$2,700 pre-tax per calendar year for the Health Care Flexible Spending Account program. This may change based on Federal guideline limits and as approved by the State. Employees may not make an annual election of less than \$120. Those employees participating in the Dependent Care Flexible Spending Account program are allowed to set aside up to \$5,000 per calendar year, per household. Employees may not make an annual election of less than \$72.

Employees participating in the Flexible Spending Account program cannot transfer money from the Dependent Care Flexible Spending Account to the Health Care Flexible Spending Account and vice versa.

Direct deposit is available to Flexible Spending Account participants once the employee signs up to receive reimbursements by direct deposits to an account of the employees choosing that receives direct deposits, or by using a medical Flex debit card. Flex card is for medical related and pharmacy spending. Dependent care can only be submitted through receipt reimbursement process.

The enrolled employees must use funds with a date of service as June 30 or earlier each plan year or remaining funds are forfeited back to the plan (no carryover option). All employees are allowed a 4 month grace period, as allowed by Federal guidelines, with all receipts to be submitted for reimbursement by the October 31 deadline each year.

The Summary Plan Description for the current Flexible Spending Account program can be found at <http://das.nebraska.gov/Benefits/Active/flex.html> Flexible Spending Accounts Summary Plan Description (SPD). Of the State's approximately 16,379 eligible permanent employees 3,533 are enrolled in the current Health Care Flexible Spending Account and 432 enrolled in the current Dependent Care Flexible Spending Account and 235 are enrolled in both.

C. FLEXIBLE SPENDING ACCOUNT REQUIREMENTS:

1. Process grace period from July 1 through October 31 and run out claims.
2. Participate in-person during the annual Open Enrollment meetings for the Human Resource Information Group (HRIG) in April of each year. If requested by other State agencies, the Contractor may participate in agency specific health fair(s).

3. Supply printed materials (i.e. Employee flyers, links, general informational material) concerning Flexible spending and COBRA information for the annual OE meetings with HR and across the state. This information is provided to members.
4. Provide final Summary Plan Documents (SPD), written and electronic, to the State Wellness and Benefit Division prior to the Open Enrollment period and subsequent open enrollments.
5. Comply with the following eligibility process:
 - a. Integrate with the State's eligibility systems;
 - b. Eligibility files are sent on a weekly basis with enrollment information;
 - c. At Open Enrollment, one large file will be sent with all updates for the new plan year, and weekly after that;
 - d. The State of Nebraska will provide the initial Flex file (for both Medical and Dependent care) from the Open Enrollment elections for the plan year;
 - e. Accept electronic transfer of eligibility data in a format indicated by the State and acknowledge receipt of the file;
 - f. Implement eligibility updates within 24 hours of receipt;
 - g. Maintain eligibility records for all participants; and
 - h. Maintain eligibility reconciliations between Contractor files and the State's eligibility files.
6. Claims are paid by the Contractor and a reimbursement request is sent to the State on a daily basis via email. The reimbursement request is processed the following business day. The funds are electronically deposited into the Contractor's bank account within two business days.
7. Advise and assist the State in the preparation of Nondiscrimination Testing Management Report along with any additional preparation of forms and necessary documentation to fulfill reporting and disclosure requirements.
8. Provide guidance and written documentation within thirty (30) days upon request, on the PPACA and any future issues as related to health care reform, including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as those issues pertain to the State's experience.
9. Administer the program in compliance with the insurance laws of the State of Nebraska and all Federal regulations.
10. Monitor Federal regulations and State legislation affecting Flexible Spending Account programs provided under the plan and report to the State on those issues in a timely fashion prior to the effective date of any mandated plan changes.
11. Attend an annual performance or "stewardship" meeting within 180 days after contract year-end at which time the Contractor will, as directed by the State, summarize activities and performance for the year end.
12. Provide dedicated staff in the following specialties:
 - a. Implementation Manager: Responsible for development and execution of implementation plan. Coordinates with the State, internal and other external resources. The Implementation Manager shall be dedicated to the State during the implementation process. Three (3) years of experience as an Implementation Manager and experience with groups 15,000 and larger are also required.
 - b. Account Executive: Responsible for overall account relationship including strategic planning in relation to plan performance, consultative services, recommendations for benefit design and cost containment opportunities, overseeing contractual services under the contract with the State, and managing all other Contractor's staff working on this account. Has overall responsibility for waste, fraud and abuse oversight and control. The Account Executive will be located in Nebraska and will be dedicated to the State account. The Account Executive will have a minimum five (5) years of experience as an Account Executive and have previously served as an Account Executive for at least one (1) year for a group of at least 15,000 members.
 - c. Member Services Manager: Responsible for all customer service functions and reporting. Three (3) years of experience as a Member Services Manager and experience with groups 15,000 and larger are also required.
13. An Account Executive shall be accountable and responsible to the State for proactive management of all aspects of the Contractor's performance to the State. The Contractor shall not change assignment of the Account Executive without written notice provided to the State with a minimum of fourteen (14) business days prior to such change. The State reserves the right to request assignment of a new Account Executive and the Contractor shall make such change within 30 calendar days of receipt of written notice from the State.
14. Account Executive must be available by phone conference within two (2) hours after a request by the State and at no additional cost to the State.
15. Provide data feeds (ex. eligibility file) to the State's contractors such as Medical/Rx contractors, as requested.
16. Provide an annual score card so the State can assess Contractor's performance.
17. Provide prefund claims reimbursement, including the printing and issuing of checks and electronic funds transfer.

D. COBRA AND RETIREE PROJECT ENVIRONMENT

Services to include COBRA and Retiree Administration for the Health, Dental, Vision, Medical FSA and EAP plans. Direct billing services must also be provided for both COBRA and Retiree enrolled in either of these options. COBRA enrollees are charged a 2% administration fee for each of the plans enrolled. The administration fee is retained by the State.

Retirees must go through Open Enrollment each year just as active employees. During the open enrollment period, a Retiree cannot enroll in any coverage they are not presently enrolled in. The enrolled participant can make tier changes to the coverage's and change plan enrollment types, example if the participant is enrolled in Basic Dental they are allowed to elect Premium Dental, if the participant is in any medical plan they can change within plans, example: high deductible to regular. Current Retirees cannot add any dependents during open enrollment unless documentation is supplied showing the spouse has lost creditable group coverage, not individual coverage, the day prior to when the new benefit plan year will be effective. (Example: the new benefit plan year will start on July 1st, John Smith is enrolled in single medical, his wife retires from her job and can supply the documentation that her coverage ended on June 30th then John Smith will be allowed to add his wife to his coverage.)

An ex-employee under the age of 55 can go before the State Retirement Board and request disability retirement. If the request is approved, the Nebraska Public Employees Retirement System will send a letter with the approval to the State Employee Benefits Office. In order for the ex-employee to be enrolled in the Retiree continued coverage group the ex-employee must be enrolled and in good standing in COBRA. If the employee is in good standing with COBRA his or her enrollment will be moved to the Retiree group the first of the month after the date of the approval letter and will be able to remain on the Retiree continued group up to the first of the month he or she turns 65 as long as the ex-employee remains in good standing with the Retiree group. If disabled and not an eligible retiree, the qualified beneficiary is eligible for up to an 11-month extension of COBRA continuation coverage, for a total of 29 months of COBRA coverage. The State charges the additional 48% of the premium for the 11 month SSDI extension. When COBRA/Retiree participants turn age 65, the State terminates all coverage on all plans. If employment is terminated with the State after attaining the age of 65, the individual is offered 18 months coverage for Health, Dental, Vision and EAP under COBRA.

COBRA participants and Retirees have the same plan options for Health, Dental, Vision and EAP as do active employees. Employees who terminate employment with the State at ages 55-64 and have contributed to the State's Retirement System are considered as "Retiree Status". Under Retiree Status, the participant will have the option to stay on the State's plans until turning age 65. As an added benefit, those on Retiree Status are not charged the 2% administration fee for health. Retirees aged 65 and older are offered COBRA and are charged the 2% administration fee on Health, Dental, Vision, FSA and or EAP.

The State does not employ any unique termination practices; all termination policies are the same. The State averages 3,680 terminations and 2,900 New Hires events per year. The State does not allow pro-rated/mid-month terminations. The State has approximately 1,620 IRS qualifying events per year. Of the State's approximately 16,379 eligible permanent employees, 125 are currently enrolled as COBRA and 300 are currently enrolled as a Retiree. All are being served by direct billing as enrolled participants are located across the country.

The State of Nebraska Retiree group benefit is for employees that wish to leave active service for the State on or after attaining the age of 55 up to and prior to the age of 65 and have been actively paying into the State's retirement system. A Retiree can continue Health, Dental, Vision, Medical FSA, and EAP enrollment at the age of 55 and keep the coverage to the first of the month he or she turns 65. Medical FSA can only be kept through the benefit year that the Retiree leaves state government. The enrolled participant can pay for Medical FSA for a limited number of months and then request to drop the benefit. Medical FSA is the only benefit that the Retiree can request to drop anytime during the benefit plan year.

If a person declines Retiree coverage at the time of termination from State employment, enrolled participant can never apply or be accepted for Retiree benefits in the future.

State Patrol Lifer Retiree

The State has a predetermined number of employees who are promised a unique Retiree status through a prior agreement we refer to as "State Patrol Lifer Retirees".

The number of employees that have a "State Patrol Lifer Retiree" status is approximately 8. No other employees will be allowed to participate in this manner. These individuals and spouses (if eligible) can retire from being an active employee; select benefits under the Retiree program and keep the medical benefits for an undetermined amount of time. All other benefits the State Patrol Lifer Retiree and spouse are enrolled in must be canceled the first of the month in which either participant turns 65. If the State Patrol Lifer turns 65 prior to his or her spouse then the spouse can continue enrollment in the other benefits, example Dental and/or Vision on a single plan coverage until the first of the month he or she turns 65 and vice versa.

The State Patrol Lifer Retiree cannot bring on a spouse at any later date and keep the spouse on for an in determined amount of time. If his or her spouse experiences a life event that allows the spouse to come on to the State Patrol Lifer Retiree benefit coverage's, the spouses coverage will end at the first of the month he or she turns 65 regardless of the fact that the State Patrol Lifer Retiree can carry the medical coverage for a in determined number of years. The State Patrol Lifer Retiree can keep the Health Coverage for Life only, this does not pertain to Dental, Vision, EAP or Flex. A State Patrol Lifer's Spouse can have single Dental and or Vision up to the age of 65 if the State Patrol Lifer Retiree turned 65 prior to the spouse, the medical coverage will always be employee and spouse unless the State Patrol Lifer Retiree passes away prior to the spouse then the State Patrol Lifer Retiree spouse can continue in a single medical plan.

E. COBRA AND RETIREE REQUIREMENTS:

1. Implement and comply with all Federal COBRA program requirements. Maintain full compliance, including but not limited to providing all new hires a letter confirming "General Notice of Your Rights, Group Health Continuation Coverage Under COBRA."
2. Medical, Dental, Vision, and flexible spending premiums that the COBRA and Retiree participants payments will need to be paid to the State of Nebraska, and payment is made on a monthly basis. Only the premium is sent to the contractor, the 2% Admin fee is retained by the State of Nebraska.
3. Allow active Retiree who is in good standing with his or her Retiree monthly premium payments and is considered an active Retiree participant, then returns to employment with the State of Nebraska will be allowed to enroll again into the Retiree continued coverage program when enrolled participants leave State of Nebraska employment. The Retiree will be allowed to enroll in the benefits he or she was currently enrolled in on the last day of their current employment. The Retiree can also re-enroll and continue to elect coverage during the Open Enrollment period as long as the enrolled participants have remained active on the plan.
4. Any active Retiree who drops the continued Retiree coverage for any other employment with benefit coverage other than employment with the State of Nebraska will not be allowed to come back on the continued Retiree coverage program for any reason. Once the enrolled participant drops the coverage or do not pay premiums in a timely manner they are terminated from the Retiree continued group coverage with no option of reinstatement. Employees are allowed a 30 day grace period from the premium due date. If premiums are not paid by that deadline the plan will be terminated.
5. No Retiree can add coverage without a life status change that is consistent with the allowed life status changes of all State of Nebraska Active employees.
6. A Spouse cannot enroll in Single coverage under the Retiree continued coverage with the exception of the spouses of State Patrol Lifers.
7. Comply with the following eligibility process:
 - a. Integrate with the State's eligibility systems;
 - b. Eligibility files are sent on a weekly basis with enrollment information;
 - c. At Open Enrollment, must process paper enrollment changes submitted by participants;
 - d. Accept electronic transfer of eligibility data in a format indicated by the State and acknowledge receipt of the file;
 - e. Implement eligibility updates within 24 hours of receipt;
 - f. Maintain eligibility records for all participants; and
 - g. Maintain eligibility reconciliations between Contractor files and the State's eligibility files.
8. Provide services to all present active employees enrolled on the program effective date.
9. Provide materials to communicate participants' continuation options.
10. Advise and assist the State to fulfill reporting and disclosure requirements.
11. Provide guidance and written documentation within thirty (30) days upon request, on the PPACA and any future issues as related to health care reform, including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as those issues pertain to the State's experience.
12. Administer the program in compliance with the insurance laws of the State of Nebraska and all Federal regulations.
13. Monitor Federal regulations and State legislation affecting COBRA and Retiree Administration programs provided under the plan and report to the State on those issues in a timely fashion prior to the effective date of any mandated plan changes.
14. Attend an annual performance or "stewardship" meeting within 180 days after contract year-end at which time the Contractor will, as directed by the State, summarize activities and performance for the year end.
15. Provide dedicated staff in the following specialties:
 - a. Implementation Manager: Responsible for development and execution of implementation plan. Coordinates with the State, internal and other external resources. The Implementation Manager shall be dedicated to the State during the implementation process. Three (3) years of experience as an Implementation Manager and experience with groups 15,000 and larger are also required.
 - b. Account Executive: Responsible for overall account relationship including strategic planning in relation to plan performance, consultative services, recommendations for benefit design and cost

containment opportunities, overseeing contractual services under the contract with the State, and managing all other Contractor's staff working on this account. Has overall responsibility for waste, fraud and abuse oversight and control. The Account Executive will be located in Nebraska and will be dedicated to the State account. The Account Executive will have a minimum five (5) years of experience as an Account Executive and have previously served as an Account Executive for at least one (1) year for a group of at least 15,000 members.

- c. Member Services Manager: Responsible for all customer service functions and reporting. Three (3) years of experience as a Member Services Manager and experience with groups 15,000 and larger are also required.
- 16. An Account Executive shall be accountable and responsible to the State for proactive management of all aspects of the Contractor's performance to the State. The Contractor shall not change assignment of the Account Executive without written notice provided to the State with a minimum of fourteen (14) business days prior to such change. The State reserves the right to request assignment of a new Account Executive and the Contractor shall make such change within 30 calendar days of receipt of written notice from the State.
- 17. Account Executive must be available by phone conference within two (2) hours after a request by the State and at no additional cost to the State.
- 18. Provide data feeds (ex. eligibility file) to the State's contractors such as Medical/Rx contractors, as requested.
- 19. Provide an annual score card so the State can assess Contractor's performance.
- 20. Provide a monthly premium remittance electronically to the State of Nebraska.

F. DELIVERABLES
See Cost Proposal

VI. PROPOSAL INSTRUCTIONS

This section documents the requirements that should be met by contractors in preparing the Technical and Cost Proposal. Contractors should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State's comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal are presented separately in the following subdivisions; format and order:

A. **PROPOSAL SUBMISSION REQUEST FOR PROPOSAL FORM**

By signing the "RFP for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this RFP, agrees to the Terms and Conditions stated in this RFP unless otherwise agreed to, and certifies bidder maintains a drug free work place environment.

The RFP for Contractual Services form must be signed using an indelible method (not electronically) and returned per the schedule of events in order to be considered for an award.

Sealed proposals must be received in the State Purchasing Bureau by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.

It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows:
<http://das.nebraska.gov/materiel/purchasing.html>

Further, Sections II through VI must be completed and returned with the proposal response.

VII. COST PROPOSAL REQUIREMENTS

This section describes the requirements to be addressed by bidders in preparing the State's Cost Proposal. The bidder must use the State's Cost Proposal.

THE STATE'S COST PROPOSAL AND ANY OTHER COST DOCUMENT SUBMITTED WITH THE PROPOSAL SHALL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY AND IS CONSIDERED A PUBLIC RECORD IN THE STATE OF NEBRASKA AND WILL BE POSTED TO A PUBLIC WEBSITE.

A. COST PROPOSAL

This summary shall present the total fixed price to perform all of the requirements of the RFP. The bidder must include details in the State's Cost Sheet supporting any and all costs.

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

B. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, F.O.B. destination named in the RFP. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

Form A
Contractor Proposal Point of Contact
Request for Proposal Number 6171 Z1

Form A should be completed and submitted with each response to this solicitation. This is intended to provide the State with information on the contractor's name and address, and the specific person(s) who are responsible for preparation of the contractor's response.

Preparation of Response Contact Information	
Contractor Name:	
Contractor Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

Each contractor should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the contractor's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Contractor Name:	
Contractor Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

CONTRACTOR MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the contractor guarantees compliance with the procedures stated in this Solicitation, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that contractor maintains a drug free work place.

Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

_____ NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Solicitation.

_____ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

_____ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	
COMPLETE ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
DATE:	
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	

**Attachment A
Bidder Questionnaire
RFP 6171 Z1**

Bidder Name: _____

Bidder should complete all questions in Attachment A.

CORPORATE OVERVIEW	
1.01	<p>BIDDER IDENTIFICATION AND INFORMATION</p> <p>Provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business, whether the name and form of organization has changed since first organized, and Federal Employer Identification Number.</p>
Response:	
1.02	<p>FINANCIAL STATEMENTS AND INFORMATION</p> <p>Provide financial statements applicable to the firm. Provide a copy of the bidder's most recent annual report. If publicly held, provide a copy of the corporation's most recent two (2) years of audited financial reports and statements, and the name, address and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.</p> <p>If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information must be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm must provide a banking reference.</p> <p>The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.</p> <p>The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.</p> <p>Indicate the most recent Financial Rating, Financial Rating Modifiers and the Financial Rating Effective Date that have been received by the following organizations. Indicate all changes that have occurred in the last twelve (12) months for each of these ratings.</p> <ul style="list-style-type: none"> a. A.M.Best b. Standard and Poors c. Moody's d. Fitch
Response:	

1.03	<p>CHANGE OF OWNERSHIP</p> <p>If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded Contractor will require notification to the State.</p> <p>Describe any parent/subsidiary relationship.</p>
Response:	
1.04	<p>OFFICE LOCATION</p> <p>The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska must be identified.</p>
Response:	
1.05	<p>RELATIONSHIPS WITH THE STATE</p> <p>The bidder describe any dealings with the State over the previous twelve (12) months. If the organization, its predecessor, or any party named in the bidder's proposal response has contracted with the State, identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.</p>
Response:	
1.06	<p>BIDDER'S EMPLOYEE RELATIONS TO STATE</p> <p>If any party named in the bidder's proposal response is or was an employee of the State within the past twelve (12) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.</p> <p>If any employee of any agency of the State of Nebraska is employed by the bidder or is a subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.</p>
Response:	

1.07	<p>CONTRACT PERFORMANCE</p> <p>If the bidder or any proposed subcontractor has had a contract terminated for default during the past three (3) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default. Bidder must provide information on administrative and/or litigation within the past three (3) years, include current/pending cases, expected litigation, judgments, awards, and settlements (both in and out of court) or other real or potential financial reversals, including any bankruptcy proceedings whether voluntary or involuntary, which might materially affect the viability or stability of the bidder.</p> <p>It is mandatory that the bidder submit full details of all termination for default experienced during the past three (3) years, including the other party's name, address and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past three (3) years, so declare.</p> <p>If at any time during the past three (3) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting party.</p>
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Response:

1.08	<p>SUMMARY OF BIDDER'S CORPORATE EXPERIENCE</p> <p>Provide a summary matrix listing the bidder's previous projects similar to this Request for Proposal in size, scope and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.</p> <p>The bidder must address the following:</p> <p style="padding-left: 40px;">Provide three narrative descriptions for Flexible Spending Account services to highlight the similarities between previous experience and this Request for Proposal. These descriptions must include:</p> <ol style="list-style-type: none"> a. The time period of the projects; b. The scheduled and actual completion dates; c. The Contractor's responsibilities; d. The number of contracts and the number of covered members for each project; e. for reference purposes, three customer names (including the names of a contact person, current telephone numbers, facsimile numbers and e-mail addresses); and f. Each project description shall identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion dates and budget, as well as the actual (or currently planned) completion dates and actual (or currently planned) budget. <p>Contractor and subcontractor(s) experience for each set of requested services must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.</p> <p>If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.</p>
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	<ul style="list-style-type: none"> a. Is this an exclusive relationship? b. Effective date of Subcontract?
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Response:

1.09	<p>Provide three narrative descriptions for COBRA Administration services to highlight the similarities between previous experience and this Request for Proposal. These descriptions must include:</p> <ul style="list-style-type: none"> a. The time period of the projects; b. The scheduled and actual completion dates; c. The Contractor's responsibilities; d. The number of contracts and the number of covered members for each project; e. for reference purposes, three customer names (including the names of a contact person, current telephone numbers, facsimile numbers and e-mail addresses); and <p>Each project description shall identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion dates and budget, as well as the actual (or currently planned) completion dates and actual (or currently planned) budget.</p> <p>Contractor and subcontractor(s) experience for each set of requested services must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.</p> <p>If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.</p> <ul style="list-style-type: none"> a. Is this an exclusive relationship? b. Effective date of Subcontract?
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Response:

<p>1.10</p>	<p>Provide three narrative descriptions for Retiree Administration services to highlight the similarities between previous experience and this Request for Proposal. These descriptions must include:</p> <ul style="list-style-type: none"> a. The time period of the projects; b. The scheduled and actual completion dates; c. The Contractor's responsibilities; d. The number of contracts and the number of covered members for each project; e. for reference purposes, three customer names (including the names of a contact person, current telephone numbers, facsimile numbers and e-mail addresses); and <p>Each project description shall identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description must provide the originally scheduled completion dates and budget, as well as the actual (or currently planned) completion dates and actual (or currently planned) budget.</p> <p>Contractor and subcontractor(s) experience for each set of requested services must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.</p> <p>If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the Contractors above. In addition, identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.</p> <ul style="list-style-type: none"> a. Is this an exclusive relationship? b. Effective date of Subcontract?
<p>Response:</p>	
<p>1.11</p>	<p>Indicate years of service providing and administering the coverage(s) related to this RFP. Describe abilities to administer such plans including:</p> <ul style="list-style-type: none"> a. Flexible Spending Accounts (Medical) b. Dependent Care Spending Accounts c. COBRA administration and billing d. Retiree administration and billing
<p>Response:</p>	
<p>1.12</p>	<p>For the entire book of business for Flexible Spending Account services, provide the total year-end national group membership (number of contracts) that receives medical administration services and indicate how many of these are in Nebraska. Provide statistics for Public Sector clients</p>

			National Group Membership (Number of Contracts)	Nebraska Group Membership Number of Contracts)	Number of Public Sector Groups	Number of Public Sector Groups with 15,000+ lives	
		2016					
		2017					
		2018					
		2019					

Response:

1.13	For the entire book of business for COBRA Administration services , provide the total year-end national group membership (number of contracts) that receives medical administration services and indicate how many of these are in Nebraska. Provide statistics for Public Sector clients						
		National Group Membership (Number of Contracts)	Nebraska Group Membership Number of Contracts)	Number of Public Sector Groups	Number of Public Sector Groups with 15,000+ lives		
	2016						
	2017						
		2018					
		2019					

Response:

1.14	<p>For the entire book of business for Retiree Administration services, provide the total year-end national group membership (number of contracts) that receives medical administration services and indicate how many of these are in Nebraska. Provide statistics for Public Sector clients</p>				
		National Group Membership (Number of Contracts)	Nebraska Group Membership Number of Contracts)	Number of Public Sector Groups	Number of Public Sector Groups with 15,000+ lives
	2016				
	2017				
	2018				
2019					

Response:

1.15	<p>What percentage of the 2018 total group membership renewed for the 2019 plan year for FSA, COBRA and/or Retiree Administration services?</p>
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Response:

<p style="text-align: center;">1.16</p>	<p>SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH</p> <p>The bidder must present a detailed description of its proposed approach to the management of the project.</p> <p>The bidder must identify the specific professionals who will work on the State's project if the company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project shall be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified. If the teams are different for each product (i.e. FSA is different from COBRA), indicate as such. The team shall include, but not be limited, to the following roles:</p> <ul style="list-style-type: none"> a. Implementation Manager b. Account Executive c. Member Services Manager <p>Designated alternate Account Executive would be expected to be familiar with all aspects of the State's business as it relates to the State's Health Plan. The designated alternate Account Executive is not subject to the location requirements, but must be available via a conference call.</p> <p>Provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the Request for Proposal in addition to assessing the experience of specific individuals.</p> <p>Resumes must not be longer than three (3) pages. Resumes shall include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.</p>
	<p>Response:</p>
<p style="text-align: center;">1.17</p>	<p>SUBCONTRACTORS</p> <p>If the bidder intends to subcontract any part of its performance hereunder, the bidder must provide:</p> <ul style="list-style-type: none"> a. name, address and telephone number of the subcontractor(s); b. specific tasks for each subcontractor(s); c. advise if exclusive relationship for each subcontractor; d. Indicate effective date and expiration date of each Subcontract agreement; and e. Describe the management of suppliers/subcontractors to ensure delivery is effectively provided to the State of Nebraska and its employees.
	<p>Response:</p>

TECHNICAL APPROACH

1.18	Describe the administration of FSA benefits, including health care and dependent care reimbursement accounts, as well as whether these services are outsourced with another vendor.
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Response:

1.19	Describe how COBRA continuation of coverage can be administered, or if this service is outsourced with another vendor.
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Response:

1.20	Describe how Retiree health premium billing can be administered, or if this service is outsourced with another vendor.
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Response:

GENERAL PLAN INFORMATION AND REQUIREMENTS

1.21	Describe any staff relocations, computer system changes/upgrades, program changes, or telephone system changes in process at this time or proposed within the next 12-24 months.
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Response:

MEMBER SERVICES

1.22 The State requires the minimum hours for claims administration operation to be Monday through Friday, 8:00 a.m. to 6:00 p.m. Central Time. Describe if any additional hours are available beyond the core hours.

Response:

1.23 Describe the process for handling calls "after hours" of operation? Is there a voicemail system or capability for caller to leave messages after normal business hours?

Response:

1.24 Describe how members reach a live representative or an interactive voice response (IVR) unit when calling Member Services.

Response:

1.25 Describe the system by which the Customer Service unit tracks and documents calls. Describe the process to review the findings of the call tracking and documentation process with the State.

Response:

1.26 Describe how members can electronically access reimbursement information and the Member Services group. Describe the internet, i.e. web chat, or email services offered.

Response:

1.27 Describe the escalation process for Member Services satisfaction and complaints.

Response:

1.28 Contractor will not render or administer services offshore, and all work performed will be in the contiguous United States. Describe where the Customer Service unit will be located.

Response:

FSA PLAN ADMINISTRATION AND ADJUDICATION

<p>1.29</p>	<p>Regarding the claim office that will service the State, provide the following:</p> <ul style="list-style-type: none"> a. Annual claim volume; b. Percentage of claims that are auto-adjudicated; c. Percentage of claims that require substantiation; and d. Average time to reimburse the member from receipt of a "clean claim".
<p>Response:</p>	
<p>1.30</p>	<p>Describe the substantiation process that insures all medical expenses are valid IRS Section 213(d) expenses.</p>
<p>Response:</p>	
<p>1.31</p>	<p>Describe the claims payment process for reimbursement of claims that do not require substantiation.</p>
<p>Response:</p>	
<p>1.32</p>	<p>Describe the communication process and procedures for additional substantiation requirements for a claim to be reimbursed, including if a member is unresponsive to the first request for substantiation documentation.</p>
<p>Response:</p>	
<p>1.33</p>	<p>Describe the process and procedures in place to address a situation when a member does not submit the requested substantiation to have a claim reimbursed (e.g., claim is not reimbursed, account is locked/frozen, etc.?)</p>
<p>Response:</p>	
<p>1.34</p>	<p>If an account is locked/frozen due to lack of response to requests for substantiation, what is the process to notify the member of the account status? What is the process for unlocking the account?</p>
<p>Response:</p>	
<p>1.35</p>	<p>Describe the process for handling exceptions.</p>
<p>Response:</p>	
<p>1.36</p>	<p>Describe the claims adjudication process from submission of a health care FSA claim to reimbursement.</p>
<p>Response:</p>	
<p>1.37</p>	<p>Describe the methods by which members are able to file claims (i.e. electronic, paper submission, etc.).</p>

Response:

1.38 Describe the schedule for FSA reimbursements to the member.

Response:

1.39 Describe minimum claim amount requirement for reimbursement.

Response:

1.40 Describe the methods of reimbursement of FSA claims that are available to the member (i.e. electronic deposit, paper check).

Response:

1.41 Describe the process for reimbursement of health care FSA contributions from terminated employees on COBRA?

Response:

1.42 Describe performance standards with respect to:

- a. Adherence to implementation/annual enrollment timeline
- b. Readiness of claims adjudication and reimbursement and customer service systems
- c. Readiness of eligibility system
- d. Completion of plan documents

Response

Provide actual (achieved) performance measurements for an account size comparable to the State of Nebraska for 2017 and 2018 as well as the 2017 and 2018 performance standards targets for the claims office that will handle the State account.

1.43	Performance Measure	2017 Performance Targets	2017 Performance Actuals	2018 Performance Targets	2018 Performance Actuals	PG Measurement Utilized
	Member Satisfaction Survey (% satisfied)					
	Reimbursement turnaround time (xx.xx% within xx business days) for a claim filed electronically					
	Reimbursement turnaround time (xx.xx% within xx business days) for a paper claim					

	Financial Accuracy (percentage of all claims paid)					
	Payment Accuracy (percentage of all claims paid)					
	Customer Service					
	Telephone call response time (seconds)					
	First call resolution rate (percentage)					
	Closure time for open inquiries (number of days)					

Response:

ELIGIBILITY AND DATA INTEGRATION

1.44 Describe the process for data integration with the State's eligibility systems.

Response:

1.45 Describe the process for integration with the State's eligibility system.

Response:

1.46 Describe the process for accepting electronic transfer of eligibility data in a format indicated by the State and acknowledgement receipt of the file.

Response:

1.47 Describe the process for eligibility updates to be made within 24 hours of receipt.

Response:

1.48 Describe procedures in place to maintain eligibility records for all participants.

Response:

1.49 Describe procedures in place to maintain eligibility reconciliations between Contractor files and the State's eligibility files.

Response:

1.50 Members currently enroll in the flex plan of choice during an online Open Enrollment period prior to the beginning of each plan year. Describe procedures in place to electronically accept and process the file sent by the State annually, including but not limited to any conflict or error report to be sent back to the State for resolution.

Response:

1.51	Describe the procedures in place to electronically accept and process the weekly file sent by the State containing new hires, terms & life event changes, including but not limited to any conflict or error report to be sent back to the State for resolution.
Response:	
1.52	Describe the data feeds (ex. eligibility file) to the State's vendor partners as requested.
Response:	

REPORTING

1.53	Provide a sample of standard utilization and reimbursement reports for the FSA program.
Response:	
1.54	Describe the minimum standard reporting provided to the State on a monthly basis, to include but not limited to: <ul style="list-style-type: none"> a. Account Balance Detail Report: Each participant's election, claims paid, deposits, and available balance; b. Enrollment Report: Participants' annual elections; and c. Customer Service Report: Operational statistics for Member Services call center and the types of topics members call in to address.
Response:	
1.55	Describe Ad Hoc Reporting Capability both online and paper formats.
Response:	
1.56	Describe the reimbursement reports and documentation that will be emailed to the State on a daily basis, including but not limited to: <ul style="list-style-type: none"> a. The date the payments are processed and the plan year in which payments are processed; b. A separate dollar amount for the Health Care FSA and the Dependent Care FSA reimbursement account; c. An invoice number; and d. A remittance address.
Response:	
1.57	Describe the backup reports and documentation to support the daily reimbursement requests, including but not limited to: <ul style="list-style-type: none"> a. Employee name; b. SS#; c. Date of the reimbursement; d. Dollar amount of the reimbursement; and e. Whether the reimbursement was for the Health Care FSA or the Dependent Care FSA reimbursement account.
Response:	
1.58	Describe the process for posting the FSA Fee Invoice and backup reports to an online portal for access by the State.

Response:

IMPLEMENTATION AND COMMUNICATIONS

1.59

Provide an implementation plan detailing the implementation timeline with a July 1, 2020 effective date. At a minimum, the Implementation Project Plan must provide specific details on the following:

- a. Identification and timing of significant responsibilities and tasks
- b. Names, titles, and implementation experience of key implementation staff and time dedicated to the State during implementation
- c. Identification and timing of the State's responsibilities
- d. Transition requirements with the incumbent Contractors
- e. Staff assigned to attend and present (if required) at Open Enrollment
- f. Data and timing requirements from current Contractors to ensure transition of care and prior-authorization data is appropriately transferred

Response:

1.60

Provide detailed information on communication to the members and how the contractor will collaborate with the State to design these materials. Provide sample communication and educational materials such as employee brochures, letters, posters, videos, etc.

Response:

1.61

Provide detailed information on how long it will take to print and distribute benefits literature.

Response:

1.62

Describe the level of support that will be provided in assisting members in understanding how FSAs work to increase utilization of the benefit.

Response:

COBRA AND RETIREE BILLING ADMINISTRATION

1.63

Describe in detail what kinds of reports are available regarding COBRA and Retiree Billing administration, including the ability to customize reports.

Response:

1.64	Describe the process for members to pay monthly bills online and/or via credit card.
Response:	
1.65	Describe the process applied to members for non-payment.
Response:	
1.66	Describe the process for sending members delinquent letters, including the timing for said letters.
Response:	
1.67	Describe the process if a member makes a payment for the current month and the two months following, how the payment will be reflected on the report as each month paid goes by.
Response:	

**Cost Proposal
RFP # 6171 Z1
State of Nebraska**

FSA, COBRA, and Retiree Billing Administrative Services RFP

Cost proposal is all inclusive including but not limited to administration fees, PPACA (existing or future requirements), data feeds and run out fees. Cost proposal must include reimbursement through the grace period of October 31 with a date of service through June 30. Cost must be proposed on a PEEPM (Per Eligible Employee Per Month) basis.

Bidder Name: _____

COSTS (INDICATE COSTS FOR THE FOLLOWING):		INITIAL TERM	Optional Renewal Year 4	Optional Renewal Year 5	Optional Renewal Year 6	Optional Renewal Year 7
Administration Fees (Plan year July 1 - June 30)		2020 - 2023	2023-2024	2024-2025	2025-2026	2026-2027
Financial Information						
1	Monthly Administrative Fee PEEPM (Per Eligible Employee Per Month) for FSA, COBRA and Retiree Billing Combined					
Additional Services to be included in fees						
FSA:						
1	Claims Processing/Payment					
2	Accept Electronic Enrollment File					
3	Electronic Data Feeds					
4	Direct Deposit					
5	Employer Web Services - enrollment					
6	Employer Web Services - payment lookup					
7	Plan Doc/SPD Preparation					
8	Management Reports					
9	Ad Hoc Reports					
10	Discrimination Testing for FSA Plan					
11	Enrollment Kits					
12	Communication Materials					
13	Open Enrollment Support					
14	Postage					
15	Toll Free Customer Service					
16	Runout fee at termination					
COBRA / Retiree Billing:						
17	2% Administrative Fee Retained					
18	Full Notification Services					
19	Premium Collection					
20	Termination for Non-Payment					
21	Eligibility to Carrier					
22	Postage					
23	Premium Coupons					
24	Premium Remittance to State					
25	Online Payment Option					
25	Other (Specify)					
26	Other (Specify)					
27	Other (Specify)					

EVALUATION CRITERIA

RFP NUMBER 6171 Z1 Flexible Spending Account and COBRA and Retiree Benefits Services

Opening Date: November 14, 2019, 2:00 P.M. Central Time

Mandatory Requirements

The proposals will first be examined to determine if all mandatory requirements listed below have been addressed to warrant further evaluation. Proposals not meeting mandatory requirements will be excluded from further evaluation. The mandatory requirement items are as follows:

1. Original Request for Proposal for Contractual Services form signed using an indelible method;
2. Clarity and responsiveness of the proposal;
3. Completed Corporate Overview; (Attachment A Bidder Questionnaire)
4. Completed Sections II through VII;
5. Completed Technical Approach; and (Attachment A Bidder Questionnaire)
6. Completed State Cost Proposal.

Evaluation Criteria

All responses to this Request for Proposal, which fulfill all mandatory requirements, will be evaluated. Each category will have a maximum possible point potential. Areas that will be addressed and scored during the evaluation include:

Evaluation Criteria	Possible Points
Part 1 — Corporate Overview	925
Part 2 — Technical Approach	2870
Part 3 — Cost Proposal Points	1500
Total Points without Oral Interviews	5295
Oral Interviews, (if required)	2000
Total Points with Oral Interviews	7295

Part 4 – Cost Proposal Points

Cost points should be calculated as follows:

1. Establish lowest cost submitted – lowest cost submitted receives the maximum points.
2. To assign points to all others, the following formula should be followed:

**Lowest Cost Submitted ÷ Cost Submitted x Maximum Possible Cost Points =
Cost Points to Award (see samples below)**

Formula	Sample	Sample	Sample
Lowest Cost Submitted	\$100,000	\$100,000	\$100,000
÷ Cost Submitted	\$100,000	\$200,000	\$150,000
x Maximum Possible Cost Points	40	40	40
= Points To Award	40	20	26.7

NEBRASKA

Good Life. Great Service.

DEPT. OF ADMINISTRATIVE SERVICES

October 22, 2019

Dear Prospective Vendor:

The State of Nebraska Purchasing Bureau is issuing the following solicitation:

Solicitation Number: 6171 Z1
Service: Flexible Spending Account and COBRA and Retiree Benefits
Opening Date: November 14, 2019, 2:00 P.M. Central Time
Buyer(s): Julie Schiltz / Connie Heinrichs

Copies of 6171 Z1 and all information relevant to this solicitation to include addenda and/or amendments may be obtained from the State Purchasing Bureau web site at:

<http://das.nebraska.gov/materiel/purchasing.html>

It is the responsibility of the bidder to check this site for other pertinent information and any mandatory requirements. All information relevant to this solicitation to include addenda and/or amendments that may be issued prior to the opening date will be posted to the web site.

Solicitation responses must be in a sealed envelope that indicates the Solicitation Number and Opening Date. Sealed responses must be received in the State Purchasing Bureau on or before the date and time indicated in the Schedule of Events, at which time responses will be publicly opened. Solicitation responses should be sent to:

State Purchasing Bureau
1526 K Street, Suite 130
Lincoln, NE 68508

Any problems accessing the website regarding the above solicitation should be e-mailed to the State Purchasing Bureau at as.materielpurchasing@nebraska.gov.

Sincerely,



Julie Schiltz / Connie Heinrichs, Buyer(s)
State Purchasing Bureau

Doug Carlson, Materiel Administrator & Deputy Director

Department of Administrative Services | MATERIEL DIVISION

1526 K Street, Ste. 130
Lincoln, Nebraska 68508

OFFICE 402-471-6500
FAX 402-471-2089

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