

SERVICE AGREEMENT

THIS AGREEMENT is made this 23rd day of November, 2010, by and between **Board of Sumter County Commissioners** (hereafter referred to as "Board"), whose address is 7375 Powell Road, Wildwood, Florida 34785, and Paychex, Inc. (hereafter referred to as " Service Provider "), whose address is 1001 Heathrow Park Lane, Suite 2001, Lake Mary, FL 32746.

RECITALS

WHEREAS, the Board has need for Third Party Administration (TPA) services for Health and Dependent Care Flexible Spending Accounts (FSA) and Section 125 Plan Administration for the 2011 Plan Year

WHEREAS, Paychex, Inc. provides Flexible Spending Accounts (FSA) and Section 125 Plan Administration; and

WHEREAS, the parties desire to enter into a written agreement outlining the duties and responsibilities and compensation of the Plan Administration based on the Service Provider's response to Request for Quotes for Flexible Spending Accounts (FSA) and Section 125 Plan Administration;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is agreed as follows:

1. The relationship of the Service Provider to the Board will be that of a professional service provider and the Service Provider will provide the professional and technical services required under this agreement in accordance with acceptable professional practices and ethical standards applicable to the Service Provider's profession, and will endeavor to provide to the Board prompt and efficient services to the best of its ability.
2. Service Provider is hereby retained as the Third Party Administrator (TPA) to work with the Board to provide said Health and Dependent Care Flexible Spending Accounts (FSA) and Section 125 Plan Administration for the 2011 Plan Year in accordance with the scope of work outlined in the Request for Quote (**EXHIBIT 2**).
3. Service Provider agrees to prepare and complete the deliverables to the Board. Service Provider may be asked to present the deliverables in person for review by staff or for discussion at a scheduled Board meeting.
4. The term of this Agreement shall commence on the day and year as shown above and continue in force through December 31, 2011. The County retains the right to renew this contract, with the consent of the vendor, under the same terms and conditions for two (2) additional one (1) year terms. Additional terms and/or services may be added to this contract upon satisfactory negotiation of price by the Contract Manager and the Vendor.
5. This Agreement may be terminated by either party upon thirty (30) days prior written notice. If this agreement is terminated, Service Provider shall be paid for all work performed up to the date of termination.

6. With regard to compensation paid to Service Provider, Service Provider shall be paid a one time set-up fee of \$1,150 and based on a projected enrollment of 121 an annual Administrative Fee of \$4,587 (which includes a set Monthly Administrative Fee of \$110 and a \$2.25 per employee per month Participant Fee). If actual enrollment is more or less, the rate will be adjusted accordingly. Service Provider acknowledges that and agrees that the rates set forth shall remain fixed throughout the duration of the Agreement and thereafter shall only be adjusted by mutual written agreement of both parties.

7. General Considerations.

- a. All reports prepared by Service Provider and presented to the Board pursuant to this Agreement are and remain the property of the Board as instruments of service.
- b. Service Provider shall keep all records and other documentation, including all electronically stored items, which concern or relate to the services required hereunder, for a minimum of three (3) years from the date of expiration or termination of this Agreement, or as otherwise required by any applicable law, whichever date is later. The Board shall have the right to order, inspect and copy all such Records as often as it deems necessary during any such period of time.
- c. Service Provider shall, at all times, comply with the Florida Public Records Law, the Florida Open Meeting Law and all other applicable laws, rules and regulations of the State of Florida.
- d. Service Provider shall, at all times, carry Professional Liability, General Liability, Automobile and Worker's Compensation Insurance pursuant to the insurance requirements in the Request for Quotes.
- e. Upon Service Provider's written request, the Board will furnish, or cause to be furnished, such reports, studies, instruments, documents, and other information as Service Provider and Board mutually deem necessary, and Service Provider may rely upon same in performing the services required under this agreement.
- f. The Board and Service Provider each binds itself and its successors, legal representatives and assigns to the other party to this agreement and to the partners, successors, legal representatives and assigns of such other party to this agreement, in respect to all covenants of this agreement; and neither the Board nor Service Provider shall assign or transfer their interest in this agreement without the prior written consent of the other party.

8. The Contract Documents, which comprise the entire Contract between Board and Service Provider and which are made part hereof by this reference, consist of the following:

- a. Quote Requests including Scope of Work/Specifications
- b. References
- c. Agreement for Services

9. Service Provider does hereby specifically promise and agree to "hold harmless", defend and indemnify the Board and the agents, servants, employees, officers, and officials thereof from and against any and all liability or responsibility for damage to

property or person that may arise in connection with the services to be provided hereunder, including reasonable attorney fees and expenses.

10. Service Provider, its agents, servants or employees shall, in no manner, whatsoever be construed as the employees, agents, servants or representatives of the Board and shall have not expressed or implied power or authority to act in any manner whatsoever for or on behalf of the Board, except as provided in the scope of services called for herein. Service Provider is hereby designated as an independent contractor to the Board and none of the employees, agents or servants of the Service Provider shall have any of the fringe benefits applicable to employees of the Board.

11. In the event of default by either party hereto, the defaulting party shall be liable for all costs and expenses, including reasonable attorney's fees, incurred by the other party and enforcing its rights hereunder, whether litigation be instituted or not, and at the trial court and appellate court level.

12. Service Provider does hereby waive "venue privilege" and or "diversity of citizenship privileges" and agrees specifically that any action for the enforcement, construction or interpretation of this agreement shall be maintained in the County or Circuit Court for Sumter County, Florida and Service Provider hereby specifically waives its right to institute any action of any kind or nature whatsoever against the Board in any other State or Federal Court or administrative tribunal.

13. This Agreement represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, either written or verbal. If any provision of the Agreement is declared invalid or unenforceable, the remainder shall continue in full force and effect.

14. This Agreement cannot be changed or modified, unless by written agreement signed by all parties hereto.

15. In performing services hereunder, Service Provider shall comply with all federal, state and local laws and regulations. Service Provider shall be responsible for identifying and obtaining all permits necessary to complete the scope of services. Service Provider shall be responsible for obtaining, at its sole cost and expense, all necessary licenses and other governmental approvals required in order for Service Provider to provide the type of services required hereunder.

16. Service Provider shall notify Board in writing of any commitments during the term of this Agreement which may constitute a potential or actual conflict of interest with respect to the scope of services to be performed for the Board.

IN WITNESS WHEREOF, the parties have signed this agreement the day and year first above written.

ATTEST:

SUMTER COUNTY
BOARD OF COUNTY COMMISSIONERS

By: _____

By: Doug Gilpin, Chairman

Date Signed: _____

ATTEST:

Service Provider

By: _____

By: _____

Date Signed: _____

**Paychex[®] Human
Resource Services
Agreement**

Company Name

Sumter County Board of County CommissionerOffice-Client Number **0039** - **NPR1**Federal ID Number **59-6000865**

Flexible Spending Account (FSA)

- a. **Plan Documents.** Paychex will act as Plan Service Provider for Client's FSA Plan. Paychex will provide Client with the following Plan installation documentation: (i) Basic Plan Document; (ii) Adoption Agreement; and (iii) Summary Plan Description. Client acknowledges that Client is responsible for (i) reviewing and signing the Adoption Agreement setting forth the terms and conditions of the Plan; and (ii) distributing the Summary Plan Description to Plan participants.
- b. **Compliance Testing.** Paychex will perform the calculations for the Key Employee Concentration Test, Average Benefits Test, and Owner's Test (if applicable). If Client has a Health Savings Account (HSA), the pretax salary reductions for Client's HSA will not be incorporated into the compliance testing results. Client will be solely responsible for any aggregate testing Client acknowledges that if the Plan fails the testing as outlined above, the Client is responsible for correcting the failure and bringing the Plan into compliance with the applicable requirements as defined in section 125 of the Internal Revenue Code.
- c. **Claim Reimbursement.** Paychex will review participant General Purpose FSA claims for reimbursement pursuant to the Plan. In the event that Client has an HSA, the FSA shall be considered a Limited Purpose FSA and participants are restricted to submitting claims to the Limited Purpose FSA as authorized under the then current Internal Revenue Code. Paychex shall not review claims submitted by participants to the Limited Purpose FSA to determine whether the submitted claim is an authorized reimbursement under a Limited Purpose FSA or whether the claim should have been submitted through the HSA. The participant is solely responsible for maintaining their eligibility under the HSA.
- d. **Direct Deposit for FSA Reimbursement.** Paychex will provide direct deposit capability for FSA reimbursements for Client's employees. If Client's employees use direct deposit for FSA reimbursements, Paychex will process EFTs, or such other payment methods as Paychex may require, for such amounts as are necessary to reimburse Client's employees for FSA claims. All debited amounts are held in an account established by Paychex for approximately three (3) business days until funds are deposited to employees' accounts as specified by each employee. Any credit or interest earned on said funds will be applied to administrative costs of Paychex.
- e. **FSA Debit Card.** Paychex will provide Client access to a stored value processing system provided by a third party vendor. Client's employees who elect to utilize the Paychex FSA Debit Card ("FSA Debit Card Users") will have access to their flexible spending accounts in accordance with a cardholder agreement executed by the FSA Debit Card User with the third party vendor. Client authorizes Paychex to provide to its agents and subcontractors information pertaining to Client and Client's employees who elect to utilize the FSA Debit Card as is necessary to provide the FSA Debit Card Service. The FSA Debit Card may only be used at specified locations and for certain services or items. FSA Debit Card Users will be required to provide Paychex with back up documentation. In the event that Client's employees fail to provide substantiation of their claim, or if an expense is ineligible, Client will be solely responsible for recouping from its employees any money used for these expenses. Paychex will process EFT transactions from Client's designated bank account for such amounts as are necessary to pay Client's employees for authorized items purchased using their FSA Debit Card. Client will provide Paychex with information pertaining to co-pays, if any, that its employees pay. Upon receipt of co-pay information, Paychex may adjudicate claims that match the co-pays without requiring additional paperwork in most instances, based solely on merchant terminal coding. Client will update co-pay information in the event it changes. Client will provide Paychex with the company's plan information.
- f. **Additional Client Obligations.** Client will identify employees who are classified as Owners, Highly Compensated Employees (HCEs), and Key Employees at the time of setup, and promptly provide Paychex with any changes pertaining to the identity of Owners, HCEs, and Key Employees.
- g. **Cancellation of Plan.** If the Plan is cancelled by Client in writing after Paychex has completed its initial processing of the submitted Plan, but prior to Client's first payroll that includes Plan contributions, the greater of 50% or \$500 of the setup fee will be retained by Paychex. All setup fees are non-refundable after Client's first payroll that includes Plan contributions.
- h. **Termination of Agreement and Claim Reimbursement.** In the event that the Agreement is terminated, Paychex may, at its sole option, provide the Client the option of continuing the claims reimbursement service for the close out period specified by the Client (30, 60, or 90 days) for an additional fee ("Post Termination FSA Claims Service"). In the event Client elects to purchase the Post Termination FSA Claims Service for less than ninety (90) days, Client agrees that it is solely responsible for performing any FSA claims reimbursements required by the Client's FSA Plan or by law following the completion of the Post Termination FSA Claims Service.

Check Signing For FSA Reimbursement

Paychex will use Client's signature to create a computer-generated facsimile that will display on each of the Client's reimbursement checks for FSA.

Terms and Conditions

1. **Term of Agreement.** This Paychex[®] Human Resource Services Agreement ("Agreement") is entered into between Paychex, Inc. ("Paychex"), located in Rochester, New York and the Company identified above ("Client"). The Agreement will continue until terminated by Client or by Paychex in accordance with the provisions of this Agreement.
2. **Service Effective Date.** Paychex will not commence any of the services until Paychex receives all documents necessary to begin the services

and notifies Client of the date Paychex will commence each of the services (“Service Effective Date”). Client acknowledges that each service may have separate Service Effective Dates. **Until the Service Effective Date, Client will provide for itself the Services requested of Paychex. Paychex assumes no responsibility for Services prior to the Service Effective Date.**

3. **Services to be Performed.** Paychex will provide the services initialed in this Agreement (“Services”). **Client agrees that Paychex is not rendering legal, tax, accounting, or investment advice in connection with the Services, nor will Paychex be deemed a fiduciary of Client, or the employer or joint employer of the Client’s employees.** Paychex will not be responsible for Client’s compliance with, nor will it provide legal or other financial advice to Client, with respect to federal, state, or local statutes, regulations, or ordinances including, but not limited to, the Fair Labor Standards Act or any state equivalent. Client agrees to comply with any and all applicable federal, state, and local laws or ordinances.
4. **Client Contacts.** Client will designate pay roll contacts that will provide Paychex with information and directives necessary for Paychex to perform the Services (collectively “Client Information”). Client is responsible for the accuracy of Client Information provided by pay roll contacts and/or Client.
5. **Client Information.** Client will execute and/or provide all documentation that Paychex requires to perform its responsibilities under the Agreement including, where necessary, taking all corporate action. Client acknowledges that Paychex may be required to obtain documents necessary to verify the identity of Client pursuant to applicable federal and/or state statutes or regulations. Client will provide Paychex with all necessary Client Information pertaining to Client’s employees at least two banking days prior to a payroll check date. **Failure to provide Client Information timely may result in delayed remittance of FSA reimbursements and additional processing fees. Paychex will not be required to obtain authorization from Client to act on Client Information.**
6. **Reliance on Client Information.** Paychex will not be responsible for errors that result from Paychex’s reliance on Client Information.
7. **Review Reports.** Client will review all reports and documents provided by Paychex and inform Paychex of any inaccuracies within three (3) business days of receipt.
8. **Payment of Fees.** Client will pay the fees for all Paychex services and the setup fees through an Electronic Funds Transfer (EFT), or such other payment method as required by Paychex when due (collectively “Fees”). Paychex’ Fees are subject to change at any time up on thirty (30) days written notification to Client. Paychex may, in its sole discretion, require a security deposit from Client. Client hereby waives any right to interest that may accrue on any amounts, including, but not limited to, Fees and security deposit received by Paychex.
9. **Remit Reimbursement Amounts.** Client agrees to remit funds to Paychex representing the amount due to reimburse Client’s employees for FSA claims (“Reimbursement Amounts”) through an EFT, or such other payment method as required by Paychex.
10. **Electronic Funds Transfer.** If Paychex requires payment of Fees or Reimbursement Amounts (collectively “Amounts Due”) through an EFT, Client (i) will execute all documentation needed by Paychex to originate EFT transactions; (ii) agrees that the funds representing the Amounts Due will be on deposit in Client’s bank account in collectible form and in sufficient amount on the day Paychex’ EFT is to be presented (“Funding Deadline”); and (iii) authorizes Paychex to collect all Amounts Due from Client’s bank account on the Funding Deadline. All EFTs are performed in compliance with the National Automated Clearing House Association operating rules (“NACHA”). Client agrees (i) to follow NACHA as they are amended from time to time; (ii) that it will not initiate any EFT that violates any law; and (iii) that Paychex may identify Client to banks involved in the EFT.
11. **Payment by Wire Transfer or Other Method.** If Paychex requires payment of Amounts Due by a wire transfer or other method, Client agrees to provide Paychex with all information necessary to confirm receipt of the payment, including, but not limited to, financial institution information and confirmation numbers prior to the Funding Deadline.
12. **Insufficient or Nonconfirmed Funds.** If sufficient funds are not available on the Funding Deadline, Paychex may take such action to collect Amounts Due, including, but not limited to, reissuance of the EFT. **If Paychex is unable to confirm receipt of funds prior to the Funding Deadline, remittance of FSA reimbursements may be delayed.**
13. **Client’s Default.** In the event of a Client Default, Paychex may, at its sole option, terminate the Agreement or a portion thereof, without notice and declare all Amounts Due immediately due and payable. Client agrees to promptly reimburse Paychex for all advances made by Paychex and to pay interest on the advances at the rate of one and one-half percent (1½%) per month, or the maximum allowable by applicable law, until paid. Client agrees that Paychex may initiate an EFT to Client’s bank account for any past due Amounts Due. Client will be responsible for the costs of collection of Amounts Due including, but not limited to, attorneys’ fees (including in-house counsel) and court and arbitration costs.
14. **Refund/Adjustments.** Client agrees that Paychex may apply any balances it is holding for Client to Amounts Due owed to Paychex or its affiliates.
15. **Termination.** Except as otherwise provided, either party may terminate the Agreement up on thirty (30) days prior written notice. Paychex may immediately terminate the Agreement, or a portion thereof if: (i) Client becomes subject to receivership, bankruptcy, or is insolvent; (ii) Paychex, in its sole discretion, determines that a material adverse change has occurred in the financial condition of Client; (iii) Client fails to have sufficient funds on the Funding Deadline; or (iv) Paychex determines, in its sole discretion, that any federal, state, or local legislation, regulatory action, or judicial decision adversely affects its interests under the Agreement. Termination of the Agreement will not relieve Client of any obligations set forth herein, including, but not limited to, its payment obligations.
16. **Limit of Liability.** Paychex’ sole liability and Client’s sole remedy for Paychex’ breach of the Agreement will be: (i) for Paychex to remit to the appropriate payee the funds received from Client; and/or (ii) for Paychex to reimburse Client or its employees for any interest or penalties assessed as a direct result of Paychex’ breach of the Agreement. Paychex will not be held liable for (i) the negligence of any other person or entity, including, but not limited to, Client and its employees or agents, or any person or entity that provides services in connection with or as a result of Paychex’ performance of its obligations under the Agreement; (ii) any loss, claim, or expense arising from any information provided or modified by Client, including, but not limited to, any Client forms, handbooks, manuals, and job descriptions; or (iii) Client’s breach of NACHA. **Paychex will, under no circumstances, be liable for any special, indirect, incidental, or consequential damages that Client may incur as a result of Paychex’ breach of the Agreement, or as a result of Paychex’ exercise**

of its rights under the Agreement, even if Paychex has been advised of the possibility of such damages.

17. **Indemnification.** Client will indemnify, defend, and hold Paychex and its respective officers, directors, and employees harmless from any and all claims, costs, attorneys' fees (including in-house counsel fees), and expenses resulting from or arising in connection with (i) a Client Default; (ii) Client's breach of NACHA; or (iii) Client's breach of any warranty set forth in the Agreement.
18. **Client Confidential Information.** "Client Confidential Information" will mean the name, social security number, address, bank, and wage information of Client and Client's employees provided to Paychex by Client. Paychex will use reasonable care to prevent the disclosure of such Client Confidential Information to any unauthorized person or entity. Paychex may disclose Client Confidential Information to its employees, affiliates, subsidiaries, agents, and contractors to: (i) perform Services; (ii) offer additional products or services; (iii) perform analysis to determine Client's qualification to receive future services; and (iv) collect Fees. Paychex may disclose Client's payment experiences with Paychex to credit reporting agencies and supply vendor references on behalf of the Client. Paychex may also disclose Client Confidential Information (i) to its attorneys, accountants, and auditors; and (ii) pursuant to federal, state, or local law, regulation, court order, legal process, or governmental investigation. The obligations set forth in this section will not apply to any Client Confidential Information that: (i) Client has agreed is free of any nondisclosure obligations; (ii) at the time of disclosure was free of any nondisclosure obligations; (iii) is independently developed by Paychex or that Paychex lawfully received, free of any nondisclosure obligations, from a third party having the right to furnish such Client Confidential Information; or (iv) is or becomes available to the public without any breach of this Agreement or unauthorized disclosure.
19. **Governing Law and Arbitration.** The Agreement and all aspects of the relationship between Paychex and Client will be governed exclusively by the laws of the State of New York without regard to or application of its conflict of laws rules and principles, except for the arbitration agreement contained herein that will be governed exclusively by the Federal Arbitration Act, 9 U.S.C. section 1 et seq. (the "FAA"). **Except as provided herein, any dispute arising out of, or in connection with, the Agreement will be determined only by binding arbitration in Rochester, New York, in accordance with the commercial rules of the American Arbitration Association.** Arbitrable disputes include, without limitation, disputes about the formation, interpretation, applicability, or enforceability of this Agreement. A separate neutral arbitrator must be selected and appointed for each dispute. Any dispute arising under the Agreement shall be brought within two (2) years of when the claim accrued. The arbitrator will not be authorized to award exemplary or punitive damages. The Parties will not be permitted to bring or participate in, and the arbitrator will not have any authority or jurisdiction to hear or decide, any claims brought as any type of purported class action, representative action, collective action, consolidated action, coordinated action, aggregated action, or similar action or proceeding. Each party must only bring claims against each other in their individual capacity. Paychex may, in its sole discretion, commence an action in any court of competent jurisdiction within the County of Monroe, State of New York, for any monies due and owing from Client to Paychex. Client waives any jurisdictional defenses and submits to the exclusive jurisdiction of the New York courts. The parties agree that the prevailing party in arbitration, and any subsequent judicial proceeding to enforce an arbitration award, will be awarded costs and attorneys' fees (including in-house counsel fees) and that an arbitration award may be entered as a judgment in any court having jurisdiction over either party to the Agreement.
20. **Assignability.** The Client may not assign the Agreement to any third parties, other than successors, without the prior written consent of Paychex. Any assignment made without such consent will be null and void.
21. **Fax Signature.** The parties agree that Client's signature on this Agreement may be transmitted to Paychex by facsimile, and that such faxed copy(ies) will have the same force and effect as if the original signature had been provided and received.
22. **Miscellaneous.** The Agreement contains the entire understanding of the parties. Neither party will be responsible for any delay or failure to perform obligations specified in the Agreement due to causes beyond the party's reasonable control. Client acknowledges that there have been no representations or warranties made by Paychex or Client that are not set forth in the Agreement. Paychex may modify any term of the Agreement upon thirty (30) days written notice to Client of such change and the effective date thereof. Client will be deemed to have accepted and agreed to such changes unless Client elects to terminate the Agreement by written notice to Paychex prior to the effective date of the change. If any provision of the Agreement or any portion thereof will be held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remainder of the Agreement will not in any way be affected or impaired. Sections 1-22 will survive the termination of the Agreement.

Client understands that this Agreement (Rev. 01/09) may be considered an application for credit and hereby authorizes Paychex to investigate the credit of the Client and/or its principals, including vendor references, bank account status, and history (collectively "Client's Credit"). Paychex' performance of the Services under this Agreement is subject to approval of Client's Credit. Client warrants that it possesses full power and authority to enter into this Agreement, and has read and agrees to the terms and conditions of this Agreement.

Authorized Officer's Name

Doug Gilpin

Title

Chairman

Authorized Officer's Signature

Date

Check Signing for FSA Reimbursement

Company Name

Sumter County Board of County Commissioner

Office-Client Number **0039** - **NPR1**

Federal ID Number

Single Signature

Print Name

Payment Information

Company Name

Sumter County Board of County Comm...

Office-Client Number **0039** - **NPR1**

Federal ID Number

Section 125

Setup

\$1,150.00 FSA

Delay Billing to 1/1/2...

\$0.00

Check Signing for FSA Reimbursement

Administrative (monthly)

\$110.00 FSA

33 %

\$2.25 per participant

Miscellaneous FSA Items	Quantity	Fee Per Item	Total Fee
	1		

Select billing option for payment of setup fees only.

- Full Payment of **\$1,150.00**.
- 3 EFT Monthly Installments of . (Setup fee must be greater than \$500)
- Submit live check of , and EFT balance of . (Setup fee must be greater than \$500)
- Charge amount of , and EFT balance of . (Setup fee must be greater than \$500)

Select payment method for setup fees only.

- Electronic Payment:** Amount
- Check Payment:** Amount Check Number Attach setup fee check here
- Charge Payment:** Amount MasterCard VISA American Express

Checking Account Designation

Office-Client Number

-

State of Bank Account

Designate the checking account that will be used for the following services by entering the routing number and account number below or by submitting a voided check (*check one or more services*).

EFT Payment for Paychex Services

Flexible Spending Account (Reimbursements)

Bank Name

Routing Number

Prices subject to change with written notification. Initial here to confirm your acceptance of (i) the fees specified above; (ii) the payment terms contained in the service agreement between the parties, and (iii) the use of the routing and account numbers above to perform services pursuant to the service agreement between the parties.

Date Initialed

Initials

EXHIBIT 2

QUOTE REQUEST

Flexible Spending Account and Section 125 Plan Administration

1.1 Introduction

The Sumter County Board of County Commissioners is requesting quotes from companies interested in contracting with the County for the provision of Third Party Administration (TPA) services for Health and Dependent Care Flexible Spending Accounts (FSA) and Section 125 Plan Administration for the 2011 Plan Year. The FSA plan is a voluntary benefit that is funded with employee contributions through Section 125 payroll deduction.

The Successful Proposer will be responsible for providing marketing and enrollment information, claims reimbursement, administrative reporting, accounting services, quality customer service, and technical guidance regarding compliance with applicable legislation. The proposed plan must qualify under Section 125 of the Internal Revenue Code and comply with other federal regulations such as HIPAA.

1.2 Background The FSA program's covered population is comprised of approximately 557 county government employees under the Board of County Commissioners, Clerk of Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

The County is seeking a partnership with an organization that can provide the following services:

- Administration of an established FSA Program in accordance with Internal Revenue Code and the Sumter County Board of County Commissioner's Plan Document.
- Prepare an updated Section 125 plan document to include pre-tax premiums and Medical and Dependent-Care FSA.
- Include annual discrimination testing.
- Provide employee communications that educate employees on the benefits of utilizing their Section 125 benefits.
- Customer service access during normal business hours and 24 hour on-line access.
- Toll-free fax for submitting claims.
- Provide debit cards for FSA.
- Timely electronic processing of enrollment files and bi-monthly contributions.
- Timely processing of all healthcare and family care claims and reimbursements.
- Verification of purchases made with healthcare/debit card requiring documentation from employees only when necessary.
- Providing participants with online access to each employee's account information and

- Provision of quarterly account reports to employees via mail and/or email.
- Provide the County with necessary reporting including, but not limited to, annual forfeiture reporting.
- Expeditious resolution of claim disputes.
- **Exhibit A** contains questions interested organizations are expected to respond to in writing. Respondents are asked to provide information about their organizations and their experience as a Third Party Administrator.
- Meet contract and insurance requirements. See **Exhibit B** for Sample Contract.

1.3 Eligibility

All benefit eligible (part time and full time) employees and their eligible dependents can participate in the FSA program. Retired employees and COBRA participants are not eligible to participate in the FSA.

1.4 Current Enrollment

The total number of employees eligible to participate in the FSA program is 557, of whom a total of 121 are currently enrolled. Of that number, 120 employees are enrolled in the Medical FSA and 1 employee is enrolled in the Dependent Care FSA. The plan year runs from January 1st through December 31st.

1.5 Current FSA Program

The County currently offers Medical and Dependent Care FSA. The fees currently associated with the FSA are \$4.24 for administration and \$2.12 for the debit card, both being per member per month. The County currently pays this fee for all FSA participants. The Grace Period/Deadline for submitting claims is February 28th following the end of the plan year. The minimum and maximum annual contribution amounts for the FSA program for Medical are \$260.00 and \$3,000.00. For the Dependent Care FSA the minimum amount is \$260.00 and the maximum is \$5,000.00.

1.6 Administration and Billing

The County's administrative involvement will include the following:

- Collect FSA premiums from participants through payroll deductions.
- Process and pay invoices received from TPA monthly for Administration Fees and Debit Card fees.
- Process and pay invoices received from TPA bi-weekly for Claims Reimbursement.
- Provide on-line enrollment in FSA for new hires and Annual Open Enrollment via existing web-based employee benefits program.
- Provide TPA weekly data exports for new enrollees and/or terminations in FSA.

1.7 Contract Period

The proposed FSA plan shall be in effect from January 1, 2011 through December 31, 2011, and shall be renewable for two - one year extensions based on acceptance and approval of both parties.

1.8 Submission of Information

Responses may be submitted by mail, e-mail or in-person and received no later than **NOVEMBER 5, 2010 by 5:00 p.m.** All submissions should include the following:

- Written responses to Questionnaire (Exhibit A).
- Sample Forms/Reports including but not limited to Open Enrollment Announcement and/or Program Literature; Change and Reimbursement Forms; Dependent Care Enrollment Form; standard reports provided to participants and clients (monthly, quarterly, annually), etc.
- A list of 3 former clients and 3 current clients (preferably government clients) with contact name, address and telephone number.
- Pricing per participating employee per month for FSA Administration; Debit Card Fees (if not included in Administration), Debit Card Replacement and/or Additional Card Fees; Section 125 Administration; and any other fees that may be applicable.

Sumter County Risk Management
Attention: Lita Hart, Risk Manager
7375 Powell Road, Suite 219
Wildwood, Florida 34785

Email:
lita.hart@sumtercountyfl.gov

Telephone:
(325) 689-4430

Faxed questions or comments may be sent to (352) 689-4421, no later than **Monday, November 1, 2010**. You may also e-mail to lita.hart@sumtercountyfl.gov .

QUESTIONNAIRE

All interested parties must complete the following questions in this exhibit and return with your response. If a particular question does not apply, type "NA" after restating the question.

1. What is the full name of your company?
2. How long has your organization been providing FSA Administration?
3. How long in the State of Florida?
4. How many clients have you provided FSA Administration for the following lengths of time?
 - a. 1 – 2 Years _____
 - b. 2 – 3 Years _____
 - c. 4 or more Years _____
5. For how many employers do you contract this service?
6. Describe your requirements for spending account funding.
7. How many representatives are assigned to communicate with client benefit staff and respond to problems and where are their offices located?
8. Does your company provide 24 hour online access to account information, claims status and activity for client and participants?
9. Briefly describe your processes for reimbursing eligible out of pocket expenses.
10. Does your company accept faxed copies of claims?
11. What claims documentation will your company require from a participant in order to pay a claim?
12. How are participants notified when a claim has been denied or a card usage is disputed?
13. Please explain how your company's system will adjudicate claims. Include the following:
 - a. Does your company have a minimum claim reimbursement amount?
 - b. Is there a system check for duplicate claims?
 - c. How are incomplete claims communicated?
14. Will participants have the option to receive their reimbursements via check or direct deposit?
15. Does your company process and disburse claim payments on a daily basis? Are claims paid within 10 business days with most of the claims being paid within 2-5 business days? If not, please explain the time period for your company's reimbursements.

16. Does your company resolve all servicing issues related to FSA's including check issuance and/or direct deposit? Explain this process.
17. What customer service standard of time is used for responding to participant inquiries? Same day, next business day, within 24 hours, etc.
18. Where are your company's customer service and claims departments located?
19. Do you offer a debit card? If yes, describe how you comply with IRS guidance and regulations regarding electronic payment cards.
20. Is there an extra fee for the debit card?
21. Does a minimum participation requirement apply?
22. Will you have staff be available to attend Open Enrollment Question and Answer sessions even though we have an online enrollment process and is there a fee for this service?
23. Describe you company's compliance with HIPAA.
24. How will employee data be maintained in your company's system? Does your company use the participants' social security number or another unique ID number?
25. What are your company's control standards for payment accuracy (frequency and dollar amount)? How is performance monitored?
26. Does your company provide balance information such as quarterly statements for the 1st, 2nd, 3rd, and 4th quarters during the plan year for all enrolled participants?
27. Does your company provide reports summarizing number/percent of claims that are reimbursed within the contract time frame? How frequently is this report supplied?
28. Following the end of the plan year, how and when does your company provide notification regarding any forfeiture?
29. Does your company administer the FSA accounts directly or do your hire a sub contractor for the administration?
30. Does your company develop with the employer the data exchange layout for the transmission of payroll deduction and eligibility information? Does your company receive and process payroll deduction and eligibility data from the employer via FTP, Secure Email, or hard copy listing?
31. Provide a copy of the detailed written disaster and recovery plan for your company.
32. Describe how your company ensures the security of information passed over the Internet or through other electronic transmissions between the vendor, the Client/Employer, and/or participants.
33. Does your company accept a file transfer of ongoing enrollments?

34. How does your company communicate enrollment problems to the plan sponsor (via fax, email, or telephone)? What is the standard timeframe for resolving enrollment issues?
35. In what format (i.e. electronic, paper, fax, etc.) will your company receive notifications of terminated participants?
36. Does your company provide pre-printed copies of the claim reimbursement forms?
37. How does your company handle claims that are appealed?
38. What is the average time frame of the appeals process? Does your company have an appeal's committee? Are the number of appeals along with the appeals outcome reported to the plan sponsor? If so how often?
39. Please list the standard FSA services included in your company's administrative fee.
40. Does your company provide COBRA notification of rights to employees who have "qualifying events" including which coverage can be continued, premium rates, provider lists (if applicable), and rights under the COBRA laws?
41. Does your company send acknowledgement letters (for all COBRA eligible benefits) to employees who have elected continuation of coverage under COBRA, and advise continuants of their coverage eligibility period?
42. Does your company send billings to employees for all eligible benefits, upon receipt of application for continuation of coverage, and terminate as appropriate based on the applicable COBRA benefit eligibility period?
43. Our goal is for FSA Open Enrollment to run from **December 1 through December 17, 2010** for an effective date of **January 1, 2011**. The proposals will go to the Board of County Commissioners for approval on **November 23, 2010**. if your company's quote is approved on November 23, 2010, can you operate within these timelines and have the accounts active by January 1, 2011?

SAMPLE PROFESSIONAL SERVICES AGREEMENT

(Sample agreement only. County reserves the right to alter this agreement based on any negotiations with proposed company.)

THIS AGREEMENT is made this _____ day of _____, 2009, by and between **Board of Sumter County Commissioners** (hereafter referred to as "Board"), whose address is 910 North Main Street, Bushnell, Florida 33513, and _____ (hereafter referred to as "Consultant"), whose address is _____.

RECITALS

WHEREAS, the Board has need for delivering telephone services to its organization for Sumter County through Voice Over Internet Protocol (VoIP); and

WHEREAS, Professional Strategic Plan provides professional services; and

WHEREAS, the parties desire to enter into a written agreement outlining the duties and responsibilities and compensation of the Strategic Plan based on the Consultant's response to RFP # 133-0-2009/AT – Request for Proposal for Sumter County Voice over Internet Protocol (VoIP);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is agreed as follows:

1. The relationship of the Consultant to the Board will be that of a professional consultant and the Consultant will provide the professional and technical services required under this agreement in accordance with acceptable professional practices and ethical standards applicable to Consultant's profession, and will endeavor to provide to the Board prompt and efficient consulting services to the best of its ability.
2. Consultant is hereby retained and employed as the Sumter County Voice over Internet Protocol (VoIP) consultant to work with the Board to provide said Voice over Internet Protocol (VoIP) services in accordance with the scope of work outlined in RFP # 133 -0-2009/AT.
3. Consultant agrees to prepare and complete the deliverables to the Board. Consultant may be asked to present the deliverables in person for review by staff or for discussion at a scheduled Board meeting.
4. The term of this Agreement shall commence on the day and year as shown above and continue in force through _____. This Agreement may be renewed on an annual basis if agreed to in writing by both parties. The term of this Agreement does not relieve the Consultant of any future responsibility as described in paragraph eight (8) of this Agreement.
5. This Agreement may be terminated by either party upon thirty (30) days prior written notice. If this agreement is terminated, Consultant shall be paid for all work performed up to the date of termination.

6. With regard to compensation paid to Consultant, Consultant shall furnish to the Board on a monthly basis an itemized invoice of the hours, services, products and other services utilized during the preceding month. Invoice shall be itemized per the attached Fee Schedule (Exhibit "A"). Consultant shall compute the total amount due for the preceding month and all amounts due Consultant shall be paid on a monthly basis pursuant to the provisions of the Local Government Prompt Payment Act, F.S. 218. Consultant acknowledges that and agrees that the rates set forth in the Fee Schedule shall remain fixed throughout the duration of the Agreement and thereafter shall only be adjusted by mutual written agreement of both parties.

7. General Considerations.

- a. All reports, drawings, designs, specifications, notebooks, computations, details, calculations documents prepared by Consultant and presented to the Board pursuant to this Agreement are and remain the property of the Board as instruments of service.
- b. All analyses, data, documents, models, modeling, reports and tests performed or utilized by Consultant shall be made available to the Board upon request and shall be considered public records.
- c. Consultant shall keep all books, records, files, drawings, plans and other documentation, including all electronically stored items, which concern or relate to the services required hereunder, for a minimum of three (3) years from the date of expiration or termination of this Agreement, or as otherwise required by any applicable law, whichever date is later. The Board shall have the right to order, inspect and copy all such Records as often as it deems necessary during any such period of time. This right to audit, inspect and copy records shall include all of the records of the Subconsultants (if any).
- d. Consultant shall, at all times, comply with the Florida Public Records Law, the Florida Open Meeting Law and all other applicable laws, rules and regulations of the State of Florida.
- e. Consultant shall, at all times, carry Professional Liability, General Liability, Automobile and Worker's Compensation Insurance pursuant to the insurance requirements in RFP # 133-0-2009/AT.
- f. Upon Consultant's written request, the Board will furnish, or cause to be furnished, such reports, studies, instruments, documents, and other information as Consultant and Board mutually deem necessary, and Consultant may rely upon same in performing the services required under this agreement.
- g. The Board and Consultant each binds itself and its successors, legal representatives and assigns to the other party to this agreement and to the partners, successors, legal representatives and assigns of such other party to this agreement, in respect to all covenants of this agreement; and neither the Board nor Consultant shall assign or transfer their interest in this agreement without the prior written consent of the other party.

8. Should any other professional services be called for by the Board, the charges shall be agreed upon in advance by the parties hereto. The Consultant may be required to provide additional services to the Board on challenges, public protests, administrative hearings or similar matters. The consultant shall be available to represent the Board, serve as an expert witness and provide supporting documentation as necessary.

9. The Contract Documents, which comprise the entire Contract between Board and Consultant and which are made part hereof by this reference, consist of the following:

- a. Quote Requests
- b. Instructions, Terms, and Conditions
- c. Vendor's Certification
- d. General Terms and Conditions
- e. Drug Free Workplace Certificate
- f. References
- g. Scope of Work / Specifications
- h. Agreement for Services
- i. Permits / Licenses

10. Consultant does hereby specifically promise and agree to "hold harmless", defend and indemnify the Board and the agents, servants, employees, officers, and officials thereof from and against any and all liability or responsibility for damage to property or person that may arise in connection with the services to be provided hereunder, including reasonable attorney fees and expenses.

11. Consultant, its agents, servants or employees shall, in no manner, whatsoever be construed as the employees, agents, servants or representatives of the Board and shall have not expressed or implied power or authority to act in any manner whatsoever for or on behalf of the Board, except as provided in the scope of services called for herein. Consultant is hereby designated as an independent contractor to the Board and none of the employees, agents or servants of the Consultant shall have any of the fringe benefits applicable to employees of the Board.

12. In the event of default by either party hereto, the defaulting party shall be liable for all costs and expenses, including reasonable attorney's fees, incurred by the other party and enforcing its rights hereunder, whether litigation be instituted or not, and at the trial court and appellate court level.

13. Consultant does hereby waive "venue privilege" and or "diversity of citizenship privileges" and agrees specifically that any action for the enforcement, construction or interpretation of this agreement shall be maintained in the County or Circuit Court for Sumter County, Florida and Consultant hereby specifically waives its right to institute any action of any kind or nature whatsoever against the Board in any other State or Federal Court or administrative tribunal.

14. This Agreement represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, either written or verbal. If any provision of the Agreement is declared invalid or unenforceable, the remainder shall continue in full force and effect.

15. This Agreement cannot be changed or modified, unless by written agreement signed by all parties hereto.

16. In performing services hereunder, Consultant shall comply with all federal, state and local laws and regulations. Consultant shall be responsible for identifying and obtaining all permits necessary to complete the scope of services. Consultant shall be responsible for obtaining, at its sole cost and expense, all necessary licenses and other governmental approvals required in order for Consultant to provide the type of services required hereunder.

17. Consultant shall notify Board in writing of any commitments during the term of this Agreement which may constitute a potential or actual conflict of interest with respect to the scope of services to be performed for the Board.

IN WITNESS WHEREOF, the parties have signed this agreement the day and year first above written.

ATTEST:

SUMTER COUNTY
BOARD OF COUNTY COMMISSIONERS

By: _____

By: Doug Gilpin, Chairman

Date Signed: _____

ATTEST:

Consultant

By: _____

By:

Date Signed: _____

EXHIBIT 3

FSA Proposal Comparison 11/16/2010						
<i>Fees and Provided Services</i>		AFLAC		PayChex		PBA
Annual Cost		\$5,808		\$4,587		\$9,496.08
Set-up Fee		\$450 Paid For Us		\$1,150		\$0
Annual Cost for Required Special Bank Account		\$120		\$120		NA
Total Annual Cost		\$5,928		\$5,857		\$9,496
Card Fees Paid by Participants						
New Cards		\$0		\$0		0.75
Additional Cards		\$0		\$0		0.75
Lost/Replacement Cards		\$0		\$0		\$10
Toll Free Customer Service		Yes		Yes		Yes
Toll Free Fax Line		Yes		Yes		No
Web Access for Individual Accounts		Yes		Yes		Yes
Choice of Check or Direct Deposit		Yes		Yes		Yes/DD for Fee
Open Enrollment Assistance at No Cost?		Yes		Yes		Yes
Contract Requirement		12 Months		Month to Month		12 Months
Minimum Reimbursement Requirement		\$15		None		None
Minimum Enrollment Requirement		None		None		None
Minimum Administration Fee Requirement based on enrollment		\$50		None		None
Credit Card Company		AFLAC		Medavante		Medavante

Fees based on 121 users.

AFLAC - Set Up Fee of \$450 to be paid for us by Tom Irby.

Paychex - Only Debit Cards for those who sign up.