

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.50
(ID # 3357)

MEETING DATE:

Tuesday, March 7, 2017


FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Sixth Amendment to the TALX Universal Service Agreement with TALX Corporation for ACA Management Platform and ACA Tax Form Service, All District [\$97,928] [SOURCE OF FUNDS - Human Resources and Auditor Controller Department Budgets]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Sixth Amendment to the TALX Universal Service Agreement with TALX Corporation including the ACA Management Platform and ACA Tax Form Services, effective November 1, 2016 through December 31, 2017 without obtaining competitive bids;
2. Authorize the Chairperson to sign four (4) copies of each Agreement; and
3. Direct the Clerk of the Board to retain one (1) copy of the agreement and return three (3) copies of the agreement to Human Resources for distribution.

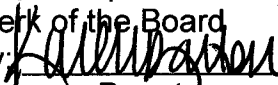
ACTION: Policy


Michael Stock, Assistant CEO/ Director of Human Resources 2/9/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: March 7, 2017
xc: HR

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

BACKGROUND:

Summary

County Personnel Administrators Association of California (CPAAC) is a non-profit corporation which conducts market bids on behalf of California counties who are seeking similar services. The County utilizes TALX as a vendor since CPAAC contracts with TALX for Unemployment Services. TALX also provides a software product that is marketed under Equifax Workforce Solutions (EWS), which provides employers with the ability to meet reporting requirements imposed by the Affordable Care Act (ACA).

Effective January 1, 2015, all large employers with 50 or more employees were mandated by the ACA to offer minimum essential health coverage to at least 95% of its full-time employee population, along with eligible employees dependents. Additionally, the County is required to report information to the Internal Revenue Service (IRS) that demonstrates compliance with the employer shared responsibility provisions of the ACA. The shared responsibility provisions are covered under Section 6056 of the Internal Revenue Code.

The County is mandated to submit information to the IRS each calendar year, for the prior year's coverage. In addition to reporting information to the IRS, the County is also required to provide each employee with a hardcopy Form 1095-C, detailing the same information reported to the IRS on behalf of each employee.

To date, the County has insufficient technical functionality/reporting capabilities in place with the current PeopleSoft HRMS system to complete the IRS reporting and administrative requirements. As a result, the Human Resources Department and the Auditor Controller's Office collaborated for an alternative solution to assist the County in being compliant with the required mandate. The County contracted with TALX as a third-party administrator to perform this reporting mandate on behalf of the County Human Resources and the Auditor Controller departments. Human Resources and the Auditor Controller will share in the cost of the fees equally.

The County utilized TALX as its ACA reporting administrator for Calendar Year 2016 and is seeking approval to extend the agreement for an additional year to meet the ACA mandate.

The penalties for failing to comply with this mandate could exceed more than a million dollars compared to the costs of extending the contract to purchase continued ACA administrative services through TALX.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 97,728	\$ 0	\$ 97,928	\$ 0

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

NET COUNTY COST	\$ 0	\$ 0	\$	\$ 0
SOURCE OF FUNDS: Human Resources and Auditor Controller Department Budgets			Budget Adjustment:	No
			For Fiscal Year:	16/17, 17/18

C.E.O. RECOMMENDATION: Approve

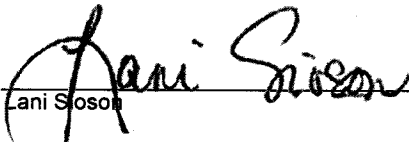
Impact on Residents and Businesses

None

Contract History and Price Reasonableness

This contract is a renewal request for one additional year. The contract has been in place for one year prior to this renewal. The cost of this contract will decrease by approximately \$29,000. TALX provided a 16.67% reduction on fees in the first contract period and also agreed to only increase its annual fee by 3% compared to a 5% increase that TALX had initially proposed.

ATTACHMENT A. Sixth Amendment to the TALX Universal Service Agreement, including Schedule A – ACA Tax Form Service, Exhibit 1 – Fees, and Schedule B – ACA Tax Form Service, Service Description Overview


Ani Sison

2/27/2017


Lisa Brandl, Director of Purchasing and Fleet Services

2/9/2017


Gregory V. Priamos, Director County Counsel

2/15/2017

SIXTH AMENDMENT TO THE TALX UNIVERSAL SERVICE AGREEMENT

This Sixth Amendment to the TALX Universal Service Agreement ("Amendment") is made and entered into by and between TALX Corporation ("TALX"), a Missouri corporation, and the County of Riverside ("Client"), a political subdivision of the State of California. This Amendment is effective as of November 1, 2016 ("Effective Date").

WHEREAS, the parties have previously entered into the TALX Universal Service Agreement dated February 1, 2011 ("Agreement"). The Agreement, as previously amended, includes the following schedules:

- (1) Schedule A - The Work Number, Service Provider, Terms and Fees for Services, Schedule A - The Work Number, Exhibit 1 - Fees, and Schedule B - The Work Number, Service Description Overview (effective February 1, 2011);
- (2) Schedule A - ACA Management Platform, Service Provider, Term and Fees for Services, Schedule A - ACA Management Platform, Exhibit 1 - Fees, and Schedule B - ACA Management Platform, Service Provider, Term and Fees for Services (effective November 1, 2015); and
- (3) Schedule A - ACA Tax Form Service, Service Provider, Term and Fees for Services, Schedule A - ACA Tax Form Service, Exhibit 1 - Fees, and Schedule B - ACA Tax Form Service, Service Provider, Term and Fees for Services (effective November 1, 2015); and

WHEREAS, the parties desires to modify the Agreement as specified herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

1. All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.
2. Section 2.0 (Term) of the Agreement is deleted in its entirety and replaced with the following:

"The term for each Service is set forth in the applicable Schedule A. A schedule may expire or be terminated without affecting the other schedules. This Agreement shall remain in effect as long as there is an outstanding schedule with a term then in effect. The parties may, by mutual written amendment, renew or extend the term of the applicable Schedule A. However, this Agreement, including any schedules, shall not extend beyond December 31, 2017."

3. The following sentence is added to Section 2 (Term) of Schedule A – ACA Management Platform Service Provider, Term and Fees for Service of the Agreement:

“The parties agree to extend the term of the Schedule, beginning on January 1, 2017 through December 31, 2017.”

4. Schedule A – ACA Tax Form Service, Service Provider, Term and Fees for Services, Schedule A – ACA Tax Form Service, Exhibit 1 – Fees, and Schedule B – ACA Tax Form Service, Service Provider, Term and Fees for Services (effective November 1, 2015) of the Agreement are deleted in its entirety and replaced with the following new schedules, which are attached hereto and incorporated herein by this reference: Schedule A – ACA Tax Form Service, Service Provider, Term and Fees for Services, Schedule A – ACA Tax Form Service, Exhibit 1 – Fees, and Schedule B – ACA Tax Form Service, Service Description Overview (effective November 1, 2016).

5. All other terms of the Agreement are to remain in full force and effect.

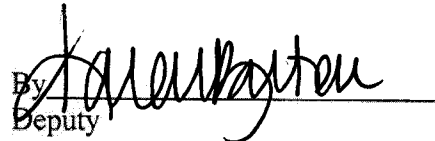
6. Each party certifies that the individual signing below has the authority to execute this Amendment on behalf of such party, and may legally bind such party to the terms and conditions of this Amendment, including any attachments hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment effective as of the Effective Date.

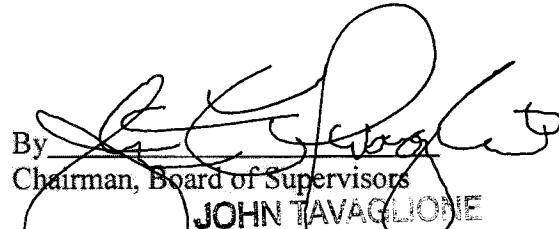
ATTEST:

Clerk to the Board
Kecia Harper-Ihem

By 
Deputy

Date: MAR 07 2017

COUNTY OF RIVERSIDE:

By 
Chairman, Board of Supervisors
JOHN TAVAGLIONE

Date: MAR 07 2017

Approved as to Form:

Gregory P. Priamos
County Counsel

By 
Deputy County Counsel

Date: 2/8/2017

Recommended for Approval:

County of Riverside – Purchasing

By: _____

Printed Name: _____

Title: _____

Date: _____

TALX Corporation, a Missouri corporation

By 

Printed Name Michael Mohr

Title Vice President

Date 1-27-17

SCHEDULE A – ACA TAX FORM SERVICE

EXHIBIT 1 - FEES

Client Name: County of Riverside (“Client”)

Effective Date: November 1, 2016

The ACA Tax Form Service and corresponding Activation Services (as described in Schedule B hereto) (the “Service”) is an automated tax statement service that will enable authorized current and former employees (each an “Employee”) of Client to have automated access to federal tax form 1095-C (the “Employee Tax Form”) and for Client to transmit tax form 1094-C to the United States (US) Internal Revenue Service (IRS). The Service is provided by TALX Corporation (provider of Equifax Workforce Solutions), a Missouri corporation (“EWS”). Client authorizes EWS as its authorized agent to provide the Service. EWS shall provide the Service in accordance with the Universal Service Agreement (“Agreement”) dated February 1, 2011, this Schedule A and Schedule B (which are part of the Agreement) utilizing the tax form information supplied by and/or on behalf of Client. All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.

- 1) **Term:** These Schedules A and B (collectively, “Schedules”) shall be for the term commencing on the Effective Date above through December 31, 2017.
- 2) **Termination:** Either party may terminate these Schedules if the other party has materially breached the Agreement, provided that the party claiming breach must give the other party at least thirty (30) days prior written notice in which to cure the breach before terminating these Schedules. Notwithstanding anything to the contrary, this Agreement may not be terminated for convenience.
- 3) **Payment Terms:** All prices and fees for the Service performed under these Schedules A and B are as stated in Exhibit 1 - Fees, attached hereto and made part of this Schedule A.
 - All Annual Fees and Per-Form Fees in Schedule A – Exhibit 1 – Fees will be invoiced annually in February. Per-Form Fees are based on the number of Tax Form 1095-Cs processed by the Service for the current tax year. A minimum charge of \$2,500 will apply.
 - If applicable, any postage and/or shipping charges will be invoiced annually in April.
 - Invoices are due net thirty (30) days.
 - Payments not received within forty-five (45) days of invoice will bear interest at a rate of 1.5% per month.
 - Except to the extent that Client has provided an exemption certificate, direct pay permit, or other such appropriate documentation, EWS shall add to each invoice any sales, use, excise, value-added, gross receipts, services, consumption, and other similar transaction taxes, however designated, that are properly levied by any taxing authority upon the provision of the Service, excluding, however, any state or local privilege or franchise taxes, taxes based upon EWS’s net income, and any taxes or amounts in lieu thereof paid or payable by EWS as a result of the foregoing excluded items.
 - All fees are in U.S. dollars.
- 4) **Data:** Client acknowledges that Client is solely responsible for the quality of the Data provided by Client or by a third-party on behalf of Client. Client will validate the completeness and accuracy of all Data prior to submitting to EWS. EWS may use depersonalized Client Data to perform analytics, modeling and/or demographic studies. Depersonalized Client Data shall not include any information that individually, or collectively, could be used to specifically identify either Client or Client’s Employees.
- 5) **Master File:** Client acknowledges that it shall maintain full responsibility for maintenance, storage, and production of the Employee Master File (as defined herein). Employee Master File shall mean the file which retains all Employee data required under state and federal recordkeeping and retention laws, which may include, but is not limited to, name, address, social security number, date of birth, work location, wage and hour data, tax and payroll information, human resources data, and benefits information.
- 6) **Activation:** Client acknowledges that it must undertake certain steps for the Service to be provided correctly and timely, including, without limitation, providing Data in a proper format, undergoing testing procedures, and assisting with the associated Activation Services. Client agrees to fully cooperate with EWS to activate the Service. EWS shall have no liability with regard to any errors that result from Client’s failure to timely provide Data (or update Data) accurately and completely and in the format required by EWS. EWS shall be responsible and liable for any errors that are caused solely by EWS and/or caused in part by EWS to the extent thereof.

Schedule A and Schedule B shall be binding the parties upon the date last executed below and shall be effective as of the Effective Date.

MAR 07 2017 3:50

SCHEDULE A – ACA TAX FORM SERVICE

EXHIBIT 1 - FEES

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute these Schedules A and B.

ATTEST:

Clerk of the Board
Kecia Harper-Ihem

COUNTY OF RIVERSIDE:

By: [Signature]
Deputy

By: [Signature]
Chairman, Board of Supervisors
JOHN TAVAGLIONE

Date: MAR 07 2017,

Date: MAR 07 2017

Approved as to Form:

Recommended for Approval:

Gregory P. Priamos
County Counsel

County of Riverside – Purchasing

By: [Signature]
Deputy County Counsel

By: _____

Date: 2/8/2017

Printed Name: _____

Title: _____

Date: _____

TALX CORPORATION, a Missouri corporation
Provider of Equifax Workforce Solutions

By: [Signature]

Printed Name: Michael Mohr

Title: Vice President

Date: 1-27-17

SCHEDULE A – ACA TAX FORM SERVICE

EXHIBIT 1 - FEES

Fee Schedule

Term of Contract (Years)	1
Will Tax Form data be provided by ACAMP or direct from Client?	ACAMP
Does Client have a W-2 contract with EWS valid for the life of this 1095 contract?	No
Does Client desire to utilize a third-party tax preparation coupon, if available, to qualify for a discount? <i>(Standard Service = Yes)</i>	Yes
Does Client want to pay for their employees' reissue fees rather than having them charged to the employee at time of request? <i>(Standard Service = No)</i>	No
Estimated Number of 1095-Cs to be processed:	22,343

Annual Fixed-Fee Description	Purchased	Unit Price	Annual Fee
Tax Platform Activation Service	Yes	\$5,000	\$5,000
Tax Form 1094-C Transmittal Service (includes 2 transmissions); Subsequent submissions will be invoiced at \$1,500/each	Yes	\$3,000	\$3,000
Total Annual Fixed-Fees			\$8,000

Per-Form Fee Description	Purchased	Per-Form Fee
Tax Form 1095-C Electronic Fulfillment Service <i>Client will be charged for all 1095-Cs produced regardless of whether or not the Employee has consented to electronic delivery. If Client has not opted for the "Tax Form 1095-C Print Service", it will be Client's responsibility to provide a 1095-C to any employee that has not consented to electronic delivery.</i>	Yes	\$1.10
Tax Form 1095-C Print Service (Optional) <i>Client will be charged for shipping and postage required to mail the 1095-C to the employee. The fee for this services is <u>in addition to</u> the fee for the Tax Form 1095-C Electronic Fulfillment Service.</i>	Yes	Actual cost for Postage and Shipping

Employee Reissue Fees (Paid by Employees who have not consented to electronic delivery)	Per-Form Fee
First Reissue (Current Tax Year)	No cost
Additional Reissues	
Current Tax Year	\$12.00
Prior Tax Year	\$18.00

SCHEDULE B – ACA TAX FORM SERVICE

SERVICE DESCRIPTION OVERVIEW

Tax Form Platform Activation Service

Description

The Tax Form Platform Activation Service (“Activation Service”) is an annual service that allows EWS to configure the Tax Form Platform for the production and distribution of US Tax Form 1095-C (the “Tax Form”) and transmittal of US Tax Form 1094-C to the IRS.

Service Delivery Tasks

EWS will perform the following tasks in the delivery of this service:

1. Provide Client with a Configuration Checklist that captures Client’s requirements, Service options, mailing and shipping instructions, change management, and the selected test and production run schedules.
2. Configure Tax Platform per the Configuration Checklist.
3. Configure Tax Platform to import and process files containing test Tax Form data.
4. Provide Client with a maximum of two (2) Tax Form proofs / validation reports during the testing cycle.
5. Configure Tax Platform to import and process files containing production Tax Form data.
6. Provide Client with a maximum of one (1) Tax Form proofs / validation reports during the production cycle.
7. Provide Client with a maximum of one (1) print run with print vendor.

Assumptions

1. The Activation Service will be delivered using EWS’s project management methodology. Client acknowledges the Activation Service is a fixed fee service and agrees to adhere to the timelines and milestones established during the kick-off call.
2. Client understands Client requirements captured in the Configuration Checklist are governed by the functionality available in the Tax Platform at the time of the Activation Service.
3. If Client is subscribed to the EWS ACA Management Platform (the “Management Platform”):
 - a. Client will transmit tax form data from the Management Platform to the Tax Platform for both test and production runs.
 - b. Client understands that Client must have an enforceable agreement for the Management Platform in order for Client to send data from the Management Platform to the Tax Platform.
4. If Client is not subscribed to the Management Platform:
 - a. Client will provide data in the format defined by the Tax Platform file specification.
 - b. Client will validate all data extracts prior to delivering to EWS.
 - c. Client will be granted a maximum of three (3) attempts to provide data, cumulative between both test and production, to the Tax Platform. Additional attempts will result in EWS charging Client \$1,500 for each additional file. EWS will notify Client prior to charging for these efforts.
5. Client understands the Configuration Checklist must be completed no later than October 15th of the calendar year for which tax year forms will be produced in order to permit EWS to implement the Fulfillment Service in a timely manner.
6. Client will provide their data in a maximum of 2 data files per test or production cycle per Employer Code. EWS will charge Client \$1,500 for each additional file. EWS will notify Client prior to charging for these efforts.
7. Client understands if Client does not authorize EWS to process the file so that it complies with the United States Postal Service’s regulations to reduce postage costs, Client will be subject to non-discounted postage rates.
8. Client understands that additional proofs / validation reports over what is specified in the Service Delivery Tasks will result in Client being charged \$1,500 per additional proof / validation report. EWS will notify Client prior to charging for these efforts.
9. Client understands that once a production print run has been generated, if Client should request additional production print runs, EWS will charge Client \$1,500 per additional production print run plus a surcharge of \$0.08 per form in addition to the per form price for the Tax Form 1095-C Fulfillment Service.

Tax Form 1094-C Transmittal Service

Description

The 1094-C IRS Transmittal Service (the “Transmittal Service”) is designed to transmit Client’s data to the IRS per the instructions for Tax Form 1094-C.

Service Delivery Tasks

EWS will perform the following tasks in the delivery of this service:

1. Transmit Tax Form 1094-C to IRS upon instructions from Client.

Assumptions

1. Client understands that for EWS to transmit Tax Form 1094-C to the IRS, Client must have completed the Activation Service and have uploaded all required data to the Tax Platform.
2. EWS will charge Client \$1,500 for each subsequent transmission to the IRS if additional transmissions are required.

SCHEDULE B – ACA TAX FORM SERVICE

SERVICE DESCRIPTION OVERVIEW

Tax Form 1095-C Fulfillment Service

Description

The Tax Form 1095-C Fulfillment Service (the "Fulfillment Service") is designed to allow Client to outsource the creation of Tax Form 1095-C (the "Tax Form") for Employees, for whom Client must provide a 1095-C. Once the 1095-Cs are created, the Fulfillment Service will allow Employees to download a copy of their Tax Forms via the Tax Form Management Platform (the "Tax Platform"). EWS will support up to four years of statements, in compliance with IRS data retention policies, assuming Client has provided data.

Service Delivery Tasks

EWS will perform the following tasks in the delivery of this service:

1. EWS will make completed Tax Forms available via a secure website to all Employees. EWS will notify Client when completed forms are available.
2. EWS will make completed Tax Forms for the current tax year available through December 31. After this date, Employees will be able to request a prior year's Tax Form by website or telephone.
 - a. EWS will record all requests for an additional copy of the Tax Form (a "Reissue") in an audit log.
 - b. Reissues will be provided via secure website, fax, or US Post Office (USPS) mail, as requested by Employee. Client must purchase the Tax Form 1095-C Print Service in order for Employees to receive Reissues by USPS mail.
 - c. EWS will allow Employees who have consented to electronic delivery, to download, through the Tax Form Platform, an unlimited number of copies of their prior-year Tax Form 1095-C through December 31 of the current year. For all other employees, EWS will provide the first Reissue of the current tax year to an Employee at no additional charge. EWS will charge Client \$12 per additional reissue for the current tax year and \$18 per reissue for prior tax years.
 - d. For Employees who have not consented to electronic delivery, the Employee shall be required to pay the Employee Reissue Fees stated in Exhibit I for each Reissue requested through the Tax Form Platform.
3. EWS will make Tax Forms available for download into tax preparation products.
4. EWS will provide Clients subscribed to the EWS print service with an archive CD-ROM of all Tax Forms for the current tax year.

Assumptions

1. Client understands unless the Tax Form 1095-C Print Service was purchased, Client will be responsible for printing Tax Forms for all Employees that did not consent to electronic delivery.
2. Client understands any corrected 1095-C will result in an additional per-form charge.
3. Client understands EWS does not support downloading of Tax Forms into all tax preparation products.
4. Client understands the name of their organization will appear in tax preparation products when users are prompted to download Tax Forms.
5. Client understands that, if available, EWS will include coupons from third-party tax preparation software products and service providers on the 1095-C. If the coupon is unavailable or Client elects to remove the coupon, EWS will charge Client an additional \$0.14 per form.
6. Client understands that additional CD-ROMs will be provided for a fee of \$500 per CD-ROM.

Tax Form 1095-C Print Service (Optional Service)

Description

The Tax Form 1095-C Print Service (the "Print Service") is designed to print and mail U.S. Tax Form 1095-C (the "Tax Form") for their active and former Employee that did not consent to electronic delivery of their Tax Form.

Service Delivery Tasks

EWS will perform the following tasks in the delivery of this service:

1. Print Tax Forms on paper that meets federal regulations and those of the United States Postal Service ("USPS")
2. Print Tax Forms in a format that meets the requirements of the Internal Revenue Service.
3. Print text on Tax Forms at laser printer quality or better
4. Mail printed Tax Forms directly to individuals at the location specified in the Client-provided Tax Form data files.

Modification to the Service Description Overview

EWS reserves the right to modify the Service from time to time, provided that any such modification applies in an identical manner to all other clients of the Service and the changes made will only enhance and not reduce the quality of the Service. If the modification shall be a substantial change from this Service Description Overview, EWS shall provide notice of the change to Client. A substantial change shall be a change which is inconsistent with this Service Description Overview. A change that does not alter functionality of the Service, such as a change for upgraded security of data, is not a substantial change. Client may terminate this Schedule A and B by notice given to EWS within thirty (30) days after notice of an amendment to the Service

SCHEDULE B – ACA TAX FORM SERVICE

SERVICE DESCRIPTION OVERVIEW

Description Overview, and termination shall be effective ninety (90) days after notice is provided unless Client provides for an earlier or later effective date of termination in the notice of termination. Absence of such termination shall constitute Client's agreement to the modified Service Description Overview. EWS agrees that any modification to the Service Description Overview shall not alter and/or conflict with any provisions in the Agreement. If any modification by EWS to the Service and/or Service Description Overview will result in any additional costs to the Client for the term of these Schedules A and B, EWS agrees to provide 60 days prior written notice to the Client as such written notice shall state the additional cost to the Client.