

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



ITEM: 3.23
(ID # 11401)

MEETING DATE:

Tuesday, December 17, 2019

FROM : HUMAN RESOURCES AND AUDITOR CONTROLLER :

SUBJECT: HUMAN RESOURCES: Approval of the Twelfth Amendment to the TALX Universal Service Agreement with TALX Corporation for ACA Management Platform and ACA Tax Form Service Without Obtaining Competitive Bids, All Districts. [Total Cost - \$91,825] [Source of Funds - 100% Human Resources Department Budget]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Twelfth Amendment to the TALX Universal Service Agreement with TALX Corporation to extend the ACA Management Platform and ACA Tax Form Services, effective January 1, 2020 through December 31, 2021, without obtaining competitive bids, in the annual amount of \$91,825, and authorize the Chairman of the Board to sign four (4) copies of the Amendment on behalf of the County of Riverside; and
2. Direct the Clerk of the Board to retain one (1) copy of the Amendment and return three (3) copies of the Amendment to Human Resources for distribution.

ACTION: Policy

Brenda Diederichs
Brenda Diederichs, Assistant CEO / Human Resources Director 12/4/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 17, 2019
xc: HR

Kecia R. Harper
Clerk of the Board
By: *Kecia R. Harper*
Deputy

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STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$91,825	\$ 91,825	\$183,650	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Department Budget – 100% Human Resources			Budget Adjustment:	No
			For Fiscal Year:	19/20 - 20/21

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Affordable Care Act (ACA) reporting requirement, which mandates employers to report specific information to the IRS on medical coverage being offered to employees, became effective in 2015 with mandated reporting starting 2016. Since the County did not have adequate reporting capability through its current HRMS (PeopleSoft), a Third-Party Administrator (TPA) was sought to assist with the reporting requirement. Human Resources and the ACO contacted TPA's offering ACA services to obtain administration and cost information, since the software needed to be in place to meet the reporting deadline. The deadline was only a few months away and there wasn't sufficient time for a Request for Proposal (RFP) to be released. With this requirement being so new, there were only a few TPAs to choose from and only one TPA was willing to provide the County with a quote. As a result, HR and the ACO requested a Sole Source Procurement approval from Purchasing for TALX Corporation to provide ACA services.

The Sole Source Procurement was initially approved from November 1, 2015 through December 31, 2016. The initial request for ACA services became the Fifth Amendment to the TALX Universal Service Agreement, as the County had an existing TALX Corporation customer for other TPA services. After the sole source procurement was approved, it was thought that the Affordable Care Act would be repealed and the County would no longer have to continue the ACA Services Agreement beyond December 31, 2016. However, the ACA mandate was not repealed and the County had to extend its ACA Services Agreement through December 31, 2017 to complete the required reporting, which yielded the Sixth Amendment to the TALX Universal Service Agreement. As the future of the ACA was unknown, it was determined that we would continue to renew the ACA portion of the contract separate from the other services, yearly, as needed.

In 2017, a contract was secured to implement a new HRMS and Payroll system, which offered ACA reporting functionality. It was the expectation that once the new HRMS system was implemented, the County would be able to complete the required ACA reporting in-house and would no longer need to purchase ACA services through a TPA, so the ACA Services Agreement was amended until December 31, 2018 (Eighth Amendment) to cover the County

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during the implementation period. The implementation for a new HRMS system was cancelled and a new HRMS implementation with a different vendor was initiated mid-2019. Due to a new HRMS implementation being started in mid-2019, the County is still not in a position to complete ACA reporting in-house and will not be able to do so until approximately the end of calendar year 2021 at the earliest.

The County must complete ACA reporting for calendar year 2019 by January 2020 and reporting for calendar year 2020 by January 2021. Therefore, the ACA Services Agreement must be extended to ensure compliance and to avoid penalties (up to \$1.5 million) that could be imposed for failure to comply.

Impact on Residents and Businesses

There is no impact on county residents and businesses as a result of this Form 11.

Contract History and Price Reasonableness

This contract amendment renews the ACA Platform Management and ACA Tax Form Services for two additional years to ensure the County has provisions in place to meet the required reporting. The same services have been in place for four years prior to this renewal.

The amendment is provided with seven (7) percent discount and a five (5) percent decrease in fees and cost from last year's agreement.

ATTACHMENT A: Twelfth Amendment to the TALX Universal Service Agreement

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

TWELFTH AMENDMENT TO THE TALX UNIVERSAL SERVICE AGREEMENT

This Twelfth 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 January 1, 2020 ("Effective Date").

WHEREAS, the parties have previously entered into the TALX Universal Service Agreement dated February 1, 2011 ("Agreement"); and

WHEREAS, pursuant to the Fifth, Sixth, Eighth, and Tenth Amendments to the Agreement, 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 are effective November 1, 2015 through December 31, 2019; and

WHEREAS, pursuant to the Tenth Amendment to the Agreement, 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 are effective November 1, 2016 through December 31, 2019; 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, 2021."

3. The following sentence is added to Section 2 (Term) of Schedule A – ACA Management Platform, Service Provider, Term and Fees for Services (dated November 1, 2015) of the Agreement:

"The parties agree to extend the term of the Schedule, beginning on January 1, 2020 through December 31, 2021."

4. The table in the “Subscription Schedule” Section of Schedule A – ACA Management Platform, Exhibit 1 – Fees (effective January 1, 2019) of the Agreement is deleted in its entirety and replaced with the new table for the “Subscription Schedule” Section of Schedule A – ACA Management Platform, Exhibit 1 – Fees (effective January 1, 2020), which is attached hereto and incorporated herein by this reference.

5. The following sentence is added to Section 1 (Term) of Schedule A – ACA Tax Form Service, Service Provider, Term and Fees for Services (dated November 1, 2016) of the Agreement:

“The parties agree to extend the term of these Schedules A and B, beginning on January 1, 2020 through December 31, 2021.”

6. The “Fee Schedule” of Schedule A – ACA Tax Form Service, Exhibit 1 – Fees (effective January 1, 2019) of the Agreement is deleted in its entirety and replaced with the new “Fee Schedule” for Schedule A – ACA Tax Form Service, Exhibit 1 – Fees (effective January 1, 2020), which is attached hereto and incorporated herein by this reference.

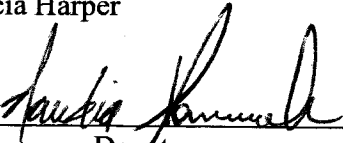
7. All other terms of the Agreement are to remain in full force and effect.

8. 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

By 
Deputy

Date: DEC 17 2019

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By 
Kevin Jeffries, Chairman,
Board of Supervisors

Date: DEC 17 2019

Approved as to Form:
Gregory P. Priamos
County Counsel

By 
David M. McCarthy
Deputy County Counsel

Date: 26 Nov. 2019

Recommended for Approval:
County of Riverside – Purchasing

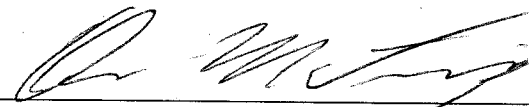
By: _____

Printed Name: _____

Title: _____

Date: _____

TALX CORPORATION, a Missouri corporation

By 

Printed Name Oscar Martinez

Title Sales Leader

Date November 21, 2019

Schedule A – ACA TAX FORM SERVICE

Exhibit 1 – FEES

Effective Date January 1, 2020

Fee Schedule

Term of Contract	2 Year
Will Tax Form data be provided by ACAMP or direct from Client?	ACAMP
Does Client have a W-2 contract with EWS valid of the life of this 1095 contract?	No
Does Client desire to utilize a third-party tax preparation coupon, if available for a discount? (Standard Service = Yes)	Yes
Does Client want to pay for their employees' reissue fees rather than having them charged to the employee at time of request? (Standard Service = No)	No
Estimated Number of 1095-Cs to be processed	21,200

Annual Fixed Fees Description			
Management Platform Activation Service	Already Live	N/A	\$0
IRS Reporting Activation Service	Already Live	N/A	\$0
Additional Data File Service (Optional Service) <i>Value in the Qty field reflects the number of additional files Client will be providing above what is defined in the Management Platform Activation Service.</i>	-	N/A	\$0
Dynamic Controlled Group & Employee Category Activation Service (Optional Service)	-	N/A	\$0
Organizational Security Activation Service (Optional Service)	-	N/A	\$0
Tax Platform Activation Service			\$5,000
Tax Form 1094-C Transmittal Service (includes 2 transmissions)			\$3,000
1095-C Forms (Estimated)	21,200 (Employee Count)	\$1.10	\$23,320.00
Grand Total			\$31,320.00

Schedule A – ACA MANAGEMENT PLATFORM

Exhibit 1 – FEES

Effective Date January 1, 2020

Subscription Schedule Table

Description	Qty	Unit Price	Year 3 Total
Annual Fees			
ACA Management Platform Includes 99 Data Viewer licenses and 4 Data Explorer licenses. Fee is calculated on a per employee, per year (PEPY) basis. Value in the Qty field reflects the number of people the Client employs. The minimum annual fee for the Management Platform is \$10,000.	21,200	\$3.18	\$67,416
Additional Data Explorer Licenses	-	\$402	\$0
Additional Data Viewer Licenses	-	\$105	\$0
Additional Annual Support Incidents (Block of 5 incidents) <i>Unused incidents expire at the end of the year.</i>	-	\$1,056	\$0
Sub-Total Annual Fees			\$67,416
One-Times Fees for Activation Services			
Management Platform Activation Service	Already Live	N/A	\$0
IRS Reporting Activation Service	Already Live	N/A	\$0
Additional Data File Service (Optional Service) <i>Value in the Qty field reflects the number of additional files Client will be providing above what is defined in the Management Platform Activation Service.</i>	-	N/A	\$0
Dynamic Controlled Group & Employee Category Activation Service (Optional Service)	-	N/A	\$0
Organizational Security Activation Service (Optional Service)	-	N/A	\$0
Sub-Total One-Time Fees			\$0
Sub Total			\$98,736
Customer Contract Discount (7%)			-\$6,911
Grand Total			\$91,825