NOTICE OF RENEWAL OF CONTRACT

TO: APPLICATION SOFTWARE, INC.,
dba ASIFLEX
201 WEST BROADWAY,
suite 4C
COLUMBIA MO 65203

DATE ISSUED: JUNE 13, 2013
CURRENT REFERENCE NO: 92-11

CONTRACT TITLE: INSURANCE - FLEXIBLE ACCOUNT
PRIOR REFERENCE NO: 7-11

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

This is your notice that the above referenced contract has been renewed. The contract term covered by this Notice of Award is effective JULY 1, 2013 and expires on JUNE 30, 2014.

This is the THIRD year award notice of a possible SEVEN year contract.

The contract documents consist of the terms, conditions, and specifications of Request for Proposal No. 92-11 and the bid of the Contractor, incorporated herein by reference.

The contract documents consist of the terms and conditions of Agreement No. 92-11, including any exhibits, attachments or amendments thereto.

ATTACHMENTS:
Agreement No. 92-11

EMPLOYEES NOT TO BENEFIT:
NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC

VENDOR CONTACT: ANDY MOORE
EMAIL ADDRESS: amoireasiflex.com
TAX IDENTIFICATION NUMBER (EIN/SSN): 431303571
COUNTY CONTACT: AMY ROZIER

VENDOR TEL. NO.: 800-659-3035
VENDOR FAX. NO.: 573-499-1840
COUNTY TEL. NO.: 703-228-3489

CONTRACT AUTHORIZATION

DISTRIBUTION

VETTE GONZALEZ
PROCUREMENT OFFICER

DATE 4/13/13

BID FOLDER 1
ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
SUITE 500, 2100 CLARENDON BOULEVARD
ARLINGTON, VA 22201

AGREEMENT NO. 92-11

THIS AGREEMENT (hereinafter "Agreement" or "Contract") is made, on the date of execution by the County, between Application Software, Inc., dba ASIFLEX ("Contractor"), 201 West Broadway, Suite 4C, Columbia, MO 65203, a Missouri Corporation authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia ("County"). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

1. CONTRACT DOCUMENTS
   The contract documents consist of this Agreement, Exhibit A (Scope of Work), and Exhibit B (Fees, Funding, Claims Payment and Performance Guarantees) Exhibit C (HIPAA Business Associate Agreement) Exhibit D (Non Disclosure Agreement), and Exhibit E (Contractor Proposal) ("Contract Documents").

   Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement shall prevail over the other Contract Documents. Exhibit A shall prevail over Exhibit E. The remaining Contract Documents shall be complementary to each other and if there are any conflicts the most stringent terms or provisions shall prevail.

   The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties' agreement which is not contained in the Contract Documents. The Contract Documents may be referred to herein below as the "Contract" or the "Agreement."

2. SCOPE OF WORK
   The Contractor agrees to perform the services described in the Contract Documents (alternatively "Work"). The primary purpose of the Work is to be a Third Party Administrator for the Arlington County Flexible Spending and other Salary Reduction Plans. The Contract Documents set forth the minimum work estimated by the County and the Contractor to be necessary to complete the Work. It shall be the Contractor's responsibility, at the Contractor's sole cost, to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work.
   Nothing in the Contract Documents shall be construed to limit the Contractor's responsibility to manage the details and execution of the Work.
3. **CONTRACT TERM**

The Work shall commence on **JULY 1, 2011**, and be completed no later than **JUNE 30, 2012** ("Initial Contract Term"), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance by the Contractor, the County may, through issuance of Notice of Award, authorize continued operations of the Contractor under the same contract fees, per the Table of Fees in Exhibit B, for not more than five (5) additional twelve (12) month periods from **JULY 1, 2012** to **JUNE 30, 2016** (Each such period beyond the Initial Contract Term shall be referred to as a "Subsequent Contract Term"). Upon mutual agreement of the County and the Contractor the Contract may be extended for up to two (2) additional twelve (12) month period from **JULY 1, 2016** to **JUNE 30, 2018** at fees to be negotiated and agreed upon by both parties.

4. **CONTRACT AMOUNT**

The County will pay the Contractor in accordance with the terms of the Payment paragraph below, and Exhibit B for the Contractor's completion of the Work described and required in the Contract Documents. The Contractor agrees that it shall complete the Work for the total amount specified in this section ("Contract Amount") unless such amount is modified as provided in this Agreement.

5. **NOT USED -CONTRACT EXTENSION WITH PRICE ADJUSTMENT NEGOTIATED UP TO CPI-U**

6. **PAYMENT**

Payment will be made by the County to the Contractor within thirty (30) days after receipt by the County Project Officer of an invoice for work done which is reasonable and allocable to the Contract and which has been performed to the satisfaction of the Project Officer. Amounts on invoices shall not include amounts allocated to tasks (as shown in Exhibit A) on which no work has been done. The Project Officer will either approve the invoice or require corrections. The number of the County Purchase Order pursuant to which authority goods or services have been performed or delivered shall appear on all invoices.

7. **PROJECT OFFICER**

The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency requesting the Work under this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its Work pursuant to the Contract Documents.

8. **ADJUSTMENTS FOR CHANGE IN SCOPE**

The County may order changes in the Work within the general scope of the Work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the work or that the Contractor's services have been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the Work or is a material change or otherwise will call for more
compensation to the Contractor, the Contractor must immediately notify the Project Officer after the change or event occurs and within ten (10) calendar days thereafter must provide written notice to the Project Officer. The Contractor’s notice must provide to the Project Officer the amount of additional compensation claimed, together with the basis therefor and documentation supporting the claimed amount. The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written Contract amendment has been signed by the County and the Contractor and a County purchase order is issued covering the cost of the services to be provided pursuant to the amendment.

9. **ADDITIONAL SERVICES**

The Contractor shall not be compensated for any goods or services provided except those included in Exhibit B and included in the Contract Amount unless those goods or services are covered by a written amendment to this Contract signed by the County and the Contractor, and a County Purchase Order is issued covering the expected cost of such services.

Additional services agreed upon by the parties will be billed at the rates set forth in Exhibit B unless otherwise agreed by the parties in writing.

10. **NOT USED—REIMBURSABLE EXPENSES**

11. **REIMBURSABLE TRAVEL-RELATED EXPENSES**

No reimbursable travel-related expenses shall be allowed for employees of firms located within the greater Baltimore-Washington Metropolitan Area, as defined by the United States Office of Management and Budget (OMB). If approved by the County for employees of firms outside this area, the County's policy for reimbursement of travel-related expenses will be as follows:

**Meals:** The County will reimburse a contractor for the actual out-of-pocket expenses for employee meals, excluding alcoholic beverages at the per diem rate not to exceed $41.00 or the individual meal rates not to exceed of $8.00 for breakfast, $11.00 for lunch, and $22.00 for dinner. Receipts are required.

**Lodging:** The County will reimburse lodging expenses incurred for lodging at a reasonably priced commercial facility in the immediate area of the work, where feasible. Complete and legible itemized receipts shall accompany any request for reimbursement. No reimbursement shall be made for ineligible expenses including room service, laundry, telephone and in-room movies. If a room is shared with another person not connected with the work being performed for the County, including a spouse, the County will reimburse a contractor for no more than the cost of a single room.

**Transportation:**

**General**

Reservations shall be made in advance whenever possible to take advantage of all available discounts.
Ground Transportation
Use of public transportation is encouraged. Receipts must be submitted for any inter-city public transportation used. Reimbursement for the use of personal or company vehicles, if allowed, shall not exceed the then current mileage rates paid by the County to its employees and personal use must be excluded from the request for reimbursement. Parking expenses are reimbursable up to $7.00 per day.

Rental of vehicles or use of taxicabs, in lieu of the use of a personal or company vehicle, may be approved if the Contractor can justify a cost savings by renting a car or using a taxicab, and obtains approval in advance from the Project Officer. For rental vehicles, the Contractor will be reimbursed for only those rental charges, insurance and/or fuel fees allocable to the Work. The Contractor will not be reimbursed for the purchase of liability insurance and/or collision/comprehensive insurance if their existing insurance coverage provides protection. Receipts are required for reimbursement.

Air Travel
Airfare will be reimbursed at the lowest cost available, typically coach rate, and must be purchased at least 7 days in advance, unless otherwise approved.

Time limit: Requests for travel reimbursement covering the above submitted more than sixty (60) days after completion of the travel shall not be honored.

Non-reimbursable Expenses: The following expenses are not allowable for reimbursement:

1. Alcoholic beverages
2. Personal phone calls
3. Self-entertainment activities (i.e. pay TV, movies, night clubs, health clubs, theaters, bowling)
4. Personal expenses (i.e. laundry, valet, haircuts)
5. Personal travel insurance (i.e. life, medical, or property insurance) for air fare or rental cars.
6. Auto repairs, maintenance and insurance costs for personal vehicles
7. Travel expenses incurred to obtain or maintain training and/or certificates that are not associated with an employee's job requirements.
8. If the County adopts different rates for its employees, the adopted rates shall prevail.

* 12. PAYMENT OF SUBCONTRACTORS
The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or
b. Notify the County and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to the above provisions may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

* 13. NON-APPROPRIATION

All funds for payments by the County under this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County's written notice.

14. REQUIREMENTS CONTRACT (ESTIMATED QUANTITIES)

During the Initial Contract Term or any Subsequent Contract Term, the Contractor will furnish all of the items or services described in the Contract Documents if so requested by the County. The Contractor understands and agrees that this is a requirements contract and the County will have no obligation to the Contractor if no, or fewer, items or services are required or requested by the County. Any quantities which are included in the Contract Documents are the present expectations of those who are planning for the County for the period of the Contract. The amount is only an estimate and the Contractor understands and agrees that the County is under no obligation to the Contractor to buy that amount, or any amount, as a result of having provided this estimate or of having had any normal or otherwise measurable requirement in the past. The Contractor further understands that the County may require goods and/or services in excess of the estimated
annual contract amount and that such excess shall not give rise to any claim for compensation other than at the unit prices set forth in this Contract.

* 15. COUNTY PURCHASE ORDER REQUIREMENT
County purchases are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. Contractors providing goods or services without a signed County Purchase Order do so at their own risk and expense.

16. PROJECT STAFF
The County will, throughout the Initial Contract Term and any Subsequent Contract Term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors pursuant to this section, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor's employees, and employees of any of its subcontractors, shall be the sole responsibility of the Contractor.

17. NOT USED

18. SUPERVISION BY CONTRACTOR
The Contractor shall at all times enforce strict discipline and good order among the workers performing under this Contract, and shall not employ on the work any person not reasonably proficient in the work assigned.

* 19. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED
During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full
participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

* 20. **EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED**  
In accordance with §2.2-4311.1 of the Virginia Code, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

* 21. **DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR**  
During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

22. **SAFETY**  
The Contractor shall comply with, and ensure that the Contractor's employees and subcontractors comply with, all current applicable local, state and federal policies, regulations and standards relating to safety and health, including, by way of illustration and not limitation, the standards of the Virginia Occupational Safety and Health program of the Department of Labor and Industry for General Industry and for the Construction Industry, the Federal Environmental Protection Agency standards and the applicable standards of the Virginia Department of Environmental Quality.

The Contractor shall provide, or cause to be provided, all technical expertise, qualified personnel, equipment, tools and material to safely accomplish the work specified to be performed by the Contractor and subcontractor(s).

The Contractor shall identify to the County Project Officer at least one (1) on-site person who is the Contractor's competent, qualified, and authorized person on the worksite and who is, by training or experience, familiar with and trained in policies, regulations and standards applicable to the work being performed. The competent, qualified and authorized person must be
The Contractor shall provide to the County, at the County's request, a copy of the Contractor's written safety policies and safety procedures applicable to the scope of work. Failure to provide this information within seven (7) days of the County's request may result in cancellation of this Contract.

23. **Warranty**

The Contractor warrants to furnish the services described herein at the times and places and in the manner and subject to the conditions set forth. The Contractor shall enter upon and complete the performance of services with all due diligence and dispatch and shall exercise the highest degree of skill and competence.

24. **Unsatisfactory Work**

If any of the work done, or material or equipment provided, by the Contractor is unsatisfactory to the County, the Contractor shall, on being notified by the County, immediately remove at the Contractor's expense such unsatisfactory work or material or equipment and replace the same with work or material or equipment satisfactory to the County and, in the event the Contractor fails within fifteen (15) days after receipt of written notice to remove improper or unsuitable work or material or equipment and replace it with suitable and satisfactory work or material or equipment, the County shall have the right, but not the obligation, to remove the rejected work or material or equipment and replace it with proper work or material or equipment at the expense of the Contractor. This paragraph applies during the Contract term and during any warranty or guarantee period. The County shall be entitled to offset such expense against any sums owed by the County to the Contractor under this Contract. If the Project Officer and the County deem it expedient not to require correction or replacement of the work which has not been done in accordance with the Contract, an appropriate adjustment to the Contract Amount may be made therefor.

25. **Termination For Cause, Including Breach and Default; Cure**

The Contract shall remain in force for the Initial Contract Term or any Subsequent Contract Term(s) and until the County determines that all of the following requirements and conditions have been satisfactorily met: the County has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents, including warranty and guarantee periods. However, the County shall have the right to terminate this Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the Work required, as determined by the County in its discretion.

If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) within at least fifteen (15) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract may be terminated for the Contractor's failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services.
satisfactorily performed by the Contractor, allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). In order to be considered, such request for Termination Costs, with all supporting documentation, must be submitted to the County Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor (unless the County in its discretion provides for an opportunity to cure) and the Contractor shall not be permitted to seek Termination Costs.

Upon any termination pursuant to this section, the Contractor shall be liable to the County for all costs incurred by the County after the effective date of termination, including costs required to be expended by the County to complete the Work covered by the Contract, including costs of delay in completing the Work or the cost of repairing or correcting any unsatisfactory or non-compliant work performed or provided by the Contractor or its subcontractors. Such costs shall be either deducted from any amount due the Contractor or shall be promptly paid by the Contractor to the County upon demand by the County. Additionally, and notwithstanding any provision in this Contract to the contrary, the Contractor is liable to the County, and the County shall be entitled to recover, all damages to which the County is entitled by this Contract or by law, including, and without limitation, direct damages, indirect damages, consequential damages, delay damages, replacement costs, refund of all sums paid by the County to the Contractor under the Contract and all attorney fees and costs incurred by the County to enforce any provision of this Contract.

Except as otherwise directed by the County in the notice, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontractors and settle all outstanding liabilities and claims. Any purchases after the date of termination contained in the notice shall be the sole responsibility of the Contractor.

In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction then such termination shall be deemed to have been a termination for convenience.

26. TERMINATION FOR THE CONVENIENCE OF THE COUNTY

The performance of work under this Contract may be terminated by the County's Purchasing Agent in whole or in part whenever the Purchasing Agent shall determine that such termination is in the County's best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any
other reasonable termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all designated work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; immediately transfer all documentation and paperwork for terminated work to the County; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

27. **INDEMNIFICATION** *(NOTE: Virginia does not permit Counties to indemnify third parties; cross indemnity provisions are not acceptable)*

The Contractor covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the “County” for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges, liability, demands or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor’s acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of its work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after Notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

28. **INTELLECTUAL PROPERTY INDEMNIFICATION**

The Contractor warrants and guarantees that no intellectual property rights (including, but not limited to, copyright, patent, mask rights and trademark) of third parties are infringed or in any manner involved in or related to the services provided hereunder.

The Contractor further covenants for itself, its employees, and subcontractors to save, defend, hold harmless, and indemnify the County, and all of its officers, officials, departments, agencies, agents, and employees from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County. If the Contractor, or any of its employees or subcontractors, uses any design, device, work, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract Amount includes all royalties, licensing fees, and any other costs arising from the use of such design, device, work, or materials in any way involved with the Work. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after Notice by the County,
the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

29. COPYRIGHT
The Contractor hereby irrevocably transfers, assigns, sets over and conveys to the County all right, title and interest, including the sole exclusive and complete copyright interest, in any and all copyrightable works created pursuant to this Contract. The Contractor further agrees to execute such documents as the County may request to effect such transfer or assignment.

Further, the Contractor agrees that the rights granted to the County by this paragraph are irrevocable. Notwithstanding anything else in this Contract, the Contractor's remedy in the event of termination of or dispute over the terms of this Contract shall not include any right to rescind, terminate or otherwise revoke or invalidate in any way the rights conferred pursuant to the provisions of this paragraph. Similarly, no termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating the rights acquired pursuant to the provisions of this "Copyright" paragraph.

The use of subcontractors or third parties in developing or creating input into any copyrightable materials produced as a part of this Contract is prohibited unless the County approves the use of such subcontractors or third parties in advance and such subcontractors or third parties agree to include the provisions of this paragraph as part of any contract they enter into with the Contractor for work related to work pursuant to this Contract.

30. OWNERSHIP, CONFIDENTIALITY, AND RETURN OF RECORDS
This Contract confers no ownership rights to the Contractor nor any rights or interests to use or disclose the County's data or inputs.

The Contractor agrees that all drawings, specifications, blueprints, data, information, findings, memoranda, correspondence, documents or records of any type, whether written or oral or electronic, and all documents generated by the Contractor or its subcontractors as a result of the County's request for services under this Contract, are the exclusive property of the County ("Record" or "Records"), and all such Records shall be provided to and/or returned to County upon completion, termination, or cancellation of this Contract. The Contractor shall not use, willingly allow, or cause such materials to be used for any other purpose other than performance of all obligations under the Contract without the written consent of the County. Additionally, the Contractor agrees that the Records are confidential records and neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or his or her designee. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or his or her designee for response. At the County's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of
computer records, and at the County's request, shall destroy all computer records created as a result of the County's request for services pursuant to this Contract.

The Contractor agrees to include the provisions of this section as part of any contract or agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Contract.

No termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating this section of the Contract.

* 31. ETHICS IN PUBLIC CONTRACTING

This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

* 32. COUNTY EMPLOYEES

No employee of Arlington County, Virginia, shall be admitted to any share in any part of this Contract or to any benefit that may arise therefrom which is not available to the general public.

33. FORCE MAJEURE

The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor's then current, by industry standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

* 34. AUTHORITY TO TRANSACT BUSINESS

The Contractor shall pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the Initial Term and any Subsequent Contract Term(s) of this Contract. A contract entered into by a Contractor in violation of this requirement is voidable, without any cost or expense, at the option of the County.
35. RELATION TO COUNTY
The Contractor will be legally considered as an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

36. ANTITRUST
By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the County all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the County under this Contract.

37. REPORT STANDARDS
Reports or written material prepared by the Contractor in response to the requirements of this Contract or a request of the Project Officer shall, unless otherwise provided for in the Contract, meet standards of professional writing established for the type of report or written material provided, shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Project Officer, and shall be submitted for advance review and comment by the Project Officer. The cost of correcting grammatical errors, correcting report data, or other revisions required to bring the report or written material into compliance with these requirements shall be borne by the Contractor.

When submitting documents to the County, the Contractor shall comply with the following guidelines:

- All submittals and copies shall be printed on at least thirty percent (30%) recycled-content and/or tree-free paper;
- All copies shall be double-sided;
- Report covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of report pages (reports with glued bindings that meet all other requirements are acceptable);
- The use of plastic covers or dividers should be avoided; and
- Unnecessary attachments or documents not specifically asked for should not be submitted, and superfluous use of paper (e.g. separate title sheets or chapter dividers) should be avoided.
38. **AUDIT**
The Contractor shall secure an independent certified public accountant's audit of its finances and program operation after the close of each fiscal year December 31, but no later than March 15 of each such year, and shall forward to the County the findings of such audit in whole, including the management letter or other ancillary audit components, and permit the County to make such review of the records of the Contractor as may be deemed necessary by the County to satisfy audit purposes. In instances where a management letter was not prepared as an audit function, the Contractor must so certify in writing to the County at the time the audit report is submitted. All accounts of the Contractor are subject to such audit, regardless whether the funds are used exclusively for specific program activities or mingled with funds for other agency activities.

The Contractor agrees to retain all books, records and other documents related to this Contract for at least five (5) years after final payment. The County or its authorized agents shall have full access to and the right to examine any of the above documents during this period and during the Initial Contract Term and any Subsequent Contract Term. If the Contractor wishes to destroy or dispose of records (including confidential records to which the County does not have ready access) within five (5) years after final payment, the Contractor shall notify the County at least thirty (30) days prior to such disposal, and if the County objects, shall not dispose of the records.

39. **ASSIGNMENT**
The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the County.

40. **AMENDMENTS**
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

* **41. ARLINGTON COUNTY PURCHASING RESOLUTION AND COUNTY POLICIES**
Notwithstanding any provision to the contrary herein, no provision of the Arlington County Purchasing Resolution or any applicable County policy is waived in whole or in part.

* **42. DISPUTE RESOLUTION**
All disputes arising under this Agreement, or its interpretation, whether involving law or fact, or extra work, or extra compensation or time, and all claims for alleged breach of contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Such claims shall state the facts surrounding it in sufficient detail to identify it together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than 60 days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Purchasing Resolution, incorporated herein by reference, and
available upon request from the Office of the Purchasing Agent. The Contractor shall not cause a delay in the Work pending a decision of the Project Officer, County Manager, County Board, or a court.

* 43. **APPLICABLE LAW, FORUM, VENUE AND JURISDICTION**
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

44. **ARBITRATION**
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

45. **NONEXCLUDIVITY OF REMEDIES**
All remedies available to the County under this Contract are cumulative, and no such remedy shall be exclusive of any other remedy available to the County at law or in equity.

46. **NO WAIVER**
The failure of either party to exercise in any respect a right provided for in this Contract shall not be deemed to be a subsequent waiver of the same right or any other right.

47. **SEVERABILITY**
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

* 48. **NO WAIVER OF SOVEREIGN IMMUNITY**
Notwithstanding any other provision of this Contract, nothing in this Contract or any action taken by the County pursuant to this Contract shall constitute or be construed as a waiver of either the sovereign or governmental immunity of the County. The parties intend for this provision to be read as broadly as possible.

49. **SURVIVAL OF TERMS**
In addition to any numbered section in this Agreement which specifically state that the term or paragraph survives the expiration of termination of this Contract, the following sections if included in this Contract also survive: INDEMNIFICATION; RELATION TO COUNTY; CONFIDENTIALITY AND RETURN OF RECORDS; AUDIT; COPYRIGHT; INTELLECTUAL PROPERTY INDEMNIFICATION; AND WARRANTY.

50. **HEADINGS**
The section headings in this Contract are inserted only for convenience and are not to be construed as part of this Contract or a limitation on the scope of the particular section to which the heading precedes.
51. NOTICES
Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

TO THE CONTRACTOR:

Jan Jackson, General Counsel, ASIFlex, Inc.

TO THE COUNTY:

Amy Rozier, Benefits Manager, Arlington County Human Resources Department, 2100 Clarendon Blvd., Suite 511, Arlington, VA 22201
County Project Officer

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

* 52. NON-DISCRIMINATION NOTICE
Arlington County does not discriminate against faith-based organizations.

53. INSURANCE REQUIREMENTS
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage below prior to the start of any Work under this Contract and upon any contract extension. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated in the Contract Documents. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, rating of "A-" or better and a financial size of "Class VII" or better in the latest edition of A.M. Best Co., and acceptable to the County. The minimum insurance coverage shall be:

a. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract. Evidence of Contractual Liability coverage shall be typed on the certificate.
b. Business Automobile Liability - In the event ASIFlex acquires Business Automobile(s) ASIFlex agrees to purchase $1,000,000 Combined Single Limit (Owned, non-owned and hired).

c. Employee Dishonesty Insurance - in the amount of $1,000,000.

d. The Contractor shall carry Errors and Omissions or Professional Liability insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render services or perform Work under the contract, in the amount of $1,000,000.

e. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as an additional insureds on all policies except Workers Compensation and Auto and Professional Liability; and evidence of the Additional Insured endorsement shall be typed on the certificate.

f. Cancellation - All insurance policies required by this Contract shall be endorsed to include the following provision: "It is agreed that this policy is not subject to cancellation or non-renewal until thirty (30) days prior written notice has been given to the Purchasing Agent, Arlington County, Virginia." If there is a material change or reduction in coverage the Contractor shall notify the Purchasing Agent immediately upon Contractor’s notification from the insurer. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be replaced with another policy consistent with the terms of this Contract, and the County notified of the replacement, in such a manner that there is no lapse in coverage. Not having the required insurance throughout the Contract Term is grounds for termination of the Contract.

g. Any insurance coverage that is placed as a “claims made” policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor’s receipt of final payment.

h. Contract Identification - The insurance certificate shall state this Contract's number and title.

The Contractor must disclose the amount of any deductible or self insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of self-insurance, collateral, or other mechanism in the amount of the deductible to ensure protection for the County.

The Contractor shall require all subcontractors to maintain during the term
of this Contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' certificates of insurance to the County immediately upon request by the County.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the Work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity and the alternative coverages are submitted to and acceptable to the County. The Contractor must also provide its most recent actuarial report and provide a copy of its self insurance resolution to determine the adequacy of the insurance funding.

* 54. ACCESSIBILITY OF WEB SITE

If any work performed under this Contract results in design, development, maintenance or responsibility for content and/or format of any County websites, or County’s presence on other third party websites, the Contractor shall perform such work in compliance with the requirements set forth in the U.S. Department of Justice document entitled “Accessibility of State and Local Government Websites to People with Disabilities.” The document is located at: http://www.ada.gov/websites2.htm

* 55. HIPAA COMPLIANCE

The Contractor shall comply with all applicable legislative and regulatory requirements of privacy, security, and electronic transaction components of the Health Insurance portability and Accountability Act of 1996, as amended (“HIPAA”). Pursuant to 45 C.F.R. §164.502(e) and §164.504(e), the Contractor shall be designated a Business Associate pursuant and will be required to execute an Arlington County Business Associate Agreement. If Contractor engages a subcontractor or subcontractors in the performance of Work under this Agreement, Contractor shall enter into an agreement with each of its subcontractors pursuant to 45 C.F.R. § 164.308(b)(1) and the Health Information Technology for Economic and Clinic Health (HITECH) Act § 13401 that is appropriate and sufficient to require each subcontractor to protect
Protected Health Information to the same extent required of Contractor under Arlington County’s Business Associate Agreement and in a form approved by the County. The Contractor shall ensure that its subcontractors notify the Contractor, immediately, of any breaches in security regarding Protected Health Information.

Contractor takes full responsibility for any failure to execute the appropriate agreements with its subcontractors and for the failure of its subcontractors to comply with the existing or future regulations of HIPAA and/or HITECH, and shall indemnify County for any and all loss, damages, liability, exposure, or costs resulting therefrom.

56. NOT USED-ADA COMPLIANCE

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]
NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 5/3/11

CONTRACTOR

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: [Signature]
DATE: 4/26/11

TAXPAYER ID (EIN) 43-1303571
EXHIBIT A

SCOPE OF SERVICES

BACKGROUND

The County provides its employees the opportunity to enroll in the health care and/or dependent care and/or parking flexible spending accounts. The County's health care spending account has been offered to employees since 1994; the dependent care account has been offered since 1989; the parking account has been offered since 2001.

All County employees who are eligible to enroll in one of the County sponsored health insurance plans are eligible to participate in the flexible spending account programs; employees are not required to enroll in a health insurance plan in order to participate in any of the accounts.

Employees may elect to participate in the health and/or dependent care flexible spending accounts:

- During an annual open enrollment period, which is held in May of each year;
- Within ninety (90) days of becoming a permanent employee; or
- Upon a qualifying change in family status (the change in election must be consistent with the change in family status).

The County's flexible spending accounts operate on a fiscal year basis. Currently, 1056 participants (30% of the eligible workforce) have allocated approximately $1.6M to the health care spending account and 152 employees (4% of the eligible workforce) have allocated approximately $530K to the dependent care spending account. The County's maximum annual health care spending account election in fiscal year 2011 is $5,000; the maximum annual dependent care account election is $5,000. The minimum annual election for both accounts is $100.

The County’s transit flexible spending account operates on a monthly basis. On average, we have 16 participants contributing approximately $1322/month.

SCOPE OF SERVICES

A. Schedule of Benefits and Services

Arlington County Government requires the services of a third party to administer qualified health care, dependent care, and parking (transit) Flexible Spending Accounts in compliance with the Internal Revenue Code for their eligible employees.

This requires the Contractor to provide marketing and enrollment information, claims evaluation and approval, claim reimbursements through a debit card, direct deposit and/or check, electronic and/or mail notification of claims processing status, provision of enrollment and claims forms, production of written and electronic communication materials for distribution to employees, administrative reporting,
accounting services, quality customer service, and technical guidance regarding compliance with applicable regulations and legislation.

The County anticipates that there may be other tax favored employee/retiree spending accounts which may be made available to employees and/or retirees in ensuing years and may be interested in adding one or more new programs to its current offerings. Any such additional services must be negotiated between the County and the Contractor, and the parties must execute a written amendment to the agreement to cover such additional services.

B. **Tasks to Be Performed**

The Contractor shall provide all administrative services associated with the program including, but not limited to:

- Meeting with County staff prior to Open Enrollment to create an Implementation Plan and Schedule agreed to by both parties,
- Providing the County with a dedicated account services team,
- Enrolling members by methods agreed upon by both parties,
- At the County’s request, providing participants with a flexible spending account debit card, to be mailed to participants within 14 days of application approval,
- Receiving claims via email, fax, and mail,
- Claims evaluation,
- Claims processing and payment,
- Electronic and/or mail notification of claims processing status,

- Producing written and electronic communication materials for distribution to employees,
- Providing the County with periodic reports updating participation numbers, deposits, account balances, claims (status, number and types), forfeitures, and other data and information requested by the County at a frequency agreed upon by the County and the Contractor,
- Providing employees, through the Contractor’s website, with a means to monitor account balances, claims status, and transaction history,
- Providing timely legal and legislative updates of changes impacting County health and transportation related salary reduction plans,
- Providing technical guidance regarding compliance with Sections 125, 127, and 132 of the Internal Revenue Code and other pertinent federal laws, rules and regulations,
- Providing a toll-free telephone number and email address for participants to call/email with questions and/or complaints;
- Taking all necessary steps to remain compliant with all applicable state and federal privacy laws, including HIPAA and HITECH

Written and electronic communication materials shall include examples and worksheets designed to assist employees to make sound decisions. ACG reserves the right to review, revise and approve all communication
materials prepared by the Contractor for distribution to employees. The Contractor has an independent duty to provide County employees with timely and accurate information. The County’s approval of communication materials shall not relieve the Contractor of this duty, and shall not be construed as acceptance of inaccurate information or a waiver of any remedies under this Contract. Communication materials will include a local or toll-free telephone number for participants to call with questions and/or complaints.

In addition, as previously stated, the County anticipates that there may be other tax favored employee/retiree spending accounts which may be made available to employees and/or retirees in ensuing years and may be interested in adding one or more new programs to its current offerings.

All data collected by the selected Contractor shall remain confidential and shall not be released without the prior written permission of ACG.

C. ASIFLEX Proposal

The Scope of Services under this Contract shall be supplemented by the details provided in Exhibit E, subject to the following conditions:

- Page 27: The Implementation Timeline included herein shall be modified in writing and signed by the Contractor and the County Project Officer no later than July 1, 2011. The Modified Timeline is hereby incorporated into Exhibit E as if set forth in full text. Any subsequent modifications to the Implementation Timeline shall not be effective until approved by the Project Officer in writing and signed by both parties.

- Contractor will provide the County and its employees with communications, marketing materials, forms, and reports as outlined by the Scope of Services and Exhibit E, subject to the approval of the County.

Reports shall include, at a minimum, the information and level of detail provided in example reports included in Exhibit E.
**EXHIBIT B**

**FEES, FUNDING, CLAIMS PAYMENT AND PERFORMANCE GUARANTEES**

### Fees

<table>
<thead>
<tr>
<th>Set Up Fee</th>
<th>Waived</th>
<th>July 1, 2011 - June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Fee</td>
<td>Waived</td>
<td>July 1, 2011 - June 30, 2018</td>
</tr>
<tr>
<td>Annual Re-Enrollment Fees</td>
<td>Waived</td>
<td>July 1, 2011 - June 30, 2018</td>
</tr>
<tr>
<td>Administrative Fees - Health and Dependent Care Flexible Spending (Individually or Combined)</td>
<td>$3.10 PMPM</td>
<td>July 1, 2011 - June 30, 2016</td>
</tr>
<tr>
<td>Administrative Fees - Transit</td>
<td>$3.00 PMPM</td>
<td>July 1, 2011 - June 30, 2016</td>
</tr>
<tr>
<td>Fees for Plan Year Run-Out</td>
<td>Included</td>
<td>July 1, 2012 - September 31, 2016</td>
</tr>
<tr>
<td>Optional Health Care FSA Debit Card</td>
<td>$1.00 PMPM</td>
<td>July 1, 2011 - June 30, 2016</td>
</tr>
<tr>
<td>Debit Card Replacement Fee</td>
<td>$10</td>
<td>July 1, 2011 - June 30, 2016</td>
</tr>
<tr>
<td>Plan Amendment Fee</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Onsite Enrollment Meeting Fees</td>
<td>Waived for 5 consecutive days</td>
<td>May 1, 2011 - May 31, 2011</td>
</tr>
<tr>
<td>Onsite Enrollment Meeting Fees</td>
<td>$250/day plus travel expenses</td>
<td>June 1, 2011 - June 30, 2016</td>
</tr>
</tbody>
</table>

Fees for implementation of additional Flexible Spending Accounts as described in the Scope of Work of RFP 92-11 shall be the same amount and term as Administrative Fees for Health and Dependent Care as described above or Transit as described above.

### Payment of Fees

Fees shall be paid to the Contractor in accordance with Paragraph 6 of Contract No. 92-11.

### Funding

1. Prefunding

In recognition of the fact that the Contractor cannot pay out claims until the flexible spending account is funded, and the fact that employee withholdings will not be available to fund the flexible spending account until July 8, 2011 (plus administrative processing time, outlined below), the County shall prefund the flexible spending account for the Initial Contract Term in an amount not greater than $500,000 by June 24, 2011.

Should this amount be insufficient to cover incurred claims, on an as needed basis, the County will prefund additional amounts based on claims information provided by ASIFlex and approved by the County Project Officer. Any prefund monies not used to pay out employee claims by the end of the 1st quarter of
the plan (September 30, 2011) shall be returned to the County no later than close of business on October 30, 2011.

The County may continue to prefund the flexible spending account on an as needed basis to cover any actual or anticipated balance shortfall. If the County elects to prefund the flexible spending account, it shall notify the Contractor in writing of its decision to prefund and the amount of the prefunding. The Contractor shall return any prefund monies not used to pay out employee claims as a part of the annual reconciliation process.

2. Ongoing Funding

Beginning on the July 8, 2011 payday, the County will submit employee withholdings for health, dependent care and transit flexible spending accounts to Contractor once every pay period, resulting in 25 funding payments per full County Plan Year. Contractor shall fund the flexible spending account with these funding payments.

The County will process funding payment requests to the Arlington County Department of Management and Finance by the 1st business day after each County payday and will deposit employee withholdings to the ASIFlex account within 7 calendar days thereafter.

ASIFlex will provide an annual reconciliation of the County Plan Year (July 1 - June 30) funding versus claims by December 31 of each Calendar Year, beginning December 2012.
Claims Payment

On average, all claims will be processed within one business day of receipt.

Debit Card claims will be paid daily; approved non-debit card claims for Health, Dependent Care and Transit Flexible Spending will be issued each business day, the same day as the claim is processed.

D. Performance Guarantees

<table>
<thead>
<tr>
<th>Category</th>
<th>Guarantee</th>
<th>Tracking</th>
<th>Measured/Reported</th>
<th>Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Adjudication Turnaround Time</td>
<td>95% of claims processed within 2 working days and 99% within 5 working days</td>
<td>Quarterly Audits of Arlington County Adjudications</td>
<td>Quarterly/Claims Lag Report to Arlington County</td>
<td>1% of monthly Administration Fee for each month the Guarantee is not met</td>
</tr>
<tr>
<td>Claims Adjudication Financial Accuracy</td>
<td>98% of dollars will be paid accurately</td>
<td>Based on Arlington County claims</td>
<td>Annually/Summary of all audited claims produced by ASIFlex and reviewed by Arlington County</td>
<td>1% of monthly Administration Fee for each month the Guarantee is not met, payable after the close of the contract year accounting period (after each July 1)</td>
</tr>
<tr>
<td>Telephone Response Time</td>
<td>Telephone response time of 95% in 30 seconds or less, with an abandonment rate not to exceed 3%</td>
<td>Based on Arlington County Flexible Spending Account customer contacts</td>
<td>Quarterly/Quarterly</td>
<td>1% of monthly Administration Fee for each month the Guarantee is not met</td>
</tr>
<tr>
<td>Web Availability</td>
<td>Web Site will be available 98% during scheduled hours</td>
<td>General Availability</td>
<td>Quarterly/Quarterly</td>
<td>1% of monthly Administration Fee for each month the Guarantee is not met</td>
</tr>
<tr>
<td>Customer Service</td>
<td>85% Customer Satisfaction</td>
<td>automated customer service satisfaction survey of telephoned and web customer contacts</td>
<td>Annually/Annually</td>
<td>1% of monthly Administration Fee for each month the Guarantee is not met, payable after the close of the contract year accounting period (after each July 1)</td>
</tr>
</tbody>
</table>