

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 2014-0245)

THIS PROCUREMENT AGREEMENT ("AGREEMENT") is by and between the City of Franklin, Tennessee ("CITY"), and Total Administrative Services Corp. (TASC) of Madison, Wisconsin ("VENDOR"), who mutually agree as follows:

1. CITY issued (a) on August 18, 2014 Purchasing Office Solicitation No. 2015-008, a procurement solicitation for bids for voluntary employee benefits and/or administration of Section 125 plans, (b) on August 22, 2014 Addendum No. 1 to Purchasing Office Solicitation No. 2015-008, and (c) on August 29, 2014 Addendum No. 2 to Purchasing Office Solicitation No. 2015-008 (collectively, "SOLICITATION"), a copy of which is attached hereto as Attachment No. 1 and hereby incorporated by reference as if fully set forth herein.
2. In response to CITY's SOLICITATION, VENDOR submitted a proposal dated September 3, 2014 for administration of Section 125 plans ("SUBMITTAL"), a copy of which is attached hereto as Attachment No. 2 and hereby incorporated by reference as if fully set forth herein.
3. VENDOR has now also submitted a Certificate of Insurance, indicating unexpired coverage as of the date of this AGREEMENT, that is acceptable to CITY, a copy of which is attached hereto as Attachment No. 3 and hereby incorporated by reference as if fully set forth herein.
4. If and when insurance coverage documented by Certificate of Insurance referenced above expires before the expiration of any specified term of service, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall immediately suspend work or supply and delivery unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds CITY's Insurance Requirements as specified in SOLICITATION.
5. In the event that insurance coverage documented by Certificate of Insurance referenced above is materially modified or canceled before the expiration of any specified term of service, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall, immediately upon learning of any such material modification or cancellation, suspend work or supply and delivery and shall, within three (3) calendar days of such learning, notify CITY of any such material modification or cancellation.
6. VENDOR agrees to impose the City's insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.
7. VENDOR has now also submitted CITY's Indemnification Agreement, executed for VENDOR, a copy of which is attached hereto as Attachment No. 4 and hereby incorporated by reference as if fully set forth herein.
8. CITY awarded on October 14, 2014 and now desires to retain VENDOR to provide administration of Section 125 plans pursuant to SOLICITATION and SUBMITTAL.

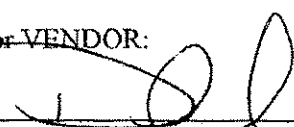
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9. The term of service shall commence January 1, 2015 and shall expire December 31, 2016. Except as noted below, all fees quoted in the original proposal and accepted by the City shall remain constant during the term of service. At any time after commencement but before or as soon as practicable after the expiration of this term of service, CITY and VENDOR may, by mutual consent, exercise not more than two (2) options to extend the term of service, each time for up to one (1) additional year, for a maximum possible term of service of four (4) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of service shall also apply to such an extension, except for the quoted unit pricing for services to be rendered which shall be adjusted as specified below; and (d) that VENDOR chooses not to consent to an extension to the term of service, then it shall notify CITY of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of service. Note that CITY and VENDOR each specifically retain the non-exclusive right, with or without cause, not to extend the term of service.
10. Quoted unit pricing for services to be rendered, \$4.50 per participating employee per month (\$200 minimum fee per month), shall apply to the initial term of service only. If the term of service is extended beyond the initial term of service pursuant to the provision above for exercising such options, then the quoted unit pricing for services to be rendered (but not the quoted minimum fee per month) shall be adjusted exactly once for each such extension and, in comparison with the quoted unit pricing for services to be rendered during the initial term of service, exactly by the percentage change between the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index-U, U.S. City Average, All Items Less Food and Energy, not seasonally adjusted, for the South Urban Statistical Area, for the month of September of the calendar year immediately preceding the calendar year during which the potential extension commences, in comparison with the like index figure descriptive for the month of September, 2014.
11. In the event of a conflict between the following documents, the order of precedence shall be as follows: (a) this AGREEMENT; (b) SOLICITATION; and (c) SUBMITTAL.

EXECUTED THIS _____ DAY OF _____ 20__.

For VENDOR:



(signature of VENDOR's authorized representative)

TITLE:

EVP National Awards

For CITY:

(signature of CITY's authorized representative)

TITLE:

Mayor

Approved as to Form:

Attorney for City of Franklin