

AUTHORIZE THIRD AND FINAL RENEWAL AGREEMENT WITH RHOMBUS SOFTWARE PRODUCTS INC DBA JAT SOFTWARE FOR W-2 AND AFFORDABLE CARE ACT 1095-C PROCESSING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize third and final renewal agreement with Rhombus Software Products Inc dba JAT Software to provide W-2 and Affordable Care Act 1095-C Processing Services to the Payroll Department at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of their written document. The authority granted herein shall automatically rescind in the event their written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Washington, Ms. Nealean T / 773-553-2273
CPOR Number : 15-0624-CPOR-1704

VENDOR:

- 1) Vendor # 34365
RHOMBUS SOFTWARE PRODUCTS INC
DBA JAT SOFTWARE
440 ROUTE 22 EAST
BRIDGEWATER, NJ 08807

Scott Armstrong
908 725-0111

Jack Felicio - 100% Ownership

USER INFORMATION :

Project
Manager: 12450 - Payroll Services

501 West 35th Street

Chicago, IL 60616

Miller, Mr. Thomas M.

773-553-1388

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report #15-1028-PR19) in the amount of \$125,000.00 was for a term commencing July 1, 2015 and ending June 30, 2016, with the Board having three (3) options to renew for one (1) year terms. The first and second renewal Agreement (authorized by Board Report #17-0125-PR13) in the amount of \$250,000.00 was for a two (2) year term commencing July 1, 2016 and ending June 30, 2018. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2 (CPOR #15-0624-CPOR-1704).

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing July 1, 2018 and ending June 30, 2019.

OPTION PERIODS REMAINING:

There are no options remaining.

SCOPE OF SERVICES:

Vendor will continue to accept and process files from the Board in order to produce form 1095-C for all current employees as well as employees that worked any portion of the calendar year. This is required by IRS regulations in connection with the Affordable Care Act. The scope includes processing Board data and storing this data on Vendor's website with access through the CPS portal as well as through a stand-alone system located in the Payroll Services department. Vendor will also process the W-2 forms for all current Board employees.

DELIVERABLES:

Vendor will continue to provide access to its e-Printview Online Internet Application for 1095-Cs. This access will be controlled by the Board and will be tied to our current access for on-line W2s. Vendor will also provide a database which will be owned by the Board and administered and secured in the Payroll Services Department. This database will also be loaded with the 1095-C forms produced by the Vendor. Additionally, Vendor will provide hard copies of 1095-C forms for all employees/former employees that do not elect to receive their 1095-C form electronically. These printed forms will be mailed by the Vendor prior to the January 31st IRS deadline each year the Board uses Vendor's service. Vendor will allow online access to the form for all CPS active employees that have consented for that form of delivery.

OUTCOMES:

As a result of the Affordable Care Act, all large employers, including the Board, are required to supply all full-time employees working in the previous year with a 1095-C form, demonstrating that the employer offered adequate health care coverage. This form is to be filed by the employee with his or her individual tax returns each year. The IRS penalty for non-compliance is approximately \$250.00 per employee, up to \$3,000,000.00, if the Board does not conform to regulation timelines.

COMPENSATION:

Vendor shall be paid according to the terms in their renewal agreement.

Estimated annual costs for the one (1) year term are set forth below:

\$125,000.00, FY19

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts (M/WBE Program), there are no M/WBE goals set for this agreement because this contract is for proprietary software.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Payroll Services, Unit 12450
\$125,000.00, FY19

Not to exceed \$125,000.00 for the one (1) year term. Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

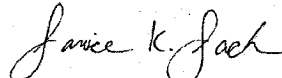
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY
General Counsel