



March 3, 2022

Adam Steen, Director  
Iowa Department of Administrative Services  
Hoover Building, 3<sup>rd</sup> Floor  
Des Moines, 50319

Dear Director Steen:

The Iowa Department of Administrative Services (DAS) – Human Resources Enterprise (HRE) is requesting a waiver under DAS Administrative Rule 11-118.16(8A) Waiver procedure of the application of DAS Administrative Rule 11-118.11(3) concerning the term of Service contract. The latter rule states “A service contract should be competitively selected on a regular basis so that a state agency obtains the best value for the funds spent; avoids inefficiencies, waste or duplication; and may take advantage of new innovations, ideas and technology. A service contract, including all optional renewals, shall not exceed a term of six years; however, information technology service contracts entered into by the department or office of chief information officer may have a term length not to exceed ten years. Service contracts shall not exceed the term lengths set forth herein unless the state agency obtains a waiver of this provision pursuant to rule 11—118.16(8A)”.

Application Software Inc (ASI) Contract 17010 was originally competed for Flex Spending Administration for State employees in the Executive, Legislative, and Judicial Branches. Currently, Application Software Inc (ASI) Contract 17010E term is the same as Health, Dental, and RIC providers. This is not ideal and creates an unintended and undesirable consequence of requiring all major health coverages, program administration, and RIC program providers to be rebid in the same year. Rebidding all these complex and sensitive contracts at the same time exposes the State to significant risk from resources, timing, appeals, and on-boarding of a potential new provider.

In addition, DAS HRE is experiencing significant resource constraints due to employee turn-over, Workday implementation, and other more complicated HRE Contracts (Health, Dental, RIC Providers) that are currently requiring new solicitations.

DAS Central Procurement Bureau is requesting a waiver for an additional year extension for a total contract period of seven (7) years for Application Software Inc (ASI) Contract 17010E. The final expiration date will be December 31, 2023.

Thank you for your time and consideration of this request for waiver.

Respectfully submitted: Jessica Lingo  
Approved based on the justification provided.

Date: 03/03/22

Approval: [Signature]

Date: 3/7/22