

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
Hays Companies**

THIS LINKING AGREEMENT (this “Agreement”) is entered into as of this _____ day of _____, 20____, between the City of Glendale, an Arizona municipal corporation (the “City”), and Hays Companies, a(n) Minnesota corporation authorized to do business in Arizona (“Contractor”), collectively, the “Parties.”

RECITALS

- A. On July 1, 2020 under (S.A.V.E Cooperative Purchasing Agreement, the City of Peoria entered into a contract with Contractor to purchase the goods and services described in the City of Peoria Solicitation No. P20-0024(“Cooperative Purchasing Agreement”), which is attached hereto as Exhibit A. The Cooperative Purchasing Agreement permits its cooperative use by other governmental agencies including the City.
- B. Section 2-149 of the City’s Procurement Code permits the Materials Manager to procure goods and services by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. Section 2-149 also provides that the Materials Manager may enter into such cooperative agreements without meeting the formal or informal solicitation and bid requirements of Glendale City Code Sections 2-145 and 2-146.
- D. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City’s utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

- 1. Term of Agreement. The City is purchasing supplies and/or services from Contractor pursuant to the Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement, purchases can be made by governmental entities from the date of award, which was July 1, 2020, until the date the contract expires on June 30, 2021 unless the term of the Cooperative Purchasing Agreement is extended by the mutual agreement of the original contracting parties. The Cooperative Purchasing Agreement, however, may not be extended beyond June 30, 2025. The initial period of this Agreement, therefore, is the period from the Effective Date of this Agreement until June 30, 2022. The City may renew the term of this Agreement for three (3) additional one (1) year renewals until the Cooperative Purchasing Agreement expires on June 30, 2025. Glendale renewals are not automatic and

shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such renewal.

2. Scope of Work; Terms, Conditions, and Specifications.

- A. Contractor shall provide City the supplies and/or services identified in the Scope of Work attached as Exhibit B.
- B. Contractor agrees to comply with all the terms, conditions and specifications of the Cooperative Purchasing Agreement. Such terms, conditions and specifications are specifically incorporated into and are an enforceable part of this Agreement.

3. Compensation.

- A. City shall pay Contractor compensation at the same rate and on the same schedule as provided in the Cooperative Purchasing Agreement, which is attached hereto as Exhibit C.
- B. The total purchase price for the supplies and/or services purchased under this Agreement shall not exceed seventy thousand dollars (\$70,000) annually or two hundred and eighty thousand dollars (\$280,000) for the entire term of the Agreement (initial term plus any renewals).

4. Cancellation. This Agreement may be cancelled pursuant to A.R.S. § 38-511.

5. Non-discrimination. Contractor must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

6. Insurance Certificate. A certificate of insurance applying to this Agreement must be provided to the City prior to the Effective Date.

7. E-verify. Contractor complies with A.R.S. § 23-214 and agrees to comply with the requirements of A.R.S. § 41-4401.

8. No Boycott of Israel. To the extent A.R.S § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of the Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in A.R.S § 35-393.

9. Attestation of PCI Compliance. When applicable, the Contractor will provide the City annually with a Payment Card Industry Data Security Standard (PCI DSS) attestation of compliance certificate signed by an officer of Contractor with oversight responsibility.

10. Notices. Any notices that must be provided under this Agreement shall be sent to the Parties' respective authorized representatives at the address listed below:

City of Glendale
c/o Nancy Rodriguez
5850 W Glendale Ave #B56
Glendale, AZ 85301

And

Hays Companies, Inc
3200 E Camelback Road Ste 129
Phoenix, AZ 85018

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

“City”

City of Glendale, an Arizona
municipal corporation

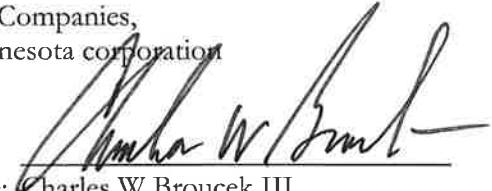
By: _____

Kevin R. Phelps
City Manager

“Contractor”

Hays Companies,
a Minnesota corporation

By: _____


Name: Charles W Broucek III
Title: Senior Vice President

ATTEST:

Julie K. Bower (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
Hays Companies**

EXHIBIT A
(City of Peoria RFP Solicitation No. P20-0024)

**LINKING AGREEMENT
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AND
Hays Companies**

**EXHIBIT B
Scope of Work**

PROJECT

Hays Companies will provide Employee Benefit Consulting Services.

**LINKING AGREEMENT
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EXHIBIT C

METHOD AND AMOUNT OF COMPENSATION

1. Contractor will invoice the City of Glendale monthly or annually for Employee Benefits Consulting Services.
2. The City of Glendale will pay by Check or by EFT.

NOT TO EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project must not exceed \$70,000 annually or \$280,000 for the entire term of the Agreement.

DETAILED PROJECT COMPENSATION

The proposed fees include all costs (i.e. miscellaneous administrative, travel, etc.) and the services identified in the Scope of Services.

Total Cost Not to Exceed:

July 2021 – June 2022 \$60,000
July 2022 – June 2023 \$61,000
July 2023 – June 2024 \$62,000
July 2024 – June 2025 \$63,000

Provide separate fees for any additional services that may be required outside the annual fee (i.e., Actuarial Analysis, TPA Audit).

Actuarial Analysis \$7,000 - \$15,000
Conduct TPA Audit \$10,000 - \$15,000



City of Peoria, Arizona Notice of Request for Proposal

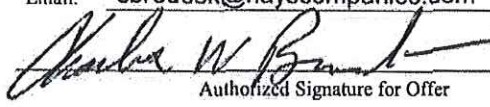


Solicitation No.:	P20-0024	Proposal Due Date:	March 24, 2020
Capital Project No.:	NA	Proposal Due Time:	5:00 P.M. AZ Time
Materials and/or Services:	EMPLOYEE BENEFITS CONSULTING SERVICES	Purchasing Agent:	Lisa Houg
Contact Phone:	(623) 773-7191	Pre-Proposal Date:	None
Contact Email:	Lisa.Houg@peoriaaz.gov	Pre-Proposal Time:	NA
		Pre-Proposal Location:	NA

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the submitted on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. *Proposals shall be submitted electronically via the City's Procurement Portal (Bonfire) or in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.* Offerors are strongly encouraged to carefully read the *entire* Request for Proposal Package.

OFFER

To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

For clarification of this offer contact:	Telephone: <u>602.977.3806</u> Fax: <u>602.977.3801</u>
Name: <u>Charles W. Broucek III</u>	Email: <u>cbroucek@hayscompanies.com</u>
<u>Hays Companies, Inc.</u>	
Company Name	Authorized Signature for Offer
<u>3200 E. Camelback Road, Suite 129</u>	<u>Charles W. Broucek III</u>
Address	Printed Name
<u>Phoenix</u> <u>AZ</u> <u>85018</u>	<u>Senior Vice President</u>
City State Zip Code	Title

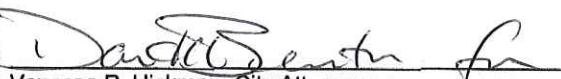
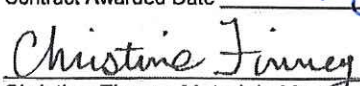
ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal Issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by: 
Rhonda Geriminsky, City Clerk

City of Peoria, Arizona. Effective Date: July 1, 2020
Approved as to form:


Vanessa P. Hickman, City Attorney
Contract Awarded Date 4-21-2020

Christine Finney, Materials Manager

CC: _____

Contract Number: _____

ACON14620

Official File: _____



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SCANNED



REQUEST FOR PROPOSAL

INSTRUCTIONS TO OFFEROR

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

1. PREPARATION OF PROPOSAL:

- a. All proposals shall be on the forms provided in this *Request For Proposal* package. It is permissible to copy these forms if required. Telegraphic (facsimile) or mailgram proposals will not be considered.
- b. The Offer and Contract Award document (COP Form 203) shall be submitted with an original ink signature by a person authorized to sign the offer.
- c. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the Vendor Offer.
- d. If price is a consideration and in case of error in the extension of prices in the proposal, the unit price shall govern. No proposal shall be altered, amended, or withdrawn after the specified proposal due date and time.
- e. Periods of time, stated as a number of days, shall be calendar days.
- f. It is the responsibility of all Offerors to examine the entire *Request For Proposal* package and seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a bid. Negligence in preparing a Proposal confers no right of withdrawal after proposal due date and time.

2. **INQUIRIES:** Any question related to the *Request For Proposal* shall be directed to the Buyer whose name appears on the front. The Offeror shall not contact or ask questions of the department for which the requirement is being procured. Questions should be submitted in writing when time permits. The Buyer may require any and all questions be submitted in writing at the Buyer's sole discretion. Any correspondence related to a *Request For Proposal* should refer to the appropriate *Request For Proposal* number, page, and paragraph number. However, the Offeror shall not place the *Request For Proposal* number on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official *Request For Proposal* due date and time.

3. **PROSPECTIVE OFFERORS CONFERENCE:** A prospective offerors conference may be held. If scheduled, the date and time of this conference will be indicated within this document. The purpose of this conference will be to clarify the contents of this *Request For Proposal* in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this *Request For Proposal* or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine if any action is necessary and may issue a written amendment to the *Request for Proposal*. Oral statements or instructions will not constitute an amendment to this *Request for Proposal*.

4. **LATE PROPOSALS:** Late Proposals will not be considered, except as provided by the **City of Peoria Procurement Code**. A vendor submitting a late proposal shall be so notified.

5. **WITHDRAWAL OF PROPOSAL:** At any time prior to the specified proposal due date and time, a Vendor (or designated representative) may withdraw the proposal. Telegraphic (facsimile) or mailgram proposal withdrawals will not be considered.

6. **AMENDMENT OF PROPOSAL:** Receipt of a Solicitation Amendment (COP Form 207) shall be acknowledged by signing and returning the document prior to the specified proposal due date and time.

7. **PAYMENT:** The City will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. Any proposal that requires payment in less than thirty (30) calendar days shall not be considered.

8. **NEW:** All items shall be new, unless otherwise stated in the specifications.

9. **DISCOUNTS:** Payment discount periods will be computed from the date of receipt of material/service or correct invoice, whichever is later, to the date Buyer's payment is mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment discounts of thirty (30) calendar days or more will be deducted from the proposal price in determining the low bid. However, the Buyer shall be entitled to take advantage of any payment discount offered by the Vendor provided payment is made within the discount period.

10. **TAXES:** The City of Peoria is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item.

11. **VENDOR REGISTRATION:** After the award of a contract, the successful Vendor shall have a completed Vendor Registration Form (COP Form 200) on file with the City of Peoria Materials Management Division.

12. AWARD OF CONTRACT:

- a. Unless the Offeror states otherwise, or unless provided within this *Request For Proposal*, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City.
- b. Notwithstanding any other provision of this *Request For Proposal*, The City expressly reserves the right to:
 - (1) Waive any immaterial defect or informality; or
 - (2) Reject any or all proposals, or portions thereof, or
 - (3) Reissue a *Request For Proposal*.
- c. A response to a *Request For Proposal* is an offer to contract with the City based upon the terms, conditions and specifications contained in the City's *Request For Proposal* and the written amendments thereto, if any. Proposals do not become contracts unless and until they are accepted by the **City Council**. A contract is formed when written notice of award(s) is provided to the successful Offeror(s). The contract has its inception in the award document, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the procurement contract are contained in the *Request For Proposal*, unless modified by a Solicitation Amendment (COP Form 207) or a Contract Amendment (COP Form 217).



STANDARD TERMS AND CONDITIONS

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

THE FOLLOWING TERMS AND CONDITIONS ARE AN EXPLICIT PART OF THE SOLICITATION AND ANY RESULTANT CONTRACT.

1. **CERTIFICATION:** By signature in the Offer section of the Offer and Contract Award page (COP Form 203), the Vendor certifies:
 - a. The submission of the offer did not involve collusion or other anti-competitive practices.
 - b. The Vendor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246.
 - c. The Vendor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred.
2. **GRATUITIES:** The City may, by written notice to the Contractor, cancel this contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event this contract is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity. Paying the expense of normal business meals which are generally made available to all eligible city government customers shall not be prohibited by this paragraph.
3. **APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, including Section 508, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees).

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter, "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verifications performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or



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creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

4. **LEGAL REMEDIES:** All claims and controversies shall be subject to resolution according to the terms of the City of Peoria Procurement Code.
5. **CONTRACT:** The contract between the City and the Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, and any amendments thereto, and (2) the offer submitted by the Vendor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the provisions and requirements in the Solicitation shall govern. However, the City reserves the right to clarify, in writing, any contractual terms with the concurrence of the Contractor, and such written contract shall govern in case of conflict with the applicable requirements stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.
6. **CONTRACT AMENDMENTS:** This contract may be modified only by a written Contract Amendment (COP Form 217) signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.
7. **CONTRACT APPLICABILITY:** The Offeror shall substantially conform to the terms, conditions, specifications and other requirements found within the text of this specific Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the City are not applicable to this Solicitation or any resultant contract.
8. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the contract will forthwith be physically amended to make such insertion or correction.
9. **SEVERABILITY:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.
10. **RELATIONSHIP TO PARTIES:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Contractor should make arrangements to directly pay such expenses, if any.
11. **INTERPRETATION-PAROL EVIDENCE:** This contract represents the entire agreement of the Parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this contract are hereby revoked and superseded by this contract. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this contract. This contract may not be changed, modified or rescinded except as provided for herein, absent a written agreement signed by both Parties. Any attempt at oral modification of this contract shall be void and of no effect.
12. **NO DELEGATION OR ASSIGNMENT:** Contractor shall not delegate any duty under this Contract, and no right or interest in this Contract shall be assigned by Contractor to any successor entity or third party, including but not limited to an affiliated successor or purchaser of Contractor or its assets, without prior written permission of the City. The City, at its option, may cancel this Contract in the event Contractor undertakes a delegation or assignment without first obtaining the City's written approval. Contractor agrees and acknowledges that it would not be unreasonable for the City to decline to approve a delegation or assignment that results in a material change to the services provided under this Contract or an increased cost to the City.
13. **SUBCONTRACTS:** No subcontract shall be entered into by the contractor with any other party to furnish any of the material, service or construction specified herein without the advance written approval of the City. The prime contractor shall itemize all sub-contractors which shall be utilized on the project. Any substitution of sub-contractors by the prime contractor shall be approved by the City and any cost savings will be reduced from the prime contractor's bid amount. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract and if the Subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not Subcontractors are used.



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14. **RIGHTS AND REMEDIES:** No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the City to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the City's acceptance of and payment for materials or services, shall not release the Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.
15. **INDEMNIFICATION:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.
- The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.
16. **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the goods and services used to fulfill the Contract.
17. **FORCE MAJEURE:** Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force Majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God: acts of the public enemy; war; acts of terror, hate crimes affecting public order; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; events or obstacles resulting from a governmental authority's response to the foregoing; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.
- Force majeure shall not include the following occurrences:
- Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.
 - Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition.
- Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *Certified-Return Receipt* and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.
18. **RIGHT TO ASSURANCE:** Whenever one party to this contract in good faith has reason to question the other party's intent to perform he may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.



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Materials Management Procurement

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Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

19. **RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City. This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 3 above.
20. **RIGHT TO INSPECT PLANT:** The City may, at reasonable times, inspect the part of the plant or place of business of a Contractor or Subcontractor which is related to the performance of any contract as awarded or to be awarded.
21. **WARRANTIES:** Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Contractor's response, the City is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in the solicitation.
22. **INSPECTION:** All material and/or services are subject to final inspection and acceptance by the City. Materials and/or services failing to conform to the specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. The City may elect to do any or all:
 - a. Waive the non-conformance.
 - b. Stop the work immediately.
 - c. Bring material into compliance.This shall be accomplished by a written determination for the City.
23. **TITLE AND RISK OF LOSS:** The title and risk of loss of material and/or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
24. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.
25. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment of lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.
26. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.
27. **LIENS:** All materials, service or construction shall be free of all liens, and if the City requests, a formal release of all liens shall be delivered to the City.
28. **LICENSES:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.
29. **PATENTS AND COPYRIGHTS:** All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.
30. **PREPARATION OF SPECIFICATIONS BY PERSONS OTHER THAN CITY PERSONNEL:** All specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the City's needs. No person preparing specifications shall receive any direct or indirect benefit from the utilization of specifications, other than fees paid for the preparation of specifications.
31. **COST OF BID/PROPOSAL PREPARATION:** The City shall not reimburse the cost of developing presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.
32. **PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the City during the course of an audit conducted in accordance with Paragraph 19 above for the purpose of determining compliance by Contractor or a Subcontractor with



STANDARD TERMS AND CONDITIONS

Materials Management Procurement

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the Contractor Immigration Warranty mandated by Paragraph 3 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction.

33. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the City.
34. **DELIVERY ORDERS:** The City shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the Offer and Contract Award (COP Form 203).
35. **FUNDING:** Any contract entered into by the City of Peoria is subject to funding availability. Fiscal years for the City of Peoria are July 1 to June 30. The City Council approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.
36. **PAYMENT:** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or services and correct invoice.
37. **PROHIBITED LOBBYING ACTIVITIES:** The Offeror, his/her agent or representative shall not contact, orally or in any written form any City elected official or any City employee other than the Materials Management Division, the procuring department, City Manager, Deputy City Manager or City Attorney's office (for legal issues only) regarding the contents of this solicitation or the solicitation process commencing from receipt of a copy of this request for proposals and ending upon submission of a staff report for placement on a City Council agenda. The Materials Manager shall disqualify an Offeror's proposal for violation of this provision. This provision shall not prohibit an Offeror from petitioning an elected official after submission of a staff report for placement on a City Council agenda or engaging in any other protected first amendment activity after submission of a staff report for placement on a City Council agenda.
38. **PROHIBITED POLITICAL CONTRIBUTIONS:** Consultant during the term of this Agreement shall not make a contribution reportable under Title 16, Chapter 6, Article 1, Arizona Revised Statutes to a candidate or candidate committee for any city elective office during the term of this Agreement. The City reserves the right to terminate the Agreement without penalty for any violation of this provision.



SPECIAL TERMS AND CONDITIONS

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
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Solicitation Number: **P20-0024**

1. **Purpose:** Pursuant to provisions of the City Procurement Code, the City of Peoria, Materials Management Division intends to establish a contract for **Employee Benefits Consultant Services**.
2. **Authority:** This Solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City Materials Manager in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract and the City Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
3. **Offer Acceptance Period:** In order to allow for an adequate evaluation, the City requires an offer in response to this Solicitation to be valid and irrevocable for ninety (90) days after the opening time and date.
4. **Cooperative Purchasing:** While this contract is for the City of Peoria, other public agencies and political subdivisions may express interest in utilizing the contract. In addition to the City of Peoria, and with approval of the contractor, this contract may be extended for use by other eligible public agencies (i.e. municipalities, school districts, nonprofit educational institutions, public health institutions, community facilities districts, and government agencies of the State). Eligible public agencies may elect to utilize the contract through cooperative purchasing (or piggybacking) on the contract and do so at their discretion. No volume is implied or guaranteed, and the contractor must be in agreement with the cooperative transaction. The Strategic Alliance for Volume Expenditures (SAVE), a group of school districts and other public agencies, have signed an intergovernmental cooperative purchase agreement to obtain economies of scale. As a member of SAVE, the City of Peoria will act as the lead agency. Any such usage by other participating public agencies must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective public agency. Potential participating public agencies (i.e. municipalities, school districts, nonprofit educational institutions, public health institutions, community facilities districts, and government agencies of the State) recognize potential equipment, logistical and capacity limitations by the contractor may limit the contractor's ability to extend use of this contract. Any orders placed to the contractor will be placed by the specific public agency participating in this purchase, and payment for purchases made under this agreement will be the sole responsibility of each participating public agency. The City of Peoria shall not be responsible for any disputes arising out of transactions made by others.
5. **Contract Type:** Fixed Price Term
6. **Term of Contract:** The term of any resultant contract shall commence *on the date of award* and shall continue for a period of one (1) year thereafter, unless terminated, cancelled or extended as otherwise provided herein.
7. **Contract Extension:** By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months.
8. **Proposal Opening:** Proposals shall be submitted no later than the due date and time indicated in the request for proposals. All information contained in the proposals shall be deemed as exempt from public disclosure based on the City's need to avoid disclosure of contents prejudicial to competing Offerors during the process of negotiation. The proposals shall not be open for public inspection until after contract award. After contract award, the successful proposal and the evaluation documentation shall be open for public inspection
9. **Discussions:** In accordance with the City of Peoria Procurement Code, after the initial receipt of proposals, discussions may be conducted with Offerors who submit proposals determined to be reasonably susceptible of being selected for award.
10. **Interview Guidelines:** During any requested interview, which would be scheduled in the future, be prepared to discuss your firm's proposal, staff assignments, project approach and other pertinent information. The presentation shall be approximately 30 minutes, allowing 15 minutes for a question and answer session. The Consultant's Project/Team Manager shall lead the presentation team and answer questions on behalf of the Consultant. If work involves a major sub-consultant, the firms Project/Team Manager's presence may also be requested (by the City) at the interview.
11. **Affirmative Action Report:** It is the policy of the City of Peoria that suppliers of goods or services to the City adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, and promote regardless of race, color, religion, gender, national origin, age or disability. The City of Peoria encourages diverse suppliers to respond to solicitations for products or services.



SPECIAL TERMS AND CONDITIONS

Solicitation Number: **P20-0024**

Materials Management Procurement

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12. **Performance Warranty:** Contractor warrants that the services rendered in performance will conform to the requirements and to the highest professional standards of the industry.
13. **Permits and Approvals:** Contractor agrees and undertakes to obtain necessary permits and approvals from all local, state and federal authorities for the project.
14. **Investigation of Conditions:** The Contractor warrants and agrees familiarity of the work that is required, is satisfied as to the conditions under which is performed and enters into this contract based upon the Contractor's own investigation.
15. **Invoices:** The Contractor shall submit invoices to the City of Peoria Accounts Payable Department, 8401 W. Monroe St, Peoria AZ 85345. Invoices may also be submitted electronically to accountspayable@peoriaaz.gov.
16. **Payments:** The City shall pay the Contractor monthly, based upon work performed and completion to date, and upon submission of invoices. All invoices shall document and itemize all work completed to date. The invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.
17. **Insurance Requirements:** The Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, or approved unlicensed in the State of Arizona with policies and forms satisfactory to the City.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the City.

The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retention and the City, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

The insurance policies, except Workers' Compensation and Professional Liability, required by this Contract, shall name the City, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

18. **Required Insurance Coverage:**

a. Commercial General Liability

Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011207 or any replacements thereof. The coverage shall not exclude X, C, U.



SPECIAL TERMS AND CONDITIONS

Solicitation Number: **P20-0024**

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
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Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20370704, and shall include coverage for Contractor's operations and products and completed operations.

Any Contractor subletting any part of the work, services or operations awarded to the Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

b. **Automobile Liability**

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00010306, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

c. **Workers' Compensation**

The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the Contractor.

d. **Professional Liability**

The Contractor retained by the City to provide the work or service required by this Contract will maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by the Contractor, or any person employed by the Contractor, with a limit of not less than \$1,000,000 each claim.

19. **Certificates of Insurance:** Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, and formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. A \$25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

20. **Cancellation and Expiration Notice:** Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the City.

21. **Independent Contractor:**



SPECIAL TERMS AND CONDITIONS

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

Solicitation Number: **P20-0024**

a. General

- i. The Contractor acknowledges that all services provided under this Agreement are being provided by him as an independent contractor, not as an employee or agent of the City Manager or the City of Peoria.
- ii. Both parties agree that this Agreement is nonexclusive and that Contractor is not prohibited from entering into other contracts nor prohibited from practicing his profession elsewhere.

b. Liability

- i. The City of Peoria shall not be liable for any acts of Contractor outside the scope of authority granted under this Agreement or as the result of Contractor's acts, errors, misconduct, negligence, omissions and intentional acts.
- ii. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

c. Other Benefits

The Contractor is an independent contractor, therefore, the City Manager will not provide the Contractor with health insurance, life insurance, workmen's compensation, sick leave, vacation leave, or any other fringe benefits. Further, Contractor acknowledges that he is exempt from coverage of the Comprehensive Benefit and Retirement Act (COBRA). Any such fringe benefits shall be the sole responsibility of Contractor.

22. **Key Personnel:** It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions.

- a. The Contractor agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the City.
- b. If key personnel are not available for work under this contract for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

23. **Confidential Information:**

- a. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the Materials Manager of this fact shall accompany the submission and the information shall be identified.
- b. The information identified by the person as confidential shall not be disclosed until the Materials Manager makes a written determination.
- c. The Materials Manager shall review the statement and information and shall determine in writing whether the information shall be withheld.



SPECIAL TERMS AND CONDITIONS

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

Solicitation Number: **P20-0024**

- d. If the Materials Manager determines to disclose the information, the Materials Manager shall inform the bidder in writing of such determination.
24. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City or from others in carrying out its functions under the contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of contractor as needed for the performance of duties under the contract.
25. **Identity Theft Prevention:** The Contractor shall establish and maintain Identity Theft policies, procedures and controls for the purpose of assuring that “personal identifying information,” as defined by A.R.S. § 13-2001(10), as amended, contained in its records or obtained from the City or from others in carrying out its responsibilities under the Contract, is protected at all times and shall not be used by or disclosed to unauthorized persons. Persons requesting such information should be referred to the City. Contractor also agrees that any “personal identifying information” shall not be disclosed other than to employees or officers of Contractor as needed for the performance of duties under the Contract. Contractor agrees to maintain reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft. Contractor is required under this contract to review the City of Peoria’s Identity Theft Program and to report to the Program Administrator any Red Flags as defined within that program. At a minimum, the contractor will have the following Identity Theft procedures in place:
- Solicit and retain only the “personal identifying information” minimally necessary for business purposes related to performance of the Contract.
 - Ensure that any website used in the performance of the contract is secure. If a website that is not secure is to be used, the City shall be notified in advance before any information is posted. The City reserves the right to restrict the use of any non-secure websites under this contract.
 - Ensure complete and secure destruction of any and all paper documents and computer files at the end of the contracts retention requirements.
 - Ensure that office computers are password protected and that computer screens lock after a set period of time.
 - Ensure that offices and workspaces containing customer information are secure.
 - Ensure that computer virus protection is up to date
26. **Ordering Process:** Upon award of a contract by the City of Peoria, Materials Management Division may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate contractor. The award of a contract shall be in accordance with the City of Peoria Procurement Code and all transactions and procedures required by the Code for public bidding have been complied with. A purchase order for the awarded material and/or service that cites the correct contract number is the only document required for the department to order and the contractor to deliver the material and/or service.
- Any attempt to represent any material and/or service not specifically awarded as being under contract with the City of Peoria is a violation of the contract and the City of Peoria Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
27. **Licenses:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor.
28. **City of Peoria Business License:** Peoria City Code requires that all persons conducting business in the City of Peoria must first obtain a license. This includes businesses within the Peoria city limits, or those outside the limits who conduct business or perform services within Peoria. For business license questions or to obtain a license, please contact the City of Peoria Sales Tax & License Division at (623) 773-7160 or via email at salestax@peoriaAZ.gov.
29. **Business in Arizona:** The City will not enter contracts with foreign corporations not granted authority to transact business,



SPECIAL TERMS AND CONDITIONS

Solicitation Number: **P20-0024**

Materials Management Procurement

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or not in good standing, in the state of Arizona by the Arizona Corporation Commission. Businesses outside of Arizona may file documents to obtain a business license from the Arizona Corporation Commission. Information is available on the Arizona Corporation Commission's website at <https://www.azcc.gov> for more information. Businesses are cautioned the processing time can be lengthy.

30. **Contract Termination:** Any contract entered into as a result of this Solicitation is for the convenience of the City and as such, may be terminated without default by the City by providing a written thirty (30) day notice of termination.
31. **Cancellation:** The City reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any obligation, term or condition of the contract. The City will issue written notice to the contractor for acting or failing to act as in any of the following:
- The contractor provides material that does not meet the specifications of the contract;
 - The contractor fails to adequately perform the services set forth in the specifications of the contract;
 - The contractor fails to complete the work required or to furnish the materials required within the time stipulated in the contract;
 - The contractor fails to make progress in the performance of the contract and/or gives the City reason to believe that the contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the contractor to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies:

- Cancel any contract;
 - Reserve all rights or claims to damage for breach of any covenants of the contract;
 - Perform any test or analysis on materials for compliance with the specifications of the contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the contractor;
 - In case of default, the City reserves the right to purchase materials, or to complete the required work in accordance with the City Procurement Code. The City may recover any actual excess costs from the contractor by:
 - Deduction from an unpaid balance;
 - Collection against the bid and/or performance bond, or;
 - Any combination of the above or any other remedies as provided by law.
32. **Project Travel Reimbursable Expenses:** If travel expenses are allowed as part of the contract the reimbursable expenses will be as follows. All expenses will be billed to the City at cost without markup. Copies of bills for expenses are to be submitted with the invoice. Travel time to and from job site is excluded from this contract. There will be no allowances for parking or personal car mileage. No incidentals for travel of any kind are allowed under this contract.

The following is a list of allowable travel expenses under this contract agreement:

- Transportation:
 - Air Transportation – coach class fares, minimum 14 days advanced purchase, unless otherwise agreed upon.
 - Car Rental – mid size car, gas for rental car (City assumes no liability regarding additional insurance costs).
- Lodging and Meals:
 - Meals – three meals per day, at the current federal per diem rate for Maricopa County.
 - Lodging – not to exceed the current federal rate for Maricopa County. Vendors are encouraged to stay in hotels located within the City of Peoria when practical. A listing of accommodations within Peoria can be found on the



SPECIAL TERMS AND CONDITIONS

Solicitation Number: **P20-0024**

Materials Management Procurement

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following website: <https://www.visitpeoriaaz.com/local-amenities/where-to-stay>

33. **Protest Policy and Procedures:** The City of Peoria protest policy and procedures are available for review at the following public websites.
- a. The City of Peoria Protest Policy and Procedures are available online at <https://www.peoriaaz.gov/government/city-law/city-code>. The policy is contained within the City of Peoria Procurement Code, Chapter 26 - Administration, section 26-121. Procurement Code Protests; Informal and Formal.
 - b. The specific protest procedures are contained in the Materials Management "Procurement Guidelines" and can be accessed at <http://www.peoriaaz.gov/procurement>.



SCOPE OF WORK

Solicitation Number: **P20-0024**

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I. BACKGROUND

The City of Peoria, Arizona is soliciting proposals from qualified consulting firms to provide Employee Benefits Consulting Services.

The City has approximately 1,200 employees who are eligible for benefits. This includes both full-time and part-time regular status employees, City Council Members, and three (3) Charter Officers (City Manager, City Attorney, City Judge). Open enrollment is held in the spring with an effective date of July 1. The plan year is July 1 through June 30 (fiscal year). The benefit plans for which services are requested are listed below:

An asterisk () indicates a benefit incorporated into a Section 125 flexible benefits plan.*

Benefit	Funding
Medical Plan*	Self-Funded
Dental Plan*	Fully Insured
Dental Plan*	Self-Funded
Vision Plan*	Fully Insured
Short-Term Disability	Fully Insured
Basic Life and AD&D	Fully Insured
Voluntary Life	Voluntary Option
Employee Assistance Program	Fully Funded
Travel/Accident	Fully Insured
Flexible Spending Account	Voluntary Option
Accident Insurance	Voluntary Option
Critical Care Insurance	Voluntary Option

II. SCOPE OF SERVICES

A. Self-Funded Health Plan (Medical and Dental)

1. Statistical analysis:

- Provide monthly and quarterly reporting which includes an analysis of income and expense for the prior quarter.
- Provide quarterly presentations to the Employee Benefit Trust Board including analysis of income and expenses for the quarter and year to date (YTD).
- Provide annual report which includes an analysis of income and expense for the prior year and a projection for the forthcoming year including projected adequate reserve levels for plan.
- Make recommendation for establishing annual premium rates.
- Advise on required reserves for medical and other self-funded plans (if applicable).

2. Policy analysis:

- Provide general guidance on trends in benefits offered and eligibility requirements. Recommend plan changes based on these trends.
- Advise and consult on methods for improving cost containment and claims administration.
- For above, where applicable, provide cost analysis of possible impact on plan.



SCOPE OF WORK

Solicitation Number: **P20-0024**

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

- Provide guidance and analysis of self-funding other insurance programs such as vision, short-term disability, etc.

B. Administrative/Other Support:

- Assist in developing long-term benefit objectives and goals.
- Assist in the modification and pricing of any current, or newly considered, benefit programs.
- Review plan documents and summary plan descriptions, including amendments and restatements, for accuracy. Serve as liaison with providers in making any needed changes.
- Review contracts with vendors to insure accuracy and comprehensiveness of coverage. Provide guidance in contract interpretation, as needed.
- Advise and consult on trends in benefit plans that are offered locally and nationally, including information on plans that are not currently offered by the City.
- Assist in problem resolution with providers.
- Assist with development of Request for Proposals (RFP's) for various vendors in compliance with the City's purchasing requirements. This may include developing a scope of services, evaluation criteria and evaluating/summarizing proposal information.
- Assist the City in the development of an integrated employee benefit communication plan and strategy to include, enrollment forms, open enrollment materials, benefit guide, and other employee communications as needed.
- Provide subject matter expertise in support of an Employee Healthcare Task Force, established to assist in the evaluation and recommendation of benefit programs.
- Provide subject matter expertise and consulting in support of the Employee Benefits Trustees in the performance of their fiduciary responsibilities.

C. Contract Negotiations:

- Annual review, analysis, and negotiation of renewal rates for health plans: medical, dental, vision, short-term disability, life insurance, EAP, flexible spending, travel insurance and third party administrators. Advise when competitive quotes should be solicited from other carriers.

D. Legal Support:

- Assist in the preparation of governmental filings.
- Prepare alternative funding analysis and conduct actuarial analysis of claims reserves and funds requirements as requested.
- Provide necessary actuarial services including projecting funding needs for upcoming fiscal year.
- Maintain records of the financial and claims experience condition and progress of the plans and provide quarterly financial reports for the self-funded plans.
- Assist with performance guarantees relating to vendor performance of services.
- Provide notification and updates on changing laws, regulations, and administrative or judicial rulings that relate to benefits programs in general, and the City's programs specifically. Make recommendations based on these changes or legal requirements.



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- Review plan documents to ensure compliance with appropriate laws and regulations and notify of any necessary plan document amendments.
- Assist the City to be in compliance with all legal and regulatory requirements including but not limited to: ACA, HIPAA, COBRA, FMLA, ADA, and Medicare D.

E. General Guidance:

- Provide answers or guidance to general or technical benefits questions.
- If requested, review communication materials for content, appearance, and compliance with laws and regulations.
- The Consultant will be working on a frequent basis with the Human Resources Manager, Human Resources Supervisor and the benefits team. The Consultant will be expected to assist the City on a regular basis and in a timely manner to provide guidance to technical problems that may arise.
- The Consultant may be expected to attend open enrollment meetings with employees, employee Health Care Task Force meetings, Council meetings, and /or Trust Board meetings.

F. Additional Requests for Other Services:

- The City reserves the right under the terms of this RFP to request duties unrelated to this defined set of consulting services. The scope of these services and related cost will be agreed to prior to the consultant performing any work.
- The City may ask that the consultant perform a cafeteria plan feasibility study and will request that the Consultant review and provide recommendations on that plan.
- If the City should decide to move forward with a cafeteria plan, assistance will be required to establish a timeline detailing the strategy, individual components, cost share, communications, written documentation, etc.
- A detailed operation review of Third Party Administrator to include objective review of received and processed claims to determine whether the claims are adjudicated according to contractual performance standards, appropriate benefits, and industry standards.

III. QUALIFICATIONS

1. A minimum of three (3) years prior experience with governmental entities or large private employers as clients at local or corporate level.
2. Must have prior experience within last three (3) years with organizations with no less than 500 employees as clients at a local or corporate level.
3. Prior experience with self-funded medical, dental, vision, short-term disability, etc.
4. Understanding of, and direct experience with our demographic area health care delivery concerns (e.g. hospitals, consolidated specialty physicians, etc.).
5. Experience working with cafeteria-style benefit programs, including Sections 125 and 129 flexible spending plan arrangements.
6. Experience in evaluating benefit program designs and in making recommendations for program improvements and/or restructuring.



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7. Proposals will be accepted on a fee only basis. The City will not consider a commission-based proposal.



SUBMITTAL REQUIREMENTS

Solicitation Number: **P20-0024**

Materials Management Procurement

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Phone: (623) 773-7115
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I. PROPOSAL CONTENT:

A. Method of Approach

- The method of approach should include a written narrative to demonstrate the firm's ability to satisfy the scope of work.
- Discuss other services that may not have been identified in the Scope of Work, but that may be of relevance and importance based upon your firm's experience in providing these services.

B. Firm Experience & Staff Qualifications

- Brief history of the firm history and experience
- Location of the offices performing the services
- Provide firm applicable certifications and licenses
- Number of staff, assignments and qualifications
- Include individual staff credentials/licenses/certifications
- Provide a minimum of three (3) references, prefer references from governmental / municipal clients, who can attest to firm's knowledge, quality of work, timeliness, diligence, and flexibility.

C. Cost Considerations

- Provide annual fee for services identified in the Scope of Work for each year of the contract term (5 fiscal years – July–June).
- Provide separate fees for any additional services that may be required outside the annual fee, i.e., Actuarial Analysis, TPA Audit.

D. Conformance to RFP

- Failure to provide all requested information may result in firm's proposal being rejected as non-responsive.
- Complete and return all City forms.
- Exceptions – Any exceptions to any part of the RFP must be clearly noted and identified.

II. EVALUATION CRITERIA:

In accordance with the City of Peoria Procurement Code, awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

- a. Method of Approach
- b. Firm Experience & Staff Qualifications
- c. Cost Considerations
- d. Conformance to Request for Proposal

The City reserves the right to consider historic information and facts, whether gained from the Offeror's proposal, questions and answer conferences, references, or other source and the views of the evaluator(s) with prior Contract or service delivery experience with any of the Offerors, while conducting the proposal evaluations.



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The City may shortlist firms based on the above criteria to bring forward for interviews. Interviews may be held on **April 20, 2020**. If the selection committee determines the scoring shows an interview is not required then no interviews will be held.

III. INSTRUCTIONS FOR PREPARING AND SUBMITTING RESPONSE:

- A. Proposals shall be submitted through the City of Peoria's Purchasing Portal (Bonfire) website at <https://peoriaaz.bonfirehub.com/portal> under the appropriate solicitation opportunity. Submissions submitted elsewhere or under the wrong solicitation will not be considered.
- B. **Solicitation Amendments:** Any changes to the solicitation document will be in the form of a Solicitation Amendment. Amendments are posted on the City of Peoria's Purchasing Portal (Bonfire) website at <https://peoriaaz.bonfirehub.com/portal> under the appropriate solicitation opportunity. Interested parties are cautioned to check the Purchasing Portal (Bonfire) for amendments prior to submitting their proposal. The City will not be held responsible if a vendor fails to receive any amendments issued.

The City shall not be responsible for any oral changes to the scope of work or specifications made by any employees or officer of the City and interested parties are cautioned not to rely on any such changes.

IV. QUESTIONS:

All questions regarding the solicitation should be sent in writing to the designated purchasing agent via email or through Messages/Opportunity Q&A on the City of Peoria's Purchasing Portal (Bonfire).

The designated purchasing agent for this solicitation is:

Lisa Houg, Contract Officer

Phone: (623) 773-7191

Email: Lisa.Houg@peoriaaz.gov

All questions must be submitted no later than the date and time indicated on the City of Peoria's Purchasing Portal (Bonfire).

Contact with City staff, other than the designated contact person indicated in the RFP, regarding this solicitation is strictly prohibited during the proposal process.

V. PROPOSAL DUE DATE:

Proposals are due no later than **5:00 P.M.** on **March 24, 2020**, unless the RFP is otherwise extended or cancelled via formal Solicitation Amendment.



QUESTIONNAIRE

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
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Solicitation Number: **P20-0024**

Offeror acknowledges that NO changes to the City's Insurance Requirements, Indemnification and Document Use requirements will be granted, and that any changes or modifications requested may result in the offeror's proposal being rejected.

Yes No *If no, give reason below*

Hays Companies, Inc. has the following exceptions:

1. We do not release copies of insurance policies or endorsements;
2. We carry only hired, non-owned auto - Symbols 8 & 9;
3. Our insurance carriers do not provide a 30-day notice of cancellation.

Otherwise, we meet or exceed the requested/required limits.

Offeror acknowledges acceptance of the City of Peoria's Standard Terms and Conditions and Special Terms and Conditions and takes no exceptions.

Yes No *If no, give reason below*

Hays Companies, Inc. acknowledges acceptance of the City of Peoria's Standard Terms and Conditions and Special Terms and Conditions and take no exception unless noted above.



Request for Proposal

Response to: **RFP # P20-0024**
Employee Benefits Consulting Services

Presented to: **City of Peoria, Arizona**
Lisa Houg
Purchasing Agent
9875 N. 85th Avenue
Peoria, AZ 85345
Email: lisa.houg@peoriaaz.gov

Respondent Name: **Hays Companies, Inc.**
Charlie Broucek
Senior Vice President
3200 E. Camelback Road, Suite 129
Phoenix, AZ 85018
Phone 602.977.3806 | Fax 602.977.3801

Submittal Date: **March 24, 2020 @ 5:00PM AZ Time**

I. COVER LETTER

We appreciate the opportunity to showcase our capabilities and continued dedication to servicing the City of Peoria throughout this Request for Proposal response. We appreciate and value our 10-year partnership with the City of Peoria and believe we are uniquely qualified to continue handling the City of Peoria benefit service needs. We believe our distinction lies in the experience and expertise of our team, our institutional knowledge gained throughout our partnership, the vast array of value-added services we provide our clients, along with our exclusive reporting tools, advanced technologies and the in-depth industry and insurance market knowledge we possess.

Proposer: Hays Companies, Inc.
3200 E. Camelback Road, Suite 129
Phoenix, AZ 85018
602.977.3800

Contact: Charlie Broucek
Senior Vice President
3200 E. Camelback Road, Suite 129
Phoenix, AZ 85018
602.977.3806 (O) 602.692.3564 (C) 602.977.3801 (F)
cbroucek@hayscompanies.com

In reviewing our responses to this Request for Proposal, you will discover that Hays offers specific advantages to each area outlined. We add value for our clients where most firms cannot. We strive to exceed our client's service expectations and raise the bar for ourselves every year. We are much more than a transactional broker.

We believe we are the right partner to continue delivering superior service while demonstrating a commitment to placing the interests of City of Peoria at the forefront. We are confident that our response will support this belief.

We believe that our comprehensive, all-inclusive employee benefit consulting offering goes above and beyond most insurance brokerages and is what differentiates Hays vs. our competitors. The best way for us to explain how Hays is differentiating ourselves from other consulting firms is to tell you how and why our client retention is significantly higher than industry norms. Time and time again our clients are telling us that contract with Hays because of one or a combination of the following reasons:

Innovation & Creativity - Risk Pool Management Strategy

Hays is not the typical consulting firm that follows industry standards. We challenge the status quo and we challenge our clients. We do not follow carrier benchmarks as most of the time they are in the insurance carrier's or broker's best interest and not City of Peoria's. As such, we have developed a proprietary strategy we call "Risk Pool Management" (RPM). This strategy is innovative, creative and has

proven to lower medical/pharmacy spend and ongoing trend for current Hays' clients. This is highlighted by our ability to have managed the City of Peoria plans to a trend much lower than industry norms.

So, what is risk pool management? It starts by addressing employee choice before utilization to create healthier and more efficient risk pools which leads to lower total cost. We understand the importance of focusing on the choices individuals are making to enroll in your medical plan before City of Peoria spends one dollar.

Risk pool management is one of the fundamental principles we will continue addressing with City of Peoria whereas other consulting firms focus on addressing utilization habits first. Your risk pool is comprised of the employees and dependents in your medical plan. Your risk pool is dictated by the choice you offer your employees, how they choose, and then how they utilize your medical plan. We have found that most employers are inviting the less healthy individuals to be on their health plan or have encouraged adverse selection between plan designs. This is due to misaligned plan design values, employee contributions and plan tier/budget structures. **This was one of the first concerns we addressed with the City of Peoria 10-years ago and we continue to address annually.**

We will continue thoroughly evaluating plan design, benefit plan values, employee/employer premium and contribution strategies and employee tier structures. We will then help you effectively align these items to ensure your risk pool is optimal and efficient. In doing so, you can reduce the level of "bad risk" while attracting "good risk" to the health pool of participants. This is one of the reasons why many of our clients are running well below standard medical trend nationally.

Auditors First

We are skilled auditors who listen, do our homework and transform data into smart solutions. We can't tell you today exactly what strategies will make sense for City of Peoria over the next 5-years because your claims data and demographics will continue to evolve. Everything we do and all decisions we make will be driven by your claims information and the culture of your organization. Once we know WHY your plan is running the way it is, then we can implement a strategic plan to determine HOW we are going to structure a plan of attack to resolve whatever it is that is driving your plans costs. We focus on the WHY!

We are very good at what we do because of the reporting analytics available through our proprietary Health Plan Intelligence (HPI) reporting tool. We are experts at building efficient medical/pharmacy plans to meet your financial, recruitment and retention needs. Our financial strategies empower our clients to obtain real results. **As Jim Hays would say, "We solve problems for our clients, plain and simple."**

Our People & Integrity

The integrity of the individuals at Hays is one of our key differentiators. Hays strives to hire honest professionals who demonstrate ethical standards on behalf of our clients and the insurance marketplace always and in all places. We are individuals of integrity and care about the results we deliver for our clients. **The same team that partnered with the City of Peoria 10-years ago is 100% the same team that will continue serving the City!**



Service with a Sense of Urgency

Your consistent and tenured Hays service team is a clear differentiator from our peers. As you know, HR departments and leadership are being stretched more than ever and we view our service role as a literal extension of your HR department. We offer a unique “extension of staff” service model that equally supports your benefit administration needs and the challenge of managing rising benefit costs.

City of Peoria’s service team has a sundown policy which means that if by sundown we haven’t been able to provide you an answer to an inquiry, we will call, email or even text you and let you know the status by sundown. We will make every effort to have an answer or resolve the benefits issue within the then required 24-48 hours.

Your Hays service team will continue delivering a customized service package for the City of Peoria and is focused and experienced to guide you through the ever-changing employee benefits environment.

Again, thank you for the opportunity to continue partnering with the City of Peoria. We look forward to continuing to grow with the City’s needs and expectations.

Sincerely,

Charlie Broucek
Sr. Vice President



- I. Cover Letter**
- II. Scope of Services**
- III. Qualifications**
- IV. Proposal Content**
 - A. Method of Approach**
 - B. Firm Experience and Staff Qualifications**
 - C. Cost Considerations**
 - D. Conformance to RFP**
 - E. Appendices**
 - 1) Offer (Signed)
 - 2) Questionnaire
 - 3) Arizona Corporate Insurance License
 - 4) Arizona Producer License
 - 5) Mobile Application
 - 6) Sample Renewal Underwriting

All Together. Engaged

All Together. Custom

All Together. Enlightened

All Together. Easy

All Together. Nimble

All Together. Simplified

All Together. Different

All Together. Certain

II. SCOPE OF SERVICES

Our understanding is that the City of Peoria is seeking a benefits partner that can provide professional, highly qualified benefits guidance and services. This includes the following services (Scope of Services):

A. Self-Funded Health Plan (Medical and Dental)

1. Statistical analysis:

- Provide monthly and quarterly reporting which includes an analysis of income and expense for the prior quarter.
- Provide quarterly presentations to the Employee Benefit Trust Board including analysis of income and expense for the quarter and year to date (YTD).
- Provide annual report which includes an analysis of income and expense for the prior year and a projection for the forthcoming year including projected adequate reserve levels for plan.
- Make recommendation for establishing annual premium rates.
- Advise on required reserves for medical and other self-funded plans (if applicable).

2. Policy analysis:

- Provide general guidance on trends in benefits offered and eligibility requirements. Recommend plan changes based on these trends.
- Advise and consult on methods for improving cost containment and claims administration.
- For above, where applicable, provide cost analysis of possible impact on plan.
- Provide guidance and analysis of self-funding other insurance programs such as vision, short-term disability, etc.

B. Administrative/Other Support:

- Assist in developing long-term benefit objectives and goals.
- Assist in the modification and pricing of any current, or newly considered, benefit programs.
- Review plan documents and summary plan descriptions, including amendments and restatements, for accuracy. Serve as liaison with providers in making any needed changes.
- Review contracts with vendors to insure accuracy and comprehensiveness of coverage. Provide guidance in contract interpretation, as needed.
- Advise and consult on trends in benefit plans that are offered locally and nationally, including information on plans that are not currently offered by the City.
- Assist in problem resolution with providers.
- Assist with development of Request for Proposals (RFP's) for various vendors in compliance with the City's purchasing requirements. This may include developing a scope of services, evaluation criteria and evaluating/summarizing proposal information.

- Assist the City in the development of an integrated employee benefit communication plan and strategy to include, enrollment forms, open enrollment materials, benefit guide, and other employee communications as needed.
- Provide subject matter expertise in support of an Employee Healthcare Task Force, established to assist in the evaluation and recommendation of benefit programs.
- Provide subject matter expertise and consulting in support of the Employee Benefits Trustees in the performance of their fiduciary responsibilities.

C. Contract Negotiations:

- Annual review, analysis, and negotiation of renewal rates for health plans: medical, dental, vision, short-term disability, life insurance, EAP, flexible spending, travel insurance and third-party administrators. Advise when competitive quotes should be solicited from other carriers.

D. Legal Support:

- Assist in the preparation of governmental filings.
- Prepare alternative funding analysis and conduct actuarial analysis of claims reserves and funds requirements as requested.
- Provide necessary actuarial services including projecting funding needs for upcoming fiscal year.
- Maintain records of the financial and claims experience condition and progress of the plans and provide quarterly financial reports for the self-funded plans.
- Assist with performance guarantees relating to vendor performance of services.
- Provide notification and updates on changing laws, regulations, and administrative or judicial rulings that relate to benefits programs in general, and the City's programs specifically. Make recommendations based on these changes or legal requirements.
- Review plan documents to ensure compliance with appropriate laws and regulations and notify of any necessary plan document amendments.
- Assist the City to be in compliance with all legal and regulatory requirements including but not limited to: ACA, HIPAA, COBRA, FMLA, ADA, and Medicare D.

E. General Guidance:

- Provide answers or guidance to general or technical benefits questions.
- If requested, review communication materials for content, appearance, and compliance with laws and regulations.
- The Consultant will be working on a frequent basis with the Human Resource Manager, Human Resources Supervisor and the benefits team. The Consultant will be expected to assist the City on a regular basis and in a timely manner to provide guidance to technical problems that may arise.
- The Consultant may be expected to attend open enrollment meetings with employees, employee Health Care Taskforce meetings, Council meetings, and /or Trust Board meetings.

F. Additional Requests for Other Services:

- The City reserves the right under the terms of this RFP to request duties unrelated to this defined set of consulting services. The scope of these services and related cost will be agreed to prior to the consultant performing any work.
- The City may ask that the consultant perform a cafeteria plan feasibility study and will request that the Consultant review and provide recommendations on that plan.
- If the City should decide to move forward with a cafeteria plan, assistance will be required to establish a timeline detailing the strategy, individual components, cost share, communications, written documentation, etc.
- A detailed operation review of Third-Party Administrator to include objective review of received and processed claims to determine whether the claims are adjudicated according to contractual performance standards, appropriate benefits, and industry standards.

III. QUALIFICATIONS

1. A minimum of three (3) years prior experience with governmental entities or large private employers as clients at local or corporate level.
2. Must have prior experience within last three (3) years with organizations with no less than 500 employees as clients at a local or corporate level.
3. Prior experience with self-funded medical, dental, vision, short-term disability, etc.
4. Understanding of, and direct experience with our demographic area health care delivery concerns (e.g. hospitals, consolidated specialty physicians, etc.).
5. Experience working with cafeteria-style benefit programs, including Section 125 and 129 flexible spending plan arrangements.
6. Experience in evaluating benefit program designs and in making recommendations for program improvements and/or restructuring.
7. Proposals will be accepted on a fee only basis. The City will not consider a commission-based proposal.

Based on the SCOPE OF SERVICES, QUALIFICATIONS and experience with the City of Peoria, we believe that Hays Companies is the right consulting partner. Our structure allows us to bring you creative solutions and assist you through both the implementation and ongoing management of your employee benefit programs. Unlike other consulting organizations, Hays Companies operates as wholly-owned subsidiary of our publicly traded owner, Brown & Brown Insurance, with flexibility to leverage our size while maintaining a “boutique consulting” experience.

Hays Companies has developed a unique service model that utilizes the experience and expertise of our employee benefit professionals, while establishing strategic resources in order to provide superior products and services to our clients. Our service model has been instrumental in our continued growth and success in the marketplace.

IV. PROPOSAL CONTENT

A. Method of Approach

- **The method of approach should include a written narrative to demonstrate the firm's ability to satisfy the scope of work.**

a. Operations and Strategic Planning

Hays Companies will continue attending all required meetings and serve as an industry expert and educator/advisor on all matters relative to operations of the City of Peoria benefit plans. As a professional services firm, Hays Companies understands the unique benefit needs of a diverse organization. In our role as consultant, we work with very diverse organizations including public entities and commercial clients. Although industry and employee profile is important, it is important to recognize that plan performance is a direct reflection of the risk pool on the plan and ensuring financial alignment between plans and coverage tiers.

The claim and demographic information provided by our analytics tool, Health Plan Intelligence (HPI) coupled with the ongoing monitoring of membership and enrollment data allow for the precise actuarial alignment of rate and contribution structures. Taken together, these processes are what we refer to as Risk Pool Management. **This was one of the first projects addressed at the City of Peoria when we began consulting in 2010.**

In the absence of Risk Pool Management techniques, organizations often find themselves in an environment of misalignment where the choices made by employees are to the financial detriment of the plan. Misalignment can lead to any or all the following:

- An insufficient budget
- A large renewal increase
- Miscalculated employee contributions
- Incorrect cost-projections of COBRA participation

Risk Pool Management is a set of sophisticated projection and modeling techniques which corrects misalignment thereby mitigating the variation of year-over-year costs while maximizing the financial performance of plan offerings. The components of Hays' exclusive Risk Pool Management approach include:

- Cost projections
- The determination and alignment of premium equivalency rates
- The actuarial development of employee premiums

Strategic Planning – create an optimal benefits strategy that is consistent with our business objectives.

Our strategic planning process involves an extensive evaluation of our clients' programs and needs for both the upcoming (short-term) plan year, as well as a multi-year (long-term) approach. We utilize a wide variety of resources to organize our clients' needs, including strategic planning calendars, strategic planning processes and service checklists, thorough analysis of CPT-4 and ICD data, as well as contribution structure analysis to name a few. In addition to your health and welfare programs, we also take the extra step to ensure compliance of the local and federal labor and employment laws.

Regarding a specific process, Hays performs the following steps for all existing clients when developing or refining a strategy for benefit programs and plans:

Outline Current State

During this phase, we meet with our clients to clearly document the plans and programs currently in place. This phase includes inventorying all existing benefits and partners through the development of a benefit atlas and benefit manual, a complete review of all legal contracts and compliance related documents, and an analysis of the medical plan to determine the major cost and utilization trends within the population.

Set Strategic Direction

During this phase, your Hays' account service team will meet with you to deliver our findings as well as recommendations for alterations or improvements to the current benefit plan. From this phase, we collectively agree on a short-term direction and work with you to develop an annual service calendar for the upcoming year.

Implement Improvements

Following the establishment of our strategic direction, we manage the process of improving your benefit model. This phase would include, if necessary, marketing existing benefit programs, working with your current partners to improve/change existing benefits, and the development and implementation of new programs.

Evaluating Effectiveness

At Hays, our processes do not end with implementation. Core to all our processes is a thorough review of all our recommendations and actions to evaluate their effectiveness. We believe in regular in-person meetings with our clients to continually evaluate the performance of the plan.

Industry Trends and Emerging Issues –update City of Peoria on benefits industry trends and emerging benefit issues. Hays has an in-house Research & Compliance team who actively monitors changes in benefits trends. Your Hays’ service team will also be actively monitoring these issues and communicate them to you as they emerge.

Cost Projections – project the plan cost and assist with developing an annual budget.

As a partially self-insured plan, the City of Peoria should not solely rely upon carrier projections of cost when budgeting for a new plan year. Unfortunately, most projections that are tied to the purchase of stop-loss insurance are largely automated and have what reinsurers sometimes refer to as Acceptable Variability and/or are deliberately under-estimated for strategic or carrier competitive purposes. The result of either can be an underfunded estimate of actual cost that creates the following problems for group health and/or dental plans:

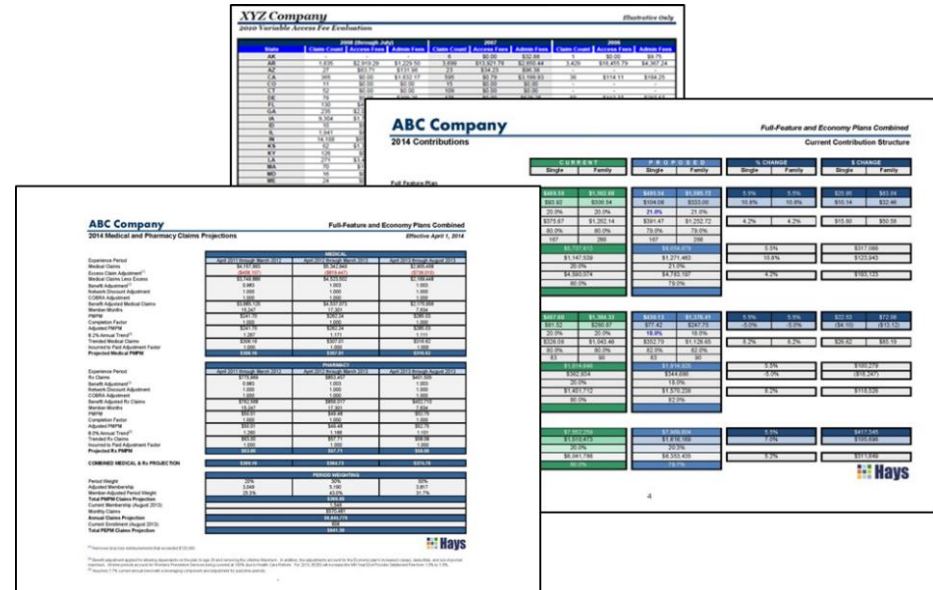
- An insufficient budget
- A large renewal increase
- Employee-contributions do not match the employer’s intent, which results in a higher cost to the employer.
- The actual cost of COBRA participation is incorrectly defined, which also results in a higher cost to the employer.

To eliminate these concerns, we have developed a sophisticated projection modeling tool that eliminates as much statistical variation as possible, which allows for the following as it pertains to the carrier’s projections:

- If the projection is correct – our formula merely corroborates their estimate.

- If the projection is too high – our formula allows for informed negotiations with the vendor regarding their contractual premium costs.

Regardless of the relationship between the two projections, our clients enjoy the comfort of knowing that, (a) variation from the budget will be insignificant, (b) renewal increases higher than trend will be virtually non-existent, (c) employee contributions will reflect the intent of the employer, and (d) COBRA participants will be paying the appropriate amount of premium.



XYZ Company
 Current Year Service Fee Evaluation
 (Illustrative Only)

State	Class Code	Assessment	Admin Cost	Class Code	Assessment	Admin Cost	Class Code	Assessment	Admin Cost
AK	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
AL	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
AR	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
CA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
CO	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
CT	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
DC	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
DE	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
FL	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
GA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
IA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
IL	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
IN	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
KS	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
KY	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
LA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MD	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MI	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MN	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MO	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MS	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
MT	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
NC	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
ND	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
OH	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
OK	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
OR	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
PA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
RI	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
SC	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
SD	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
TN	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
TX	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
VA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
VT	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
WA	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
WI	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
WV	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00
WY	1000	100.00	100.00	1000	100.00	100.00	1000	100.00	100.00

ABC Company
 Full-Feature and Economy Plans Combined
 2014 Contributions
 Current Contribution Structure

Plan Type	CURRENT		PROPOSED		% CHANGE		% CHANGE	
	Range	Family	Range	Family	Range	Family	Range	Family
Basic Plan	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$5,500.00	\$5,500.00	\$5,500.00	\$5,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$6,500.00	\$6,500.00	\$6,500.00	\$6,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$9,500.00	\$9,500.00	\$9,500.00	\$9,500.00	0.0%	0.0%	\$0.00	\$0.00
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	0.0%	0.0%	\$0.00	\$0.00

ABC Company
 Full-Feature and Economy Plans Combined
 2014 Medical and Pharmacy Claims Projections
 Effective April 1, 2014

Plan Type	2013 Actual	2014 Projected	2014 Trend	2014 Projection
Basic Plan	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Basic Plus	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Basic Plus Plus	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Basic Plus Plus Plus	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Basic Plus Plus Plus Plus	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Basic Plus Plus Plus Plus Plus	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Basic Plus Plus Plus Plus Plus Plus	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Basic Plus Plus Plus Plus Plus Plus Plus	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000
Basic Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus Plus	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000

Underwriting Services – develop funding rates, COBRA rates, IBNR, plan design modeling, utilization analysis & cost drivers, employee contribution modeling and trend analysis.

Through ongoing analysis and underwriting expertise, Hays Companies ensures that the City of Peoria is using the optimum plan design, networks and funding arrangements. Our Underwriting/Actuarial Services team uses a variety of tools to actuarial analyze renewal/funding calculations. By thoroughly reviewing renewal calculations in this manner we ensure the most appropriate underwriting criteria and guidelines are used. Our renewal validation process will provide concrete support for any argument we use with a given insurance company in negotiating your renewal. Hays' Underwriting Unit leverages our knowledge of insurer practices in an applied manner that situates our clients in the position likeliest to achieve the best possible outcome, year after year. Our track record with renewals for groups that directly utilize our analytics annually places our clients on the favorable side of medical trend.

Our core services include extensive analysis, reporting, and health plan utilization. The following is a partial list of our financial reporting and analysis capabilities:

- IBNR funding
- Corridor Reserve Funding
- Rate Stabilization Reserves
- Taxable Trusts/Asset Accounts
- Contingent (Minimum) premium
- HCAT (High Claims Analysis Tool)
- Partial Self-Funding
- Transplant Carve-outs with Excess Risk Analysis
- Prospectively Rated
- Actuarial and rate alignment tools

We have underwriting consultants on staff and their responsibilities, aside from calculating funding rates, reserves and reporting, include benefit modeling, specific stop loss level analysis and aggregate funding limitations analysis. We can provide you with a monthly snapshot as to how the plan (s) is performing from a financial perspective. In the City of Peoria's self-funded arrangement, we track participation, fixed expenses, claims, claims that exceed specific stop loss attachment points, and compare monthly totals to budget.

From any point in time, the City of Peoria can see how each benefit program is performing and which of the plans are not meeting expectations. This methodology allows us to stay on top of all financial situations to ensure that the client is aware of the projected funding balances or projected premium adjustments at the end of the year. By taking this active monthly role, we can very easily and effectively move into the rating of the plans. Whatever the issue may be, corrective actions can be discussed, and an action plan can be devised. Our underwriting unit then moves into the renewal phase where they give City of Peoria their first review of the renewal rate action. Along with benefit modeling capabilities, you will have a clear and concise vision of the appropriate steps needed to keep the plan healthy and robust.

By including enrollment and membership in the monthly experience reports, we can provide you with valuable consultative information that is frequently overlooked by less detailed reporting packages. Closely monitoring enrollment and membership trends, in conjunction with demographic data extracted from the Health Plan Intelligence (HPI) report, allows for precise, quantitative analysis of the tier-structure (i.e. two-tier, three-tier, or four-tier rates) and the pricing-relationship that exists among the tiers. In the absence of this analysis, groups are unknowingly paying far more than they need to by inadvertently inviting costlier contracts onto the plan through inappropriate tier-structuring and unintentional subsidization among the tiers. This analysis, along with our unique contribution modeling techniques, allow for risk pool management, which is frequently overlooked.

	ACTUAL			ALIGNED			% Change			\$ Change		
	S	S+1	F	S	S+1	F	S	S+1	F	S	S+1	F
Pre-Migration												
Budget Rate	\$558.58	\$1,394.57	\$1,394.57	\$458.93	\$1,101.44	\$1,560.37	-17.8%	-21.0%	11.9%	(\$99.65)	(\$293.13)	\$165.80
EE Contribution	\$80.00	\$200.00	\$200.00	\$65.80	\$157.91	\$223.71	-17.8%	-21.0%	11.9%	(\$14.20)	(\$42.09)	\$23.71
EE Contribution Percentage	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%						
ER Contribution	\$478.58	\$1,194.57	\$1,194.57	\$393.14	\$943.53	\$1,336.66	-17.9%	-21.0%	11.9%	(\$85.44)	(\$251.04)	\$142.09
ER Contribution Percentage	85.7%	85.7%	85.7%	85.7%	85.7%	85.7%						
Enrollment	267	71	286	267	71	286						
Total EE Annual Contribution	\$1,113,120			\$1,113,120			0.0%			\$0		
Total EE Annual Contribution Percentage	14.3%			14.3%			0.0%			\$0		
Total ER Annual Contribution	\$6,650,908			\$6,650,908			0.0%			\$0		
Total ER Annual Contribution Percentage	85.7%			85.7%			0.0%			\$0		
Total Annual Cost	\$7,764,028			\$7,764,028			0.0%			\$0		
Post-Migration												
Budget Rate	\$558.58	\$1,394.57	\$1,394.57	\$446.08	\$1,070.60	\$1,516.68	-20.1%	-23.2%	8.8%	(\$112.50)	(\$323.97)	\$122.11
EE Contribution	\$80.00	\$200.00	\$200.00	\$65.80	\$157.91	\$223.71	-17.8%	-21.0%	11.9%	(\$14.20)	(\$42.09)	\$23.71
EE Contribution Percentage	14.3%	14.3%	14.3%	14.7%	14.7%	14.7%						
ER Contribution	\$478.58	\$1,194.57	\$1,194.57	\$380.29	\$912.68	\$1,292.97	-20.5%	-23.6%	8.2%	(\$98.29)	(\$281.89)	\$98.40
ER Contribution Percentage	85.7%	85.7%	85.7%	85.3%	85.3%	85.3%						
Enrollment	267	71	286	304	77	253						
Total EE Annual Contribution	\$1,113,120			\$1,065,115			-4.3%			(\$48,005)		
Total EE Annual Contribution Percentage	14.3%			14.7%			-7.4%			(\$494,849)		
Total ER Annual Contribution	\$6,650,908			\$6,156,059			-7.4%			(\$494,849)		
Total ER Annual Contribution Percentage	85.7%			85.3%			-7.0%			(\$542,854)		
Total Annual Cost	\$7,764,028			\$7,221,174			-7.0%			(\$542,854)		

Financial Reporting and Analysis – provide experience reporting, ongoing management assistance, including regular monitoring of claim activity reports.

We have outlined in detail our experience with reporting, underwriting, and claims activity reports. We are confident that the experience of your local Hays’ service team and the extension of our Underwriting team will continue providing the appropriate financial analysis to help you make more informed financial decisions.

Data Warehousing - Hays’ data and metric driven approach to supporting our clients is a clear differentiator from our competition and one that will be of tremendous benefit to the City of Peoria when it comes to information, plan design, and cost containment.

We believe one of the major differentiators to Hays is the delivery of our annual Plan Analytics & Modeling tool, Health Plan Intelligence, more commonly referred to as HPI. HPI is our primary tool in a comprehensive analysis of a given plan year, as well as developing options for all means of plan design, a powerful combination. HPI is a HIPAA compliant medical claims warehousing and analysis engine which identifies areas where City of Peoria would benefit from making design changes and provide real-time financial modeling of those changes. HPI uses 24 months of incurred claims including all relevant data – ICD and CPT codes, submitted/paid charges, patient demographics, place of service, etc.

The HPI analysis answers the following questions: What is driving the cost of your employer-sponsored health plan? Is it your plan design? Is it the demographics of the group? Is it utilization? Is it the network? It also identifies potential savings available through population health management programs (i.e., Health Risk Appraisals, on-site screening, smoking cessation, fitness and chronic disease support).

We benchmark eleven major categories of your health plan expenses (inpatient, outpatient, ER, physician, mental health, etc.) in terms of utilization, unit cost and plan efficiency/rate of payment. The analysis also indicates how lifestyle factors (tobacco use, physical activity and poor nutrition) and members with chronic diseases (cardiac conditions, diabetes, etc.) impact your plan. The HPI analysis tool also compares current year costs in each utilization category to prior years, to establish trend patterns.

The core of any successful approach to plan management is to ensure that all design recommendations and decisions are founded on strong empirical data. To effectively execute a successful plan, we must fully analyze all components of a benefit model and have a complete understanding of the precise cost drivers for each major spending component. As stated already, the first step in performing this type of analysis is to ensure you receive detailed and actionable data which we provide through our HPI reporting and analytic tools. Further information and videos of HPI's components are provided below.

HPI Portal

The HPI-Portal provides a secure and central access point for all Health Plan Intelligence content. The HPI portal is web based and allows easy access to all HPI content. Additionally, the HPI portal allows us to monitor the status of current HPI projects as well as access sample content and demos.

HPI Dashboard

The HPI Dashboard is a management-level, key performance indicator and benchmarking report. The HPI Dashboard provides an understandable and intuitive view of how a health plan is performing with specific focus on the cost of key employee and dependent populations, key service areas, as well as underlying conditions.

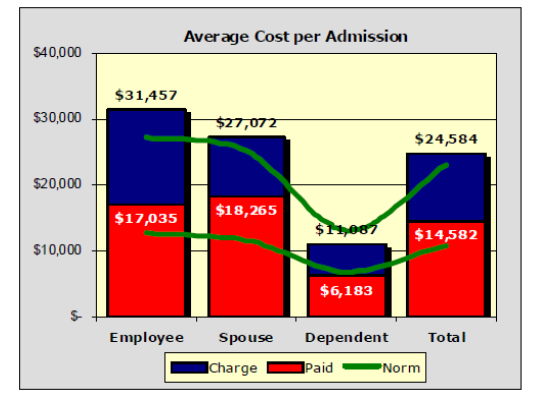
The HPI Dashboard is fundamental to answer many critical questions, including:

- How much are we paying for health care?
- How much are other companies paying?
- Which areas within our plan are most costly?
- How efficient is our plan design?
- How much does chronic disease cost?

The HPI Dashboard provides the key metrics and performance indicators that afford organizations the opportunity to understand how their plan is performing, how they compare to other companies, and identify specific problem areas, which warrant additional investigation.

The average cost per inpatient hospital stay can vary greatly. During this reporting period, the average cost per inpatient hospital admission is shown on the right. This average cost only represents the facility fee and does not include related professional or ancillary fees.

Please note: any unusually large claims which exceed a specific statistical threshold have been excluded from this analysis to prevent potential skewing of results.



XYZ Incorporated

HPI-Dashboard
Powered by Health Plan Intelligence.

Data Reporting and Analysis for the Period
January 2008 through December 2008
Revised Claims

Paid through March 2009

Presented by: **Hays**
www.haysreporting.com

Data Collection and Analysis by: **PLAN IT**
HEALTHPERFORMANCE
Health Incorporated
Enterprise Corporate Center
1175 S. 111st Street, Suite 200
Des Moines, IA 50315
1-800-391-8800
www.planit.us

Membership and Plan Cost XYZ Incorporated

Overall, XYZ Incorporated had 1,500 total plan participants. By allocating the annual medical claim cost among all plan members, we can determine the approximate cost associated with providing health coverage for employees, spouses, and dependents. This Health Plan Intelligence analysis shows that approximately \$2,686 of net medical claims were for employees, while \$2,932 and \$1,047 were for spouses and children, respectively.

Category	Employee	Spouse	Child/Depend	Total
Count	251	14	14	279
Spouse	251	14	14	279
Child/Depend	251	14	14	279

Annual Cost Per Employee

Category	Charge	Paid	Norm
XYZ Incorporated	\$15,680	\$16,652	\$32,332
National Norm	\$15,680	\$16,652	\$32,332

* Net medical claims represent the approximate amount after individual stop-loss reimbursement or pooling point. The above calculations assume a \$25,000 limit for any high cost individuals. The actual reimbursement amounts are approximate, actual amounts may vary based on specific contract provisions, etc.

During this reporting period, the XYZ Incorporated plan cost was \$8,753 per employee. This compares unfavorably with the normal health plan cost of \$8,231 per employee. The normal health plan cost is based on the appropriate experience of the health plan (the general client base during the same reporting time period). Adjustments have been made to reflect similar membership ratios.

Membership and Plan Cost Caribou Coffee Company

Overall, Caribou Coffee Company had 1,856 total plan participants. By allocating the annual medical claim cost among all plan members, we can determine the approximate cost associated with providing health coverage for employees, spouses, and dependents. This Health Plan Intelligence analysis shows that approximately \$2,006 of net medical claims were for employees, while \$519 and \$522 were for spouses and children, respectively.

Category	Employee	Spouse	Child/Depend	Total
Count	251	14	14	279
Spouse	251	14	14	279
Child/Depend	251	14	14	279

Annual Cost Per Employee

Category	Charge	Paid	Norm
Caribou Coffee Company	\$15,680	\$16,652	\$32,332
Normal	\$15,680	\$16,652	\$32,332

* Net medical claims represent the approximate amount after individual stop-loss reimbursement or pooling point. The above calculations assume a \$25,000 limit for any high cost individuals. The actual reimbursement amounts are approximate, actual amounts may vary based on specific contract provisions, etc.

During this reporting period, the Caribou Coffee Company health plan cost was \$8,439 per employee. This compares favorably with the normal health plan cost of \$8,231 per employee. This normal health plan cost is based on the appropriate experience of the health plan (the general client base during the same reporting time period). Adjustments have been made to reflect similar membership ratios.

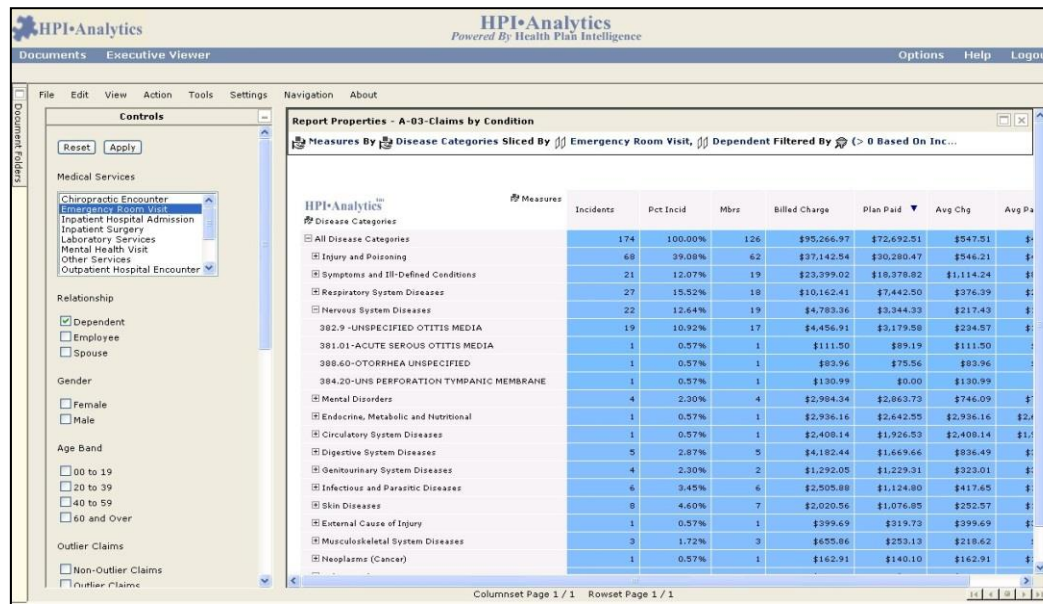
HPI Analytics

HPI Analytics provides direct access to powerful views of underlying health care data. All the underlying data have been enhanced to include logical population groupings and descriptions which are critical for the development and application of Risk Pool Management processes.



With the HPI Analytics we utilize an intuitive interface which enables:

- Easy access to pre-defined views of the underlying data
- Ability to apply multiple filters to retrieve custom analysis and results
- Ability to drill-down into specific areas uncovering hidden problems and opportunities
- Extremely powerful and advanced analysis through cross-drill technology
- Customized data to include company-specific values such as plan design, location, division, etc.



Report Properties - A-03-Claims by Condition
 Measures By Disease Categories Sliced By Emergency Room Visit, Dependent Filtered By (> 0 Based On Inc...

HPI Analytics Disease Categories	Incidents	Pct Incid	Mbrs	Billed Charge	Plan Paid	Avg Chg	Avg Pa
All Disease Categories	174	100.00%	126	\$95,266.97	\$72,692.51	\$547.51	\$
Injury and Poisoning	68	39.08%	62	\$37,142.54	\$30,280.47	\$546.21	\$
Symptoms and Ill-Defined Conditions	21	12.07%	19	\$23,399.02	\$18,378.82	\$1,114.24	\$
Respiratory System Diseases	27	15.52%	18	\$10,162.41	\$7,442.50	\$276.39	\$
Nervous System Diseases	22	12.54%	19	\$4,783.36	\$3,344.33	\$217.43	\$
382.9 - UNSPECIFIED OTITIS MEDIA	19	10.92%	17	\$4,456.91	\$3,179.58	\$234.57	\$
381.01-ACUTE SEROUS OTITIS MEDIA	1	0.57%	1	\$111.50	\$89.19	\$111.50	\$
388.60-OTORRHEA UNSPECIFIED	1	0.57%	1	\$83.96	\$75.56	\$83.96	\$
384.20-UNS PERFORATION TYMPANIC MEMBRANE	1	0.57%	1	\$130.99	\$0.00	\$130.99	\$
Mental Disorders	4	2.30%	4	\$2,984.34	\$2,863.73	\$746.09	\$
Endocrine, Metabolic and Nutritional	1	0.57%	1	\$2,936.16	\$2,642.55	\$2,936.16	\$2,936.16
Circulatory System Diseases	1	0.57%	1	\$2,408.14	\$1,926.53	\$2,408.14	\$1,926.53
Digestive System Diseases	5	2.87%	5	\$4,182.44	\$1,669.66	\$836.49	\$
Genitourinary System Diseases	4	2.30%	2	\$1,292.05	\$1,229.31	\$323.01	\$
Infectious and Parasitic Diseases	6	3.45%	6	\$2,505.88	\$1,124.80	\$417.65	\$
Skin Diseases	8	4.60%	7	\$2,020.56	\$1,076.85	\$252.57	\$
External Cause of Injury	1	0.57%	1	\$399.69	\$319.73	\$399.69	\$
Musculoskeletal System Diseases	3	1.72%	3	\$855.86	\$253.13	\$218.62	\$
Neoplasms (Cancer)	1	0.57%	1	\$162.91	\$140.10	\$162.91	\$

HPI BeneCalc

HPI BeneCalc is the online plan modeling application of HPI. HPI BeneCalc provides Hays the ability to calculate exact plan values which is fundamental to appropriate rate and contribution development. Once plans have been defined, HPI BeneCalc gives us the advantage of modeling both the financial and member impact of potential plan changes. This affords organizations the opportunity to pursue changes that maximize plan savings, while minimizing member disruption.

- Plan Design & Value
- Medical Inflation
- Network Performance
- Utilization (behavior)
- Contributions
- Stop loss Parameters



HPI-BeneCalc					
Powered By Health Plan Intelligence					
Emergency Room Visits XYZ Incorporated					
Choose Subgroups					
	Baseline		Alternative		
Plan Design Info	In-Network	Out-Network	In-Network	Out-Network	
Copayment Per Admission	\$ 0	\$ 0	\$ 100	\$ 0	
Coinsurance Rate	90 %	70 %	90 %	70 %	
Network Performance Info	Coverage	Discounts	Coverage	Discounts	
Reported in Underlying Data	82.90%	14.62%			
Used in Modeling	82.90 %	14.62 %	82.90 %	14.62 %	
Expected Change in Utilization			-20.00 %		
Expected Medical Inflation Rate			10.00 %		
Member Impact			275 (18.62%)		
Annual Expected Percent Cost/(Savings) in Category			(26.34%)		
Annual Expected Percent Cost/(Savings) to Total Paid			(1.10%)		
Annual Expected total Dollar Cost/(Savings)			(\$45,999)		
Annual Expected Cost/(Savings) per Member			(\$31.14)		
Annual Expected Cost/(Savings) per Employee			(\$77.05)		
			Calculate	Printer Friendly	

b. Staff Assistance

Your Hays service team is a clear differentiator from our peers. Today, HR departments and Plan Sponsors are being stretched more than ever and we view our service role as an extension of your departments. We offer a unique “extension of staff” service model that equally supports your benefit administration needs and the challenge of managing rising benefit costs.

City of Peoria’s service team will have a sundown policy which means that if by sundown we haven’t been able to provide you an answer to an inquiry, we will call, email or even text you and let you know the status by sundown. We will make every effort to have an answer or resolve the benefits issue within the then required 24-48 hours.

Your Hays service team delivers a customized service package for City of Peoria and will have the focus and experience to guide you through the ever-changing employee benefits environment.

This list is not all inclusive, but listed below are issues/challenges our clients may experience:

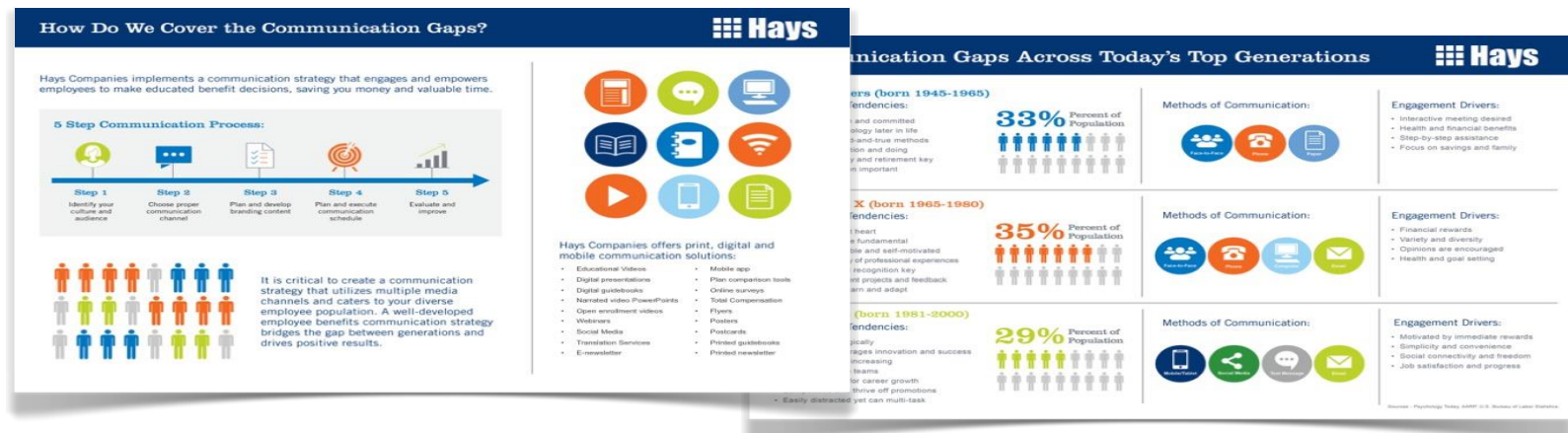
- Claims and customer service issues
- RX issues
- Eligibility issues
- Vendor management issues
- Questions regarding compliance, plan docs, etc.
- Questions regarding employee benefit strategy

In addition to ongoing communication referenced above, we have periodic client stewardship meetings to ensure client satisfaction.

Employee Communication Services

We believe effective communication is essential to your benefit program’s success. At Hays, we do not view communication as an open-enrollment only process, but as a continuous process that allows an employee to recognize the health and welfare plans as a valuable benefit. Our service delivery model for employee benefit consulting goes beyond program design, it includes strategic communication consulting as well as development and design of materials, fulfillment and

integration of plan vendor websites and materials. Additionally, we understand that City of Peoria employs individuals at different stages of their life requiring specific means of communication. We work with clients to define the most effective approach to communicating benefits. Here is an overview of typical communication approaches based on different generations.



Beyond developing detailed benefit summaries, Hays has successfully developed and administered benefit attitude surveys, personalized communication statements, facilitated client focus groups, and conducted group meetings. In addition, we have experience with plan selection tools used to promote rational employee elections during open enrollment.

Hays recognize the importance of high-quality communications in support of new and existing benefits programs. Using professional communication tools, we help you effectively deliver the program message and reinforce the benefit program objectives. We routinely provide clients with communications services ranging from associate surveys and focus groups to customized enrollment forms. We contribute to internal client newsletters and draft "new benefit" introduction letters for our clients. In general, the goal of our communication services is to generate the following advantages for City of Peoria:

- Improved costs by encouraging participants to make smart, informed choices
- Enhanced morale/productivity, particularly if the City of Peoria makes benefit changes
- Decreased burden on HR/internal staff
- Lower risk of litigation
- Increased choice

- Reduced production time of communication materials

Here is a brief description of services:

Print Communication - To include benefit booklets, open enrollment posters, open enrollment presentations, etc. Hays Companies designs and provides print solutions for the employee open enrollment brochures. This solution will provide a professional Fortune 500 quality benefit communication piece for use at open enrollment or during employee recruitment. The 8-12 page communication brochures will effectively outline your company's benefit program in a concise and multi-color benefits brochure. **Printing cost would be a pass-through expense to the City of Peoria.**

Additionally, we will create Digital Flipbook for distributions via email and/or to post on intranet site.

Mobile Application - In addition to print and/or digital flipbooks, we can build custom, informational Apps for mobile devices. This will give employees access to all benefit information on their Smart Phone.

Brainshark – Hays, with the direction of City of Peoria, can provide Brainshark communications for both open enrollment and onboarding of new employees. This approach ensures that all employees and their family members receive the same information regarding the City of Peoria Employee Benefits. We will design the presentation, write the script, and provide voice-over services. Once we complete the presentation and get City of Peoria's approval, we will provide a URL that employees can access to review benefits.

Wellness Services

Hays has been very successful both locally and nationally in developing wellness programs in conjunction with our clients. One recent success is with a group of similar size who was struggling to get employees to participate in their wellness program. In conjunction with their HR Team and carrier, we developed a premium credit program based on different activities and met all required metrics to earn a 5% discount off their fully insured premium. Some of the activities included the following: Use of Premium Designated Providers, Generic/Tier 1 RX utilization, > 65% of employees completing biometrics, > 65% of employees completing health assessment, > 35% of employees with a BMI less than 27.5, > 60% of employees with a blood pressure of less than 140/90 and > 90% of employees non-tobacco users. Additionally, this client just completed a 5-week competition. They created 5 teams with the goal to "walk" from Phoenix to Washington D.C. In total, the teams walked a combined total of 29,033,629 steps with the winning team walking almost 9 million steps. The winning team was treated to a healthy lunch with their CEO and each team member received a \$100 gift card.

Hays will work with City of Peoria to build on the current wellness culture or work with you to develop a wellness program. If one is in place, we want to maximize current investments in internal resources and outside vendor partnerships. Working with your wellness team, the goal of the strategic plans is to improve the health of City of Peoria's employees and dependents with resulting benefits for City of Peoria in terms of dollars and productivity. Your Hays Health Strategies team, led by Heather Kopnicky, is ideally qualified to help City of Peoria's team build a plan that achieves your objectives.

The following core meetings and services will occur in the development of a one and five-year Health Promotion Strategic Plan:

Initial Interview & Data Collection- Review of past and current initiatives, and collection of information which may include: health plan design, utilization data, integrated disability program details, EAP, care management vendors, contribution strategies, sample employee communications, and District strategic planning documents.

Clinical Data Analysis Results- Present findings of clinical data analysis to key stakeholders and others as appropriate.

Discovery Meeting with Key Stakeholders- Using a Hays proprietary *Well Workforce Planning Tool*, this discussion will gain consensus on corporate expectations and the health of City of Peoria. The session will also review the many health promotion program choices available and begin the development of the following:

- Health Promotion Objectives/Operating Principals
- Strategies and Supporting Tactics to include corporate goals, plan design, risk management, senior management support, resource commitment, use of data, use of incentives, and integration
- Establishment of activities and timelines

Deliverable- Hays Companies will deliver a One-Year and a Five-Year Strategic Plan, mapping out an integrated approach to health promotion at City of Peoria. Deliverable to include:

- Strategic Objectives/Operating Principals
- Identification of Key Metrics for measuring success of program
- Strategies and Tactics
- Activities & Timelines addressing Senior Management support, Plan Design, Incentives, Communications, Health Programs, and Integration as they relate to maintaining a healthy workforce:
- Next Steps
- Planning Work Sheets

Program Implementation Assistance - Your Hays team will assist with the implementation of new programs through the end of year one of the strategic plan. Further implementation support and ongoing consulting can be negotiated for an additional fee.

Disease Management and Case Management Recommendations - Assessing the impact of a Disease Management program is not as simple as it sounds. Statistically validating a ROI (return on investment) in any group less than 10,000 is not possible. Therefore, other metrics need to be employed to assess the value. These other metrics can include simple scores related to member satisfaction or member participation. It can also include pre and post program implementation compliance with standards of care (for example, how many of the members with diabetes have at least two A1c, hemoglobin A1c, a blood test to assess the management of blood sugar levels, tests in the preceding 12 months). Other utilization metrics drawn from claims data can also be used depending on the depth and detail available.

Ultimately the key to analyzing Disease Management programs is choosing metrics that have meaning to the organization. Defining outcome metrics is part of the process Hays goes through when working with their clients to define and implement health programs.

Wellness Incentive Analysis - Almost every wellness program is driven by incentives – those external motivators that get employees to participate in the program. We are encouraging many of our clients to indirectly address autonomy, mastery, and purpose in their wellness communications that is aligned with their overall culture and business strategy. We will assist you in clearly defining goals and objectives before implementing incentives. Our process ensures accountability for both the members and service providers by:

- Establishing a baseline
- Measuring the impact of incented behaviors / outcomes against the baseline
- Assess opportunities for improvement through program evaluation and redesign if necessary

In addition to developing the appropriate incentive designs, we assist you in the creation of a series target communication materials so that plan participants know the programs requirements, are aware of their progress and understand where to find additional or supportive information.

c. Vendor Relations

We have a very good reputation both nationally and in Arizona with carriers for being fair, but tough. Our clients certainly benefit from our size, scope and relationships. Although we represent our clients only, it is extremely important to foster and build long term relationships with carriers built on trust. Our carrier relationship extends beyond the local level. Should

we need to work with a National Carrier resource, we have developed relationship and leverage the collective size of Hays Companies/Brown & Brown on behalf of our clients.

As detailed in Operations & Strategic Planning section of this response, Hays Companies uses HPI data analytics to both underwrite and negotiate vendor renewals. Our system includes both predictive modeling tools in addition to the ability to better understand the expected high case activity. This High Case Analysis Tool (HCAT) enables us to price stop-loss insurance based on the likelihood of high case activity. We have found that carrier underwriters respect our date-driven approach and work closely with us to ensure pricing is in line with the risk.

Lastly, we work on behalf of our clients to negotiate performance guarantees both from a service perspective and claims.

d. Compliance

Hays Companies maintains a full-service, government compliance department and provides numerous services both to our own employees and to our clients in the areas of research, support and compliance assistance. We have a dedicated team to serve this purpose. Our team has access to several on-line support systems, such as the Bureau of National Affairs and the International Foundation of Employee Benefits. In addition, we subscribe to ten services that issue monthly updates on topics specific to benefits, such as HIPAA, COBRA, ERISA requirements for benefit plans and sponsors. Augmenting these other sources are many other manuals and benefits surveys. When it becomes necessary to seek legal advice, we engage the services of our local attorney partner. You will also have access to our client community web portal. This is an online informational portal for City of Peoria to access resources and articles concerning regulatory and legislative issues.

Hays Companies recognizes one of the most important aspects of working with clients is to provide timely and accurate information on topics that affect how employers and benefit plans operate. As brokers and consultants, our value to our clients depends on how well we can achieve this goal. This is increasingly important as the benefits' field continues to look for products and systems that can make plans more effective and efficient.

To achieve our goals, the Research & Compliance Department utilizes the following vehicles:

- Update meetings with your assigned Lead Consultant detailing the legislative changes that impact City of Peoria; ACA impact analysis regarding the employer mandates, variable hour analysis, etc.
- Periodic Webinars hosted by our Research and Compliance Department (approximately 6-8 per year). Also, we record each Webinar, so our clients can access content on demand.
- Periodic Seminar Events.
- Consistent email communications from our Research and Compliance Department with any applicable changes that would potentially impact City of Peoria.
- Monthly updates on various topics, including Medicare and the Group Plan, PPACA, Waivers of Life Premium, etc.
- Quarterly the Hays Solutions newsletter which provides information from all our departments.
- White papers detailing important issues, such as FMLA, ADA, etc.
- Information and research to help our staff respond to client questions.

Our Consultants also review all plan documents using a comprehensive Compliance Checklist ensuring that all documents follow appropriate laws and regulations and contain the language required by these laws and regulations. Lastly, Hays Companies assists in the preparation of governmental filings on behalf of our clients. Your account team works in conjunction with our Compliance Department to prepare required documents (such as the Form 5500.) The documents are delivered to our clients file ready.

Compliance Communications

Through our corporate website (www.hayscompanies.com), clients can access our industry research and compliance tool, MyWave/Zywave. MyWave/Zywave is an online resource utilized by Hays Companies to provide timely, accurate and useful information to our clients. Our compliance department utilizes this tool to distribute topical compliance data on a periodic basis via email. This portal also provides access to legislation, human resources topics, health and wellness and business and technology information to which clients can access.

Human Resources Support

In addition to our in-house compliance resources, our clients have access to **ThinkHR**. ThinkHR provides easy and immediate access to expert HR Advisors who will provide information and answers to minimize risk associated with legal and regulatory matters pertaining to HR compliance, employment law and health care.

e. Market Awareness

Hays provides our clients with access to numerous benchmarking surveys and sources. We readily have access to all the major national benchmarking studies through our Compliance team and our partner ThinkHR.

Some of the national benchmarking surveys we subscribe to are the Mercer National Survey of Employer Sponsored Health Plans resource book, The Hay Benefit Report, Kaiser-National Survey of Employer Sponsored Health Plans and many more. Hays also maintains several state and local benchmarking resources such as Mercer's Survey of Employer Sponsored Health Plans on the State and Metropolitan Statistical Areas.

Also, our proprietary Health Plan Intelligence database which includes over 4 billion in claims and 3.2 million members benchmarks your medical utilization against normative data. In addition to the hard copy output provided by the Hays account service team, you are also able to access the raw data online via the web to perform virtually any drilldown scenario possible. Clients can run "what if" scenarios on inpatient, outpatient, physician office, wellness, and chronic disease data to identify what cost drivers are driving their health care costs.

City of Peoria can be confident we will meet your needs with all benchmarking requests.

- **Discuss other services that may not have been identified in the Scope of Work, but that may be of relevance and importance based upon your firm’s experience in providing these services.**

All standard and enhanced services including communications, wellness and HR Services (ThinkHR) have been detailed in the proceeding question.

B. Firm Experience & Staff Qualifications

- **Brief history of the firm history and experience**

Hays Companies (Hays) is a national, full-service, brokerage and consulting firm which specializes in employee benefits, risk management and commercial insurance. James C. Hays and partners founded Hays in 1994 on a customer-centric principle that blends creative ideas and quality customer service. To this day, that entrepreneurial spirit remains fundamental to the Hays culture, guiding and empowering independent thinkers. What was once a small operation has now matured into a national company of more than 800 people.

In November 2018, Hays became a part of Brown & Brown, Inc., the 6th largest U.S. insurance broker with over 240 offices nationally. In Hays Companies, Brown and Brown saw similar company synergies that put clients first through exceptional service and consulting capabilities. While now part of the larger Brown and Brown umbrella, Hays still works independently to provide the same quality experience our customers have come to expect. The only difference is the additional resources available to our clients. We will always stand by the entrepreneurial spirit that allows our service teams to make custom decisions based on the need of individual clients. Our growth continues to be organic—one client at a time.

Brown & Brown, Inc. is a leading insurance brokerage firm, providing risk management solutions to individuals and businesses. With Brown & Brown’s almost 80 years of proven success and thousands of teammates, we offer knowledge you can trust and strive to deliver superior customer service.

Hays Companies, Inc. is a wholly-owned subsidiary of Brown & Brown, Inc. Brown & Brown is publicly traded on the NYSE under the ticker symbol BRO.

Brown & Brown, Inc. markets and sells insurance products and services in the United States, England, Canada, Bermuda, and the Cayman Islands. It operates through four segments: Retail, National Programs, Wholesale Brokerage, and Services. The Retail segment offers commercial packages, group medical, workers’ compensation, property risk, and general liability insurance products; and group and individual life, accident, disability, health, hospitalization, medical, dental, and other ancillary insurance products, as well as risk management, loss control survey and analysis, consultancy, and claims processing

services. It serves commercial, public and quasi-public entities, professional, and individual customers. The National Programs segment offers professional liability and related package insurance products for dentists, oral surgeons, hygienists, lawyers, optometrists, opticians, ophthalmologists, insurance agents, financial advisors, registered representatives, securities broker-dealers, benefit administrators, real estate title agents, and escrow agents, as well as supplementary insurance products related to weddings, events, medical facilities, and cyber liabilities. This segment also offers outsourced product development, marketing, underwriting, actuarial, compliance, and claims and other administrative services to insurance carrier partners; and commercial and public entity-related programs, and flood insurance products. It serves through independent agents. The Wholesale Brokerage segment markets and sells excess and surplus commercial and personal lines insurance through independent agents and brokers. The Services segment offers third-party claims administration and medical utilization management services in the workers' compensation and all-lines liability arenas, Medicare Set-aside, Social Security disability, Medicare benefits advocacy, and claims adjusting services. Brown & Brown, Inc. was founded in 1939 and is headquartered in Daytona Beach, Florida.

Please visit <https://investor.bbinsurance.com/> for additional financial information, Annual Reports, pending litigation, etc.

Hays Companies has significant experience working with public entities in the State of Arizona and Nationally. Our service and financial approach has proved successful in managing these accounts while having retained 100% of the public sector business with which we have engaged in Arizona. In addition to our response and background detailed in this RFP, we focus on four primary areas of risk and bringing the most advanced analytics and the highest level of talent in the marketplace. The four areas are:

Rate Risk: Risk Pool Management

- Recalibrates premium/rates so each benefit tier is a proper reflection of the clients' demographic risk
- Optimizes the use of a multiple tier structure offering, demonstrating whether a three tier or four tier solution is optimal for the client
- When multiple plans are offered, establishes proper rate spread between the plans
- Puts client in charge of the most important factor, the risk pool itself
- Allows employers to manage member burden properly by establishing acceptable spread between contribution and plan design costs

Claims Risk: Health Plan Intelligence

- What are primary factors driving your healthcare costs?

- Chronic disease: Since 50%-80% of healthcare spend is from members with a chronic disease, we identify, isolate and then focus on these dollars
- Create health improvement strategies around the actual cost drivers of claims
- We determine the performance level of your network
- We show you how efficiently your plan is operating compared to peer groups you establish

Renewal Risk

- Benefit Modeler tool allows us to demonstrate the “real” value of plan changes
- Benefit Modeler also allows users to demonstrate the proper spread between multiple plan offerings
- For self-funded employers our High Claims Analysis Tool allows us to show you at what reinsurance level you attain the maximum cost savings for the minimum amount of risk
- Our renewal forecaster tool allows us to project your renewal with greater accuracy, not relying on a “reverse” negotiation whereby the carrier supplies the renewal without rebuttal. We force the carrier to answer the questions surrounding their renewal action.

Compliance Risk

- Complete compliance review
 - Access to legal professionals for HR related issues
 - Administrative tools and services
- **Location of the offices performing the services**

Although we operate Nationally, 95% of the work performed for the City of Peoria will and has been performed by our local office:

Hays Companies, Inc.
3200 E. Camelback Road, Suite 129
Phoenix, AZ 85018

As part of our ongoing consulting engagement with the City of Peoria, we have and will continue leveraging National, subject-matter experts on the City’s behalf. Although this is further detailed in the “Number of staff, assignments and qualifications” section, we have leveraged the following additional resources on the City’s behalf: Government Compliance (Minneapolis,

MN), Pharmacy Benefit Group (Milwaukee, WI), Marketing & Communications (Minneapolis, MN), Analytics (Minneapolis, MN) and Health Strategies (National/Dallas, TX). It should be noted that these services are in conjunction with our local consulting team, not in lieu of our local consulting team. We will continue to assess City of Peoria needs and leverage National resources to address any specific challenges. Our structure and services model allows for this ongoing collaboration amongst offices to bring a consolidated, full-service solution to the City of Peoria.

- **Provide firm applicable certifications and licenses**

Hays Companies is a licensed Life & Health Broker in all 50 states including Arizona.

- **Number of staff, assignments and qualifications**

The City of Peoria's core consulting team will continue to be led by Charlie Broucek. Charlie is the "Executive In-Charge" and is primarily responsible for executive direction and strategic planning. He will primarily be involved in plan design analysis, risk pool management strategies, and financial performance. Paula Cambell will remain the main point of contact for day-to-day activities related to the Scope of Services. These activities include vendor management, compliance, communications, claims resolution services, contract review & marketing, plan benchmarking, etc. She will be responsible for coordinating both the core consulting team as well as specialty resources. Jamison Davis is the primary underwriter responsible for projecting claims, setting rates, analyzing stop-loss level, risk pool management strategies, contribution analysis, and plan reporting/analytics. He is supported by Patrick Clelland. Lastly, Megan Flanagan is responsible for the development and implementation of communication strategies including employee benefit brochures, digital flipbooks, mobile applications, and other open enrollment materials.

In addition to the core consulting team referenced above, we have included national subject matter experts providing support to the City of Peoria. Heather Kopnick is our Hays Health Strategist and is in our Dallas, TX office. She is responsible for strategic direction, design, implementation and monitoring of wellness/Population Health Management. Heather is supported by a team of Health Strategists led by our Medical Director, Dr. Louise Short. Ben Graves is our Director of Compliance and is in our Minneapolis, MN office. Ben is responsible for disseminating compliance information to our core consulting team and regularly is available for both in-person meetings and conference calls. Lastly, Frank Bacon leads our Pharmacy Benefit Practice and is in our Milwaukee, WI office. Frank is responsible for contract review and negotiation on behalf of our core consulting team. Although the above, National resources work with multiple offices, they regularly support the Arizona market and thus integrated with many of our clients. At the direction of the core consulting team, they are mobilized consistently to assist with client specific needs.

Role	Name	Job Title	Location	CITY OF PEORIA Team Responsibilities	# Yrs Company/ # Yrs Industry	# Yrs in similar role
Executive In-Charge	Charlie Broucek	SVP	Phoenix, AZ	Executive Oversight and Strategy	17/19	17
Senior Consultant	Paula Campbell	VP	Phoenix, AZ	Day-to-Day Lead	15/30	20
Lead Financial Resource	Jamison Davis	VP & Technical Consultant	Phoenix, AZ	Underwriting Projections, Rate Setting, Contributions	11/16	11
Financial Resource	Patrick Clelland	Analyst	Phoenix, AZ	Reporting, UW Support	3.5/5	3.5
Communications Lead	Megan Flanagan	Sr. Analyst	Phoenix, AZ	Communications	1/5	1
Other Specialty Resources:						
Pharmacy	Frank Bacon	National Director - Pharmacy	Milwaukee, WI	Pharmacy/PBM Analysis and Pricing	3/13	3
Wellness	Heather Kopnick	Health Strategies Consultant	Dallas, TX	Health and Wellness Strategy	1/20	20
Legal/Compliance	Ben Graves	Director, Research & Compliance	Minneapolis, MN	Compliance Support Services	10/30	30
Data Analytics	Mike Davis	EVP & PlanIT	Minneapolis, MN	Data Warehouse	25/27	15

- **Include individual staff credentials/licenses/certifications**

CHARLIE BROUCEK – SENIOR VICE PRESIDENT, EMPLOYEE BENEFITS

Charlie is a Sr. Vice President and Partner for the Hays Companies. In this role, he provides strategic consultation and benefit plan structure and design for partially self-funded and fully-insured clients.

Charlie brings over 23 years of experience in consulting and business development including employee benefits and insurance, recruiting and staffing, and employee relations. Charlie has worked with a diverse group of industries including: Non-Profit, Retirement Communities, Educational Institutions, Telecommunications, Technology, Banking, Government, and Construction.

Charlie holds a BS in Business Management from the W.P. Carey School of Business at Arizona State University. Additionally, he is a licensed Life/Health Producer in Arizona, Utah, New Mexico, Texas, California, Oklahoma, Virginia, Washington, Oregon.

Charlie is a Past President of the W.P Carey Alumni Chapter at ASU, Former Board Member – ASU Alumni Association, Current member of the ASU President’s Club, Past Director – Valley of the Sun Human Resources Association, Lifetime Board Director – Esperanca, Inc. (Phoenix Based Non-Profit), Alumni of the National Advisory Council Member, UHC and involved in youth athletics.

PAULA CAMPBELL – VP, CONSULTANT / ACCOUNT MANAGER, EMPLOYEE BENEFITS

Paula has over 25 years of experience in the health care industry. She began her career working for a Third-Party Administrator (TPA) and held various positions including Account Manager and Customer Service, as well as leading projects management teams within the Network Development and Quality Assurance Departments.

As the Manager of Account Services for Benesight (now owned by UHC), she was responsible for managing a team of Account Executives as well as managing both middle market and national accounts.

Paula’s primary focus at Hays is client service, plan marketing, analysis and maintenance of employee benefit programs, and managing carrier relationships. Paula is a licensed Life/Health Producer in Arizona.

JAMISON DAVIS – VP, TECHNICAL CONSULTANT / UNDERWRITER, EMPLOYEE BENEFITS

Jamison has been Vice President at Hays Companies of Arizona since August of 2007. In his role as a Consultant, he provides strategic consulting, budget forecasting, monthly reporting, benchmarking analysis and plan analytics. As the local underwriting resources, he stays very involved with all self-funded clients from renewals to monitoring of plan financials and budgets.

Jamison is a licensed Life/Health Producer in Arizona and brings over 15 years of experience in employee benefits and insurance. He holds a BS in Marketing from Northern Arizona University.

Jamison has a passion for helping others and serves the public as a fundraising Life Member for the EC 70 and a former board member for Fresh Start Women’s Foundation. In his first five years, he raised over \$100,000 in charitable contributions.

MEGAN FLANAGAN – SR. BENEFITS ANALYST

Megan joined Hays with five years of employee benefits experience. Her career in the industry began with a human resource consulting PEO firm where she specialized in HR and Benefits. After moving on from the PEO firm she went to work for a benefits broker who created a specialized database for their clients and other vendor brokerages. Megan assumed the position of Senior Account Executive/Data Specialist where she maintained the database and used her knowledge of technology, benefits and communication to work with employees, clients, and carriers to maintain all accounts.

Megan is a licensed Life/Health Producer in Arizona. She specializes in employee communication. Her current role at Hays Companies will be to support the Consultant team, our clients and their employees. She holds BA's in Psychology and Sociology from the University of Arizona.

PATRICK CLELLAND – BENEFIT ANALYST, EMPLOYEE BENEFITS

Patrick joined Hays in August of 2015. He has employee benefit experience both in the group and individual marketplaces. Prior to joining Hays, he worked at a private insurance carrier as a producer specializing in Medicare Supplement insurance, as well as life, dental, and annuities.

Patrick is a licensed Life/Health Producer in the state of Arizona. He specializes in client reporting and client management. His current role at Hays Companies will be to support the Consulting team, our clients, and their employees. He holds a BA in American History from Arizona State University.

BEN GRAVES – DIRECTOR, GOVERNMENT COMPLIANCE

Ben C. Graves is the Director of Research & Compliance in the Employee Benefits division of Hays Benefits Group, LLC. He has been with Hays since 2008. Ben has been the Director of Compliance for Administration Resources Corporation, a Cafeteria Plan and COBRA administration services company. In his current role, Ben is responsible for technical and compliance advice for Cafeteria Plan and COBRA administration services, plan document management, and seminar presentations and web casts on COBRA, FMLA, HIPAA Privacy and HIPAA Portability, Cafeteria Plans, Consumer Driven Health Care, Integration of FMLA, ADA, and Workers' Compensation.

Previously, Ben was the Director of Compliance for A.E. Roberts Company, a nationally recognized training and consulting company for human resources, benefits, and insurance professionals.

Ben holds a BS in Sociology from Central Michigan University, a Masters of Industrial Safety from the University of Minnesota, Duluth, and a JD from William Mitchell College of Law obtained in 1993. He is licensed to practice law in the State of Minnesota.

MIKE DAVIS – EXEC. VICE PRESIDENT; PLANIT, INC.

Mike Davis is an Executive Vice President and Partner for Hays Companies since 1994. In his role, he provides coordination of all aspects of program design and analysis for Hays Companies customers. He assists clients with strategic planning, policy and procedure development and execution. Mike also works closely with our data analytics company, PlanIT. In this role, Mike is responsible for strategic direction and system output.

Mike was a consultant with John Hancock Insurance Companies where he developed expertise in benefit, retirement and executive compensation plans. Mike has extensive experience in employee benefits and retirement plans including: 401(k) vendor selection, retirement plan communication, transition or retirement plans from one vendor to another, medical plan vendor selection, benefit plan budgeting and development of proprietary service products.

Mike is licensed with Series 6 and 63 and is also an advisor with Hays Investment Advisors. He is licensed for life and health and holds memberships with International Society of Certified Employee Benefit Specialists (CEBS) and Advantage Insurance Network.

Mike received his Bachelor of Science degree from the University of North Dakota. Following graduation, Mr. Davis spent three years in the Aviation field before entering the employee benefits industry in 1993.

HEATHER KOPNICKY – CONSULTANT, HAYS HEALTH STRATEGIES

Heather has been in the wellness industry for the past 20 years, with majority of the time in corporate health. Heather earned her Bachelor of Science degree in Health from Texas A&M University and a Master of Business degree from Texas Woman's University. Heather holds a community health education specialist certification, as well as a Well coaches certification from the American College of Sports Medicine.

Heather's experience ranges from account management, onsite biometric screenings, telephonic coaching to product development, deploying long-term strategic strategies, predictive modeling, utilization review and disease management.

In this role, Heather works with employers to develop and implement a strategic wellness plan to help mitigate high claims. She monitors data throughout the year to measure the effectiveness of the wellness initiatives and provides the client summaries highlighting the program achievements. She also serves as a liaison between the client's and their health insurer and vendors to optimize the client's worksite wellness program.

FRANK BACON – NATIONAL PHARMACY CONSULTANT

Frank serves as Hays Companies' Pharmacy Consultant. He provides advisory services to Hays clients and consultants, supporting efforts to manage effective delivery of prescription benefits to employees while maximizing cost efficiencies. Frank joined Hays Companies in 2016.

Frank's responsibilities include advising clients in pharmacy benefit design and PBM contracting. This entails creating customized PBM contracts based on client-specific utilization, conducting audits of pharmacy claims experience to ensure contracted rate adherence, as well as establishing and maintaining collaborative purchasing arrangements to minimize cost for Hays clients.

Frank brings over 10 years of pharmacy experience to Hays, most recently working as a PBM Network Pricing Consultant for one of the nation's largest Pharmacy Benefit Managers. His experiences working in the PBM industry allow him to provide Hays' clients unique insight as to how to manage and mitigate cost in the face of a complicated and costly pharmacy benefit delivery system.

- **Provide a minimum of three (3) references (prefer references from governmental/municipal clients) who can attest to firm’s knowledge, quality of work, timeliness, diligence, and flexibility.**

In addition to having supported the City of Peoria since 2010, we have several other governmental/municipal clients that we manage for the Arizona office. These clients include: City of Scottsdale, City of Tempe, City of Glendale, City of Clovis (New Mexico), City of Cedar Park (Texas), Town of Sahuarita, Valley Schools Employee Benefit Trust (Financial & Compliance), and Valley Metro. We were recently awarded 2 additional governmental/municipal clients through competitive bid processes, but we are not at liberty to discuss publicly at this point. These 2 additional clients have approximately 3,500 employees and 7,000 total members.

	Reference #1	Reference #2	Reference #3
Consultant Since	2014	2011	2017
Company Name	City of Tempe	City of Scottsdale	City of Glendale
Contact / Title	Kathleen Broman; Human Resource Manager	Lauran Beebe; Human Resources Manager	Jim Brown; Director, HR & Risk Management
Address	20 E. Sixth Street Tempe, AZ 85281	9191 E. San Salvador Scottsdale, AZ 85258	5850 W. Glendale Ave. Glendale, AZ 85301
Phone #	480.350.8204	480.312.2746	623.930.2277
Brief Description of Services Offered	EB Consulting Services; Self-Funded Medical & Dental	EB Consulting Services; Self-Funded Medical & Dental	EB Consulting Services; Self-Funded Medical

C. Cost Considerations

- **Provide annual fee for services identified in the Scope of Work for each year of the contract term (5 fiscal years – July to June).**

The proposed fees include all costs (i.e. miscellaneous administrative, travel, etc.) and the services identified in the Scope of Services.

Total Cost Not to Exceed:

July 2020 – June 2021 (Annual Fee)	\$59,000
July 2021 – June 2022 (Annual Fee)	\$60,000
July 2022 – June 2023 (Annual Fee)	\$61,000
July 2023 – June 2024 (Annual Fee)	\$62,000
July 2024 – June 2025 (Annual Fee)	\$63,000

- **Provide separate fees for any additional services that may be required outside the annual fee (i.e., Actuarial Analysis, TPA Audit).**

Actuarial Analysis	\$7,500 - \$15,000
Conduct TPA Audit	\$10,000 - \$15,000

D. Conformance to RFP

- **Failure to provide all requested information may result in firm’s proposal being rejected as non-responsive.**
- **Complete and return all City forms.**
- **Exceptions – Any exceptions to any part of the RFP must be clearly noted and identified.**

The above “Conformance to RFP” requirements have been reviewed and confirmed.

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ARIZONA INSURANCE LICENSE

as of
April 18, 2017

HAYS GROUP INC (THE)

Current Status: **ACTIVE**
 AZ License #: 43755
 Residency: Non-Resident
 Business Address: 80 S 8TH ST #700
 City, State, ZIP: MINNEAPOLIS, MN 55402
 Business Phone: (612) 333-3323

Authority	First Issued	Renewal Effective	Expires
CASUALTY PRODUCER	Aug 3, 2006	Oct 1, 2016	Sep 30, 2020
ACCIDENT/HEALTH PRODUCER	Aug 3, 2006	Oct 1, 2016	Sep 30, 2020
LIFE PRODUCER	Aug 3, 2006	Oct 1, 2016	Sep 30, 2020
PERSONAL LINES (P&C)	Aug 3, 2006	Oct 1, 2016	Sep 30, 2020
PROPERTY PRODUCER	Aug 3, 2006	Oct 1, 2016	Sep 30, 2020
VAR. LIFE/VAR. ANNUITIES	Aug 3, 2006	Oct 1, 2016	Sep 30, 2020

Variable life and annuity products are both an insurance product and a securities investment product, therefore agents selling them must be licensed by both the Arizona Department of Insurance and the Arizona Corporation Commission's Securities Division. To verify that an agent is properly registered to sell Securities, call the Arizona Securities Division at (602) 542-4242 or (800) 837-4399, or visit the Arizona Securities Division web site at <http://www.azcc.gov/divisions/securities/>, and/or access the FINRA BrokerCheck at <http://www.finra.org/Investors/index.htm>.

Officer

BROUCEK, CHARLES
 HAYS, JAMES C
 LERUM, STEPHEN T
 MERSHON, WILLIAM L
 SCHAEFER, CROLYN L

Title

VP/CMPL REP
 PRESIDENT/CEO
 VICE PRES/CFO
 EXEC V PRES
 VP

Designated Responsible Licensed Producer(s)

SCHAEFER, CAROLYN L
 MERSHON, WILLIAM LEE
 BROUCEK, CHARLES WILLIAM (III)
 HAYS, JAMES CHARLES

License # Status

69334 ACTIVE
 106051 ACTIVE
 151082 ACTIVE
 783313 ACTIVE

APPOINTMENT DATA IS NOT COLLECTED, TRACKED OR MAINTAINED IN ARIZONA.

Arizona Department of Insurance
2910 N 44th Street, Suite 210, Phoenix, AZ 85018-7269
www.azinsurance.gov | (602) 364-4457

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ARIZONA INSURANCE LICENSE

as of
April 18, 2017

BROUCEK, CHARLES WILLIAM (III)

Current Status: **ACTIVE**
AZ License #: 151082
Residency: Resident
Business Address: 2710 E CAMELBACK RD STE 210
City, State, ZIP: PHOENIX, AZ 850164318
Business Phone: (602) 977-3806

Authority	First Issued	Renewal Effective	Expires
ACCIDENT/HEALTH PRODUCER	Apr 22, 2003	Oct 1, 2016	Sep 30, 2020
LIFE PRODUCER	Apr 22, 2003	Oct 1, 2016	Sep 30, 2020

APPOINTMENT DATA IS NOT COLLECTED, TRACKED OR MAINTAINED IN ARIZONA.

Arizona Department of Insurance
2910 N 44th Street, Suite 210, Phoenix, AZ 85018-7269
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Phoenix, AZ



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City of ABC

2019-2020 Plan Year - Renewal Projection

V1.3

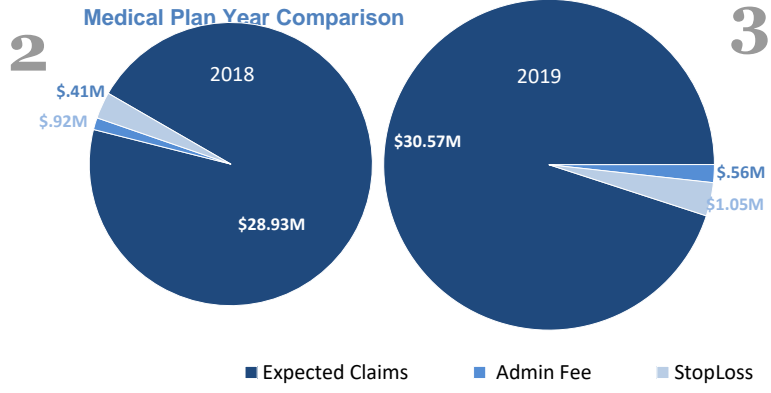
February 1, 2019

City of ABC Dashboard

2019-2020 Plan Year - Renewal Projection
February 1, 2019

1 The City of ABC Medical Plan Projection is increasing by 6.8%

	Current				Renewal				% Change			
	EE	EE+SP	EE+CH	Fam	EE	EE+SP	EE+CH	Fam				
Estimated Medical Cost	\$28,925,017				\$30,573,504				5.7%			
Estimated Fixed Cost	\$1,098,971				\$1,500,792				36.6%			
Estimated EE Contribution	\$6,989,460				\$7,466,910				6.8%			
CIGNA OAP In-Network												
Total Budget Rate	\$623	\$1,349	\$1,131	\$1,937	\$666	\$1,441	\$1,208	\$2,069	6.8%			
EE Contributions	\$137	\$337	\$283	\$484	\$146	\$360	\$302	\$517	6.9%	6.8%	6.8%	6.8%
Assumed Enrollment	453	236	241	530	453	236	241	530				
CIGNA Local Plus												
Total Budget Rate	\$564	\$1,221	\$1,023	\$1,753	\$603	\$1,304	\$1,093	\$1,873	6.8%			
EE Contributions	\$124	\$305	\$256	\$438	\$133	\$326	\$274	\$468	6.9%	6.8%	6.8%	6.8%
Assumed Enrollment	57	9	14	27	57	9	14	27				
CIGNA OAP												
Total Budget Rate	\$545	\$1,180	\$990	\$1,695	\$582	\$1,261	\$1,058	\$1,811	6.8%			
EE Contributions	\$87	\$248	\$208	\$356	\$93	\$265	\$222	\$380	6.8%	6.9%	6.9%	6.8%
Assumed Enrollment	146	33	46	78	146	33	46	78				
Cigna OAP + HSA												
Total Budget Rate	\$521	\$1,129	\$946	\$1,620	\$557	\$1,206	\$1,011	\$1,731	6.8%			
EE Contributions	\$56	\$202	\$158	\$326	\$60	\$216	\$169	\$348	6.9%	6.8%	6.9%	6.9%
Assumed Enrollment	121	22	41	46	121	22	41	46				



3 Plan Year 2019 Discussion

- >CIGNA Admin: Wellness FTE (Onsite), OneGuide, Comprehensive Oncology, Preferred HCMC
- >Reduce number of plan options
- >Change City Contribution to 80% employee and 75% Employee + Family on all plans

4 Prior Year Renewal Info

- > Prior year renewal increase was 8.2%
- > Plan performance thru PYTD is 96%
- >Deductible change to the HDHP because of IRS increase to the minimum deductible

5 Compliance Considerations

- ### 2022 Excise Tax*
- Affordability**
>If the lowest paid employee earns \$11.00 an hour, based on a 9.86% safe harbor for 2019, the lowest single tier contribution should not exceed \$140.99 per month.

- HDHP and ACA Update**
- >2019 No Change to the IRS Minimum Deductible \$1,350 in / \$2,700 Fam
 - >2019 Change to Out of Pocket Max From \$6,650 to \$6,750
 - >2019 ACA Out of Pocket Max \$7,900 Ind / \$15,800 Fam
 - >HSA Contribution Limit : \$3,500 Ind / \$7,000 Fam

6 Trends

- > Medical Trend: 7.3%
- > Rx Trend: 9.7%

City of ABC

Expected Members

High-Case Normalization – \$100,000 to \$325,000

February 1, 2019

High Case Analysis Tool			
Network / Demographic Factor	0.85		
Pooling Threshold	\$100,000		
Specific Deductible	\$325,000		
Analysis Period	7/1/2016 to 6/30/2017	7/1/2017 to 6/30/2018	7/1/2018 to 10/31/2018
Membership	5,420	5,353	5,285
Actual Claims above \$100,000	\$1,145,688	\$3,042,568	\$311,586
Actual Claims above \$325,000	\$115,075	\$199,276	\$0
Expected Liability between \$100,000 and \$325,000	\$1,507,109	\$1,604,729	\$569,272
Net Underwriting Adjustment	\$361,421	(\$1,437,838)	\$257,686

Specific Deductible	Expected Members in Excess of Deductible	Actual Members in Excess of Deductible	Expected Members in Excess of Deductible	Actual Members in Excess of Deductible	Expected Members in Excess of Deductible	Actual Members in Excess of Deductible
\$100,000	19.7	24	20.9	39	7.4	8
\$125,000	14.0	13	14.9	28	5.3	3
\$150,000	10.2	7	10.8	20	3.8	3
\$175,000	7.7	4	8.2	13	2.9	1
\$200,000	6.0	1	6.4	10	2.3	1
\$225,000	4.6	1	4.9	7	1.7	1
\$250,000	3.8	1	4.0	5	1.4	0
\$275,000	3.3	1	3.5	5	1.3	0
\$300,000	2.8	1	2.9	4	1.0	0
\$350,000	1.9	1	2.0	3	0.7	0
\$400,000	1.4	1	1.5	1	0.5	0
\$450,000	1.1	0	1.2	0	0.4	0
\$500,000	0.9	0	1.0	0	0.3	0
\$600,000	0.7	0	0.8	0	0.3	0
\$750,000	0.4	0	0.5	0	0.2	0
\$1,000,000	0.3	0	0.3	0	0.1	0
\$1,500,000	0.1	0	0.1	0	0.0	0

* Partial Year

		Medical				Pharmacy				
		7/1/2016 to 6/30/2017	7/1/2017 to 6/30/2018	7/1/2018 to 10/31/2018	Rolling 12	7/1/2016 to 6/30/2017	7/1/2017 to 6/30/2018	7/1/2018 to 10/31/2018	Rolling 12	
Medical Claims	1	\$18,914,606	\$22,793,756	\$7,257,216	\$20,148,626	\$6,212,697	\$6,470,947	\$2,243,807	\$6,434,771	Rx Claims
Actual Claims above \$325,000	2				(\$216,044)					
Actual Claims above \$100,000	3	(\$1,145,688)	(\$3,042,568)	(\$311,586)	\$0					
Expected Liability between \$100,000 and \$325,000	4	\$1,507,109	\$1,604,729	\$569,272	\$0					
Medical Claims Less Excess	5	\$19,276,027	\$21,355,918	\$7,514,902	\$19,932,583					
Laser Adjustment ⁽²⁾	6	1.000	1.000	1.000	1.000					
Benefit Adjustment ⁽³⁾	7	0.994	0.994	1.000	0.996	1.000	1.000	1.000	1.000	Benefit Adjustment ⁽³⁾
Network Discount Adjustment	8	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	Network Discount Adjustment
Migration	9	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	Migration
Benefit Adjusted Medical Claims	10	\$19,160,371	\$21,227,782	\$7,514,902	\$19,852,852	\$6,212,697	\$6,470,947	\$2,243,807	\$6,434,771	Benefit Adjusted Rx Claims
Member-Months	11	65,038	64,240	21,140	64,438	65,038	64,240	21,140	64,438	Member-Months
PMPM	12	\$294.60	\$330.44	\$355.48	\$308.09	\$95.52	\$100.73	\$106.14	\$99.86	PMPM
7.3% Annual Trend	13	1.2354	1.1513	1.0985	1.1246	1.3201	1.2034	1.1314	1.1668	9.7% Annual Trend
Capitation	14	\$0.00	\$0.00	\$0.00	\$0.00	-\$16.91	-\$16.91	-\$16.91	-\$16.91	RX Rebate Credit
Projected Medical PMPM	15	\$363.95	\$380.45	\$390.50	\$346.48	\$109.20	\$104.31	\$103.18	\$99.61	Projected Rx PMPM
Period Weight	17	35%	40%	25%		35%	40%	25%		Period Weight
Adjusted Membership	18	22,763	25,696	5,285		22,763	25,696	5,285		Adjusted Membership
Member-Adjusted Period Weight	19	42.4%	47.8%	9.8%		42.4%	47.8%	9.8%		Member-Adjusted Period Weight
Medical PMPM Claims Projection	20	\$374.45			\$346.48	\$106.27			\$99.61	Rx PMPM Claims Projection
% of Total PMPM Claims Projection	21	78%			78%	22%			22%	% of Total PMPM Claims Projector

Normalization - Method 1

Total PMPM Claims Projection	22	\$480.72
Total PEPM Claims Projection	23	\$1,213.23
% Change from Current	24	6.83%

Blending Three Time Periods: Method 2

	25	26	27
Stop Loss Credits	(\$115,075)	(\$199,276)	\$0
Medical Claims Less Excess	\$18,799,531	\$22,594,480	\$7,257,216
Projected Medical PMPM	\$354.95	\$402.52	\$377.11
Total PMPM Claims Projection	\$486.14		
Total PEPM Claims Projection	\$1,226.92		
% Change from Current	7.98%		

Rolling 12 - Method 3

Total PMPM Claims Projection	31	\$446.09
Total PEPM Claims Projection	32	\$1,125.85
% Change from Current	33	-0.51%

Preferred Method:

Normalization - Method 1

	34	35	36	37	38	39	40	42	43	44	45	46
Current Membership	5,300											
Current Enrollment		2,100										
Preferred Methods PEPM			\$1,213.23									
Admin (Cigna, EAP, MotivateME, Stoploss Interface)				\$22.40								
ISL @325,000 Est @ 20% increase					\$31.48							
Wellness and Consulting Fee						\$10.22						
Est. Disabled Retiree Subsidy							(\$4.54)					
Total Fixed and Claims PEPM								\$1,272.79				
Projected Monthly Fixed and Claims Cost									\$2,672,858			
Projected Annual Fixed and Claims Cost										\$32,074,296		
Current Annual Fixed and Claims Budget											\$30,023,988	
% Change from Current											6.83%	

⁽²⁾ Laser adjustments accounts for expected liability for the projection year.

⁽³⁾ Benefit adjustments accounts for plan design changes from each time period

⁽⁴⁾ The normalization adjustment can be used to diminish the volatility associated with high-case activity.

Current Plan Year 2018-2019									
		CIGNA OAP In-Network		CIGNA Local Plus		CIGNA OAP		Cigna OAP + HSA	
		In	Out	In	Out	In	Out	In	Out
		Plan Design	Deductible	NA	NA	NA	NA	\$750 / \$1,500	\$2,000 / \$4,000
	Maximum out-of-pocket	\$2,500 / \$5,000	NA	\$2,500 / \$5,000	NA	\$4,500 / \$9,000	\$4,500 / \$9,000	\$4,000 / \$8,000	\$6,000 / \$12,000
	Coinsurance	100%	NA	100%	NA	90%	70%	90%	70%
	PCP visit copay	\$10 or \$25	NA	\$10 or \$25	NA	\$10 or \$25	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Specialist copay	\$40	NA	\$40	NA	\$40	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Urgent care copay	\$50	NA	\$50	NA	\$50	Ded Then 70%	Ded Then 90%	Ded Then 70%
	ER copay		\$150		\$150		\$150 + Ded Then 90%		Ded Then 90%
	Inpatient Hospital	\$500	NA	\$500	NA	Ded Then 90%	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Outpatient Hospital	\$250	NA	\$250	NA	Ded Then 90%	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Pharmacy	\$10/20%/40%	NA	\$10/20%/40%	NA	\$10/20%/40%	0.5	Ded then \$10/20%/40%	50%
Funding Rates	EE	453	\$623.00	57	\$564.00	146	\$545.00	121	\$521.00
	EE+SP	236	\$1,349.00	9	\$1,221.00	33	\$1,180.00	22	\$1,129.00
	EE+CH	241	\$1,131.00	14	\$1,023.00	46	\$990.00	41	\$946.00
	Fam	530	\$1,937.00	27	\$1,753.00	78	\$1,695.00	46	\$1,620.00
Expected Annual Cost	By Plan	\$22,797,168		\$1,257,480		\$3,555,120		\$2,414,220	
	All Plans	\$30,023,988							

Plan Year 2019 - 2020									
		CIGNA OAP In-Network		CIGNA Local Plus		CIGNA OAP		Cigna OAP + HSA	
		In	Out	In	Out	In	Out	In	Out
		Plan Design	Deductible	NA	NA	NA	NA	\$750 / \$1,500	\$2,000 / \$4,000
	Maximum out-of-pocket	\$2,500 / \$5,000	NA	\$2,500 / \$5,000	NA	\$4,500 / \$9,000	\$4,500 / \$9,000	\$4,000 / \$8,000	\$6,000 / \$12,000
	Coinsurance	100%	NA	100%	NA	90%	70%	90%	70%
	PCP visit copay	\$10 or \$25	NA	\$10 or \$25	NA	\$10 or \$25	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Specialist copay	\$40	NA	\$40	NA	\$40	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Urgent care copay	\$50	NA	\$50	NA	\$50	Ded Then 70%	Ded Then 90%	Ded Then 70%
	ER copay		\$150		\$150		\$150 + Ded Then 90%		Ded Then 90%
	Inpatient Hospital	\$500	NA	\$500	NA	Ded Then 90%	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Outpatient Hospital	\$250	NA	\$250	NA	Ded Then 90%	Ded Then 70%	Ded Then 90%	Ded Then 70%
	Pharmacy	\$10/20%/40%	NA	\$10/20%/40%	NA	\$10/20%/40%	0.5	Ded then \$10/20%/40%	50%
Funding Rates	EE	453	\$665.54	57	\$602.51	146	\$582.22	121	\$556.58
	EE+SP	236	\$1,441.12	9	\$1,304.38	33	\$1,260.58	22	\$1,206.10
	EE+CH	241	\$1,208.23	14	\$1,092.86	46	\$1,057.61	41	\$1,010.60
	Fam	530	\$2,069.28	27	\$1,872.71	78	\$1,810.75	46	\$1,730.63
Expected Annual Cost	By Plan	\$24,353,964		\$1,343,352		\$3,797,896		\$2,579,085	
	% Change from Current	6.83%							
	All Plans	\$32,074,296							
	% Change from Current	6.83%							

Plan Recommendations

Total Cost and Contributions (No Plan Change & Same Contribution Schedule)

February 1, 2019

Smoking Surcharge:	\$20
Employees Charged:	84
Corresponding Percent Enrolled:	4.0%

Blood Pressure Discount:	\$20
Enrolled:	854
Corresponding Percent Enrolled:	31.2%

Estimated Cost \$204,960

2018-19(Current)

2019-20

EE CHANGE

Tier	Enrollment	Monthly Plan Cost	Monthly EE Contributions	Monthly ER Contributions	ER % of Monthly Contribution
CIGNA OAP In-Network					
EE Only	453	\$623.00	\$137.00	\$486.00	78.01%
EE + Spouse	236	\$1,349.00	\$337.00	\$1,012.00	75.02%
EE + Child(ren)	241	\$1,131.00	\$283.00	\$848.00	74.98%
Family	530	\$1,937.00	\$484.00	\$1,453.00	75.01%

Tier	Estimated Enrolled	Monthly Plan Cost	Monthly EE Contributions	Monthly ER Contributions	ER % of Monthly Contribution
CIGNA OAP In-Network					
EE Only	453	\$666.00	\$146.46	\$519.54	78.01%
EE + Spouse	236	\$1,441.00	\$359.98	\$1,081.02	75.02%
EE + Child(ren)	241	\$1,208.00	\$302.27	\$905.73	74.98%
Family	530	\$2,069.00	\$516.98	\$1,552.02	75.01%

Monthly EE Contributions Change Amount	% Change EE Contribution
\$9.46	6.9%
\$22.98	6.8%
\$19.27	6.8%
\$32.98	6.8%

CIGNA Local Plus In-Network

EE Only	57	\$564.00	\$124.00	\$440.00	78.01%
EE + Spouse	9	\$1,221.00	\$305.00	\$916.00	75.02%
EE + Child(ren)	14	\$1,023.00	\$256.00	\$767.00	74.98%
Family	27	\$1,753.00	\$438.00	\$1,315.00	75.01%

EE Only	57	\$603.00	\$132.57	\$470.43	78.01%
EE + Spouse	9	\$1,304.00	\$325.73	\$978.27	75.02%
EE + Child(ren)	14	\$1,093.00	\$273.52	\$819.48	74.98%
Family	27	\$1,873.00	\$467.98	\$1,405.02	75.01%

\$8.57	6.9%
\$20.73	6.8%
\$17.52	6.8%
\$29.98	6.8%

CIGNA OAP

EE Only	146	\$545.00	\$87.00	\$458.00	84.04%
EE + Spouse	33	\$1,180.00	\$248.00	\$932.00	78.98%
EE + Child(ren)	46	\$990.00	\$208.00	\$782.00	78.99%
Family	78	\$1,695.00	\$356.00	\$1,339.00	79.00%

EE Only	146	\$582.00	\$92.91	\$489.09	84.04%
EE + Spouse	33	\$1,261.00	\$265.02	\$995.98	78.98%
EE + Child(ren)	46	\$1,058.00	\$222.29	\$835.71	78.99%
Family	78	\$1,811.00	\$380.36	\$1,430.64	79.00%

\$5.91	6.8%
\$17.02	6.9%
\$14.29	6.9%
\$24.36	6.8%

Cigna OAP + HSA

EE Only	121	\$521.00	\$56.00	\$465.00	89.25%
EE + Spouse	22	\$1,129.00	\$202.00	\$927.00	82.11%
EE + Child(ren)	41	\$946.00	\$158.00	\$788.00	83.30%
Family	46	\$1,620.00	\$326.00	\$1,294.00	79.88%
HSA EE Contribution	121	\$41.67	\$0.00	\$41.67	100.00%
HSA Fam Contribution	109	\$83.33	\$0.00	\$83.33	100.00%

EE Only	121	\$557.00	\$59.87	\$497.13	89.25%
EE + Spouse	22	\$1,206.00	\$215.78	\$990.22	82.11%
EE + Child(ren)	41	\$1,011.00	\$168.86	\$842.14	83.30%
Family	46	\$1,731.00	\$348.34	\$1,382.66	79.88%
HSA EE Contribution	121	\$41.67	\$0.00	\$41.67	100.00%
HSA Fam Contribution	109	\$83.33	\$0.00	\$83.33	100.00%

\$3.87	6.9%
\$13.78	6.8%
\$10.86	6.9%
\$22.34	6.9%

Monthly Total		\$2,516,124	\$582,455	\$1,933,669	
Annual Total	2,100	\$30,193,488	\$6,989,460	\$23,204,028	76.9%
Smoking Surcharge			\$20,160	-\$20,160	
Blood Pressure Discount			-\$204,960	\$204,960	
Funding Total		\$30,193,488	\$6,804,660	\$23,388,828	77.5%

		\$2,687,094	\$622,242	\$2,064,852	
	2,100	\$32,245,128	\$7,466,910	\$24,778,218	76.8%
			\$20,160	-\$20,160	
			-\$204,960	\$204,960	
		\$32,245,128	\$7,282,110	\$24,963,018	77.4%

Difference (\$)	\$2,051,640	\$477,450	\$1,574,190
Difference (%)	6.8%	7.0%	6.7%
HSA Difference	\$0.00		



CONTRACT AMENDMENT

Solicitation No: P20-0024 Page 1 of 1
 Description: Employee Benefits Consulting Services
 Amendment No: One (1) Date: May 13, 2021

Materials Management
 Procurement
 9875 N. 85th Ave., 2nd Fl.
 Peoria, AZ 85345
 Telephone: (623) 773-7115
 Fax: (623) 773-7118

Buyer: Lisa Houg

In accordance with the Contract Special Terms and Conditions, Contract Extension, the above referenced contract shall expire on June 30, 2021 and is hereby extended.

The New Contract Term is: **July 1, 2021 - June 30, 2022.** The Annual Fee for FY22 is \$60,000.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

Signature

5.13.2021

Date

Charles W. Broucek III, Senior Vice President

Typed Name and Title

Hays Companies, Inc.

Company Name

3200 E. Camelback Road, Suite 129

Address

Phoenix

City

AZ

State

85018

Zip

Attested by:

Rhonda Geriminsky, City Clerk

CC Number



ACON14620A

Contract Number

Director: Christine Nickel, Human Resources Director

Department Rep: CamaLe Russell, Human Resources Manager

Approved as to Form:

Vanessa P. Hickman, City Attorney

The above referenced Contract Amendment is hereby Executed:

May 19, 2021, at Peoria, Arizona

Christine Finney, Materials Manager

II. SCOPE OF SERVICES

Our understanding is that the City of Peoria is seeking a benefits partner that can provide professional, highly qualified benefits guidance and services. This includes the following services (Scope of Services):

A. Self-Funded Health Plan (Medical and Dental)

1. Statistical analysis:

- Provide monthly and quarterly reporting which includes an analysis of income and expense for the prior quarter.
- Provide quarterly presentations to the Employee Benefit Trust Board including analysis of income and expense for the quarter and year to date (YTD).
- Provide annual report which includes an analysis of income and expense for the prior year and a projection for the forthcoming year including projected adequate reserve levels for plan.
- Make recommendation for establishing annual premium rates.
- Advise on required reserves for medical and other self-funded plans (if applicable).

2. Policy analysis:

- Provide general guidance on trends in benefits offered and eligibility requirements. Recommend plan changes based on these trends.
- Advise and consult on methods for improving cost containment and claims administration.
- For above, where applicable, provide cost analysis of possible impact on plan.
- Provide guidance and analysis of self-funding other insurance programs such as vision, short-term disability, etc.

B. Administrative/Other Support:

- Assist in developing long-term benefit objectives and goals.
- Assist in the modification and pricing of any current, or newly considered, benefit programs.
- Review plan documents and summary plan descriptions, including amendments and restatements, for accuracy. Serve as liaison with providers in making any needed changes.
- Review contracts with vendors to insure accuracy and comprehensiveness of coverage. Provide guidance in contract interpretation, as needed.
- Advise and consult on trends in benefit plans that are offered locally and nationally, including information on plans that are not currently offered by the City.
- Assist in problem resolution with providers.
- Assist with development of Request for Proposals (RFP's) for various vendors in compliance with the City's purchasing requirements. This may include developing a scope of services, evaluation criteria and evaluating/summarizing proposal information.

- Assist the City in the development of an integrated employee benefit communication plan and strategy to include, enrollment forms, open enrollment materials, benefit guide, and other employee communications as needed.
- Provide subject matter expertise in support of an Employee Healthcare Task Force, established to assist in the evaluation and recommendation of benefit programs.
- Provide subject matter expertise and consulting in support of the Employee Benefits Trustees in the performance of their fiduciary responsibilities.

C. Contract Negotiations:

- Annual review, analysis, and negotiation of renewal rates for health plans: medical, dental, vision, short-term disability, life insurance, EAP, flexible spending, travel insurance and third-party administrators. Advise when competitive quotes should be solicited from other carriers.

D. Legal Support:

- Assist in the preparation of governmental filings.
- Prepare alternative funding analysis and conduct actuarial analysis of claims reserves and funds requirements as requested.
- Provide necessary actuarial services including projecting funding needs for upcoming fiscal year.
- Maintain records of the financial and claims experience condition and progress of the plans and provide quarterly financial reports for the self-funded plans.
- Assist with performance guarantees relating to vendor performance of services.
- Provide notification and updates on changing laws, regulations, and administrative or judicial rulings that relate to benefits programs in general, and the City's programs specifically. Make recommendations based on these changes or legal requirements.
- Review plan documents to ensure compliance with appropriate laws and regulations and notify of any necessary plan document amendments.
- Assist the City to be in compliance with all legal and regulatory requirements including but not limited to: ACA, HIPAA, COBRA, FMLA, ADA, and Medicare D.

E. General Guidance:

- Provide answers or guidance to general or technical benefits questions.
- If requested, review communication materials for content, appearance, and compliance with laws and regulations.
- The Consultant will be working on a frequent basis with the Human Resource Manager, Human Resources Supervisor and the benefits team. The Consultant will be expected to assist the City on a regular basis and in a timely manner to provide guidance to technical problems that may arise.
- The Consultant may be expected to attend open enrollment meetings with employees, employee Health Care Taskforce meetings, Council meetings, and /or Trust Board meetings.

C. Cost Considerations

- Provide annual fee for services identified in the Scope of Work for each year of the contract term (5 fiscal years – July to June).

The proposed fees include all costs (i.e. miscellaneous administrative, travel, etc.) and the services identified in the Scope of Services.

Total Cost Not to Exceed:

July 2020 – June 2021 (Annual Fee)	\$59,000
July 2021 – June 2022 (Annual Fee)	\$60,000
July 2022 – June 2023 (Annual Fee)	\$61,000
July 2023 – June 2024 (Annual Fee)	\$62,000
July 2024 – June 2025 (Annual Fee)	\$63,000

- Provide separate fees for any additional services that may be required outside the annual fee (i.e., Actuarial Analysis, TPA Audit).

Actuarial Analysis	\$7,500 - \$15,000
Conduct TPA Audit	\$10,000 - \$15,000

D. Conformance to RFP

- Failure to provide all requested information may result in firm’s proposal being rejected as non-responsive.
- Complete and return all City forms.
- Exceptions – Any exceptions to any part of the RFP must be clearly noted and identified.