

REQUEST FOR PROPOSAL

CITY OF ANN ARBOR MEDICAL, DENTAL OR VISION COVERAGE RFP No. 868



Proposal Due Date: July 12, 2013, at 2 P.M.

Issued by:
City of Ann Arbor, Michigan
Procurement Unit
301 E Huron St
Ann Arbor, MI 48107-8647

TABLE OF CONTENTS

SECTION I.....	4
INSTRUCTIONS TO RESPONDENTS.....	4
A. OBJECTIVE.....	4
B. PRE-PROPOSAL MEETING.....	4
C. QUESTIONS OR CLARIFICATIONS OF RFP REQUIREMENTS	4
D. ADDENDUM.....	5
E. PROPOSAL TERMS AND REQUIREMENTS.....	5
F. PROPOSAL SUBMISSION	6
G. SELECTION CRITERIA.....	7
H. INTERVIEW	7
I. TYPE OF CONTRACT	7
J. COST LIABILITY	8
K. SCHEDULE	8
L. AWARD PROTEST.....	8
M. DEBARMENT	8
N. SUBCONTRACTORS	9
O. HUMAN RIGHTS INFORMATION	9
P. LIVING WAGE REQUIREMENT.....	9
Q. INDEPENDENT FEE DETERMINATION	9
R. RIGHTS IN DATA AND DOCUMENTS – CITY OF ANN ARBOR OWNERSHIP	10
S. RESERVATION OF RIGHTS.....	10
SECTION II	11
CLIENT HISTORY AND OVERVIEW AND REQUESTED PLAN DESIGN.....	11
A. CLIENT HISTORY AND OVERVIEW	11
B. REQUESTED PLAN DESIGN.....	13
C. CONDITIONS.....	13
SECTION III.....	15
MINIMUM INFORMATION REQUIRED.....	15
A. PROFESSIONAL QUALIFICATIONS	15
B. PLAN DESIGN.....	15
C. FEE SCHEDULE	15
D. AUTHORIZED NEGOTIATOR	15
E. APPENDICES.....	15
PROPOSAL EVALUATION	16

APPENDIX A	18
LEGAL STATUS OF RESPONDENT	18
APPENDIX B	19
INSTRUCTIONS FOR CONTRACTORS FOR COMPLETING CONTRACT COMPLIANCE FORM	19
APPENDIX C	22
CITY OF ANN ARBOR LIVING WAGE ORDINANCE DECLARATION OF COMPLIANCE.....	22
ATTACHMENTS	24
1. DATA	24
2. SAMPLE AGREEMENTS.....	24

SECTION I
INSTRUCTIONS TO RESPONDENTS

A. OBJECTIVE

This RFP is being issued by the City of Ann Arbor in accordance with their requirement under Michigan Public Act 106. All insurers, METs, MEWAs, VEBAs, or other insured, self-insured, or alternatively mixed-funded and administered arrangements are invited at this time to submit their proposals for full consideration.

Lines of Coverage

The lines included in the PA 106 bid process include:

1. Active Medical
2. Active Prescription
3. Active Dental
4. Active Vision
5. Retiree Medical – Non-Medicare
6. Retiree Medical – Medicare

The City of Ann Arbor is not accepting any proposals from agents, brokers, contractors, or otherwise independent sales representatives. City of Ann Arbor's Agent of Record is McGraw Wentworth. McGraw Wentworth will be assisting the City of Ann Arbor in the evaluation of all valid proposals received from suitable potential bidders.

B. PRE-PROPOSAL MEETING

No pre-proposal meeting will be held for this RFP.

C. QUESTIONS OR CLARIFICATIONS OF RFP REQUIREMENTS

The RFP is issued by the City of Ann Arbor, Procurement Unit. All questions regarding this RFP shall be submitted via email. Emailed questions and inquiries will be accepted from any and all prospective respondents in accordance with the terms and conditions of this RFP.

All questions must be submitted on or before July 5, 2013 by 5 P.M. and should be addressed as follows:

Scope of Work/Proposal Content questions emailed to Kevin Jones, Plan Analyst, McGraw Wentworth at kjones@mcgrawwentworth.com with cc to: Gregory Surmont, Account Director, McGraw Wentworth at gsurmont@mcgrawwentworth.com

RFP Process and HR Compliance questions to Karen Lancaster, Finance Director at klancaster@a2gov.org

Should any prospective Respondent be in doubt as to the true meaning of any portion of this Request for Proposal, or should a prospective Respondent find any ambiguity, inconsistency or omission therein, then the Respondent shall make a written request for an official interpretation or correction. Such requests must be submitted via email to the individuals listed above. There will be no public posting of responses to inquiries. Responses will be delivered only to those individuals or entities making such inquiries.

All requests for Clarification are due on or before July 5, 2013 5 P.M.

D. ADDENDUM

All interpretation or correction, as well as any additional RFP provisions that the City may decide to include, will be made only as an official addendum that will be posted to Michigan Inter-governmental Trade Network (MITN) www.mitn.info and the City of Ann Arbor web site www.a2gov.org for all parties to download.

It shall be the Respondent's responsibility to ensure they have received all addendums before submitting a proposal. Any addendum issued by the City shall become part of the RFP and will be incorporated in the proposal.

Each Respondent must in its RFP, to avoid any miscommunications, acknowledge all addenda which it has received, but the failure of a Respondent to receive, or acknowledge receipt of; any addenda shall not relieve a Respondent of the responsibility for complying with the terms thereof.

The City will not be bound by oral responses to inquiries or written responses other than written addenda.

E. PROPOSAL TERMS AND REQUIREMENTS

The City reserves the right to reject any and all proposals, to waive or not waive informalities or irregularities in the response procedures, and to accept or further negotiate cost, terms, or conditions of any proposal determined by the City to be in the best interest of the City. All agreements resulting from negotiations that differ from what is represented within the RFP or in the Respondent's response shall be documented and included as part of the final contract.

Proposals must be signed in ink by an official authorized to bind the Respondent to its provisions for at least a period of one hundred twenty (120) days from the due date of this RFP. Failure of the successful respondent to accept the obligation of the contract may result in the cancellation of any award.

In the event it becomes necessary to revise any part of the RFP, Addenda will be provided. Deadlines for submission of RFP's may be adjusted to allow for revisions.

Proposals should be prepared simply and economically providing a straightforward, concise description of the Respondent's ability to meet the requirements of the RFP. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal. The total submittal shall not be more than two hundred and fifty (250) pages, with material on two sides of each page. Proposals should not include any plastic covers, binders, or other non-recyclable materials. Fee proposals must be submitted in a separate sealed envelope at the same time. All envelopes for technical proposal and separate

fee proposals must be clearly marked "**City of Ann Arbor Medical, Dental or Vision Coverage - RFP # 868**"

To be considered, each Respondent must submit a response to this RFP using the format provided in Section III. No other distribution of proposals is to be made by the submitter. Respondents must submit 2 copies of the Proposal fees in a separate sealed envelope. Price Quotations stated in the Fee Proposal will not be subject to any price increase from the date on which the proposal is opened by the City and shall remain firm through the contract term. Fees other than those stated in the Fee Proposal will not be allowed unless authorized by contract.

All information in a submitter's Proposal is subjected to disclosure under the provisions of Public Act No. 442 of 1976 know as the "Freedom of Information Act". This act also provides for the complete disclosure of contracts and attachments thereto except where specifically exempted under the Freedom of Information Act.

The selected Respondent will be required to provide the City of Ann Arbor an IRS form W-9 before a payment order can be issued.

The City is tax exempt from all taxes. The Respondent, if awarded a contract for this work, shall be responsible for all "sales taxes" and "use taxes" as applicable to this work.

F. PROPOSAL SUBMISSION

All Proposals are due and must be delivered to the City Procurement Unit on or before July 12, **2013 by 2:00 P.M. (local time)**. Proposals submitted late or via oral, telephonic, telegraphic, electronic mail or facsimile **will not** be considered or accepted.

Each Respondent must submit one (1) original Proposal, and four (4) additional Proposal copies printed on EPA-recommended recycled paper (minimum 30% post-consumer recycled)., one (1) digital copy of the Proposal and two (2) copies of the Proposal Fee shall be submitted in a separate sealed envelope contained within the Respondents sealed proposal. Proposal submitted must be clearly marked: **RFP No. 868 - City of Ann Arbor Medical, Dental or Vision Coverage and list Respondents name and address.**

Proposals must be addressed and delivered to:

City of Ann Arbor
Procurement Unit, 5th Floor
301 East Huron Street
P.O. Box 8647
Ann Arbor, MI 48107

All Proposals received on or before the Due Date will be publicly opened and recorded immediately. No immediate decisions are rendered.

Hand delivered Proposals will be date/time stamped/signed by the Procurement Unit at the address above in order to be considered. Normal business hours are 9:00 a.m. to 3:00 p.m Monday through Friday, excluding Holidays. The City will not be liable to any Respondent for any unforeseen circumstances, delivery or postal delays. Postmarking on the Due Date will not

substitute for receipt of the Proposal. Each Respondent is responsible for submission of their Proposal.

Additional time will not be granted to a single Respondent; however, additional time may be granted to all Respondents when the City determines that circumstances warrant it.

A Proposal will be disqualified if (1) the Fee Proposal is not contained within a separate sealed envelope, (2) the Fee Proposal is submitted as part of the digital copy. Provide the Fee Proposal in hardcopy only, separate sealed envelope.

G. SELECTION CRITERIA

Responses to this RFP will be evaluated using a point system, as shown in Section III. The evaluation will be completed by a selection committee of staff from the City of Ann Arbor Human Resources Services Unit and McGraw Wentworth.

At the initial evaluation, the fee proposals will not be reviewed. The fee proposal will only be opened for the top scored respondents. After initial evaluation, the City will determine which, if any, respondents will be interviewed. During the interviews, the selected company will be given the opportunity to discuss in more detail their proposal, qualifications, past experience, and their fee proposal. The City of Ann Arbor further reserves the right to interview key personnel assigned by the respondents selected for interview in connection with the provision of insurance coverage to the City.

The City reserves the right to award the total proposal, to reject any and all proposals in whole or in part, and to waive any informality or technical defects if, in the City's sole judgment, the best interests of the City will be so served.

H. INTERVIEW

The City has the right to request interviews with selected Respondents when necessary. The selected Respondents will be given the opportunity to discuss in more detail their qualifications, past experience, proposed coverage plan and fee proposal. The interview must include the account team members expected to be assigned to the City if awarded the RFP, but no more than 3 members total. The interview shall consist of a presentation by the Respondent, including the person who will be the account manager on this Contract, followed by questions and answers. Audiovisual aids may be used during the oral interviews. The oral interviews may be recorded on tape by the Evaluation Team.

If the City chooses to interview any respondents, the interviews will be held the week of Week of August 5th, 2013. Respondents selected for interview will be expected to be available that week.

I. TYPE OF CONTRACT

A sample of the standard Services Agreement is included as Attachment "A." Those who wish to submit a proposal to the City are required to carefully review the Services Agreement. Respondents should specifically note that the insurance requirements under a City contract are listed in Exhibit C of the sample Services Agreement. The City will not entertain requests to

revise, amend, or change the language of the standard Agreement except where necessary to incorporate the scope of services and compensation for same as awarded. Proposal Respondents must base their proposal on the assumption that, if selected, they will execute the City's standard Agreement.

The Respondent selected to provide the system and services requested under this RFP will be required to execute the contract shown in Appendix I within fifteen (15) days of the award of the contract and provide proof of insurance in accordance with the contract terms.

J. COST LIABILITY

The City of Ann Arbor assumes no responsibility or liability for costs incurred by a respondent prior to the execution of a Professional Services Agreement. The liability of the City is limited to the terms and conditions outlined in the Agreement. By submitting a proposal, Respondent agrees to bear all costs incurred or related to the preparation, submission and selection process for the proposal.

K. SCHEDULE

The following is the solicitation schedule for this procurement.

Activity/Event	Anticipated Date
Deadline for Question/Clarification Submission	July 5, 2013
Proposal Due Date	July 12, 2013
Interview Providers	Week of August 5 th
Provider Selection/Negotiate Scope of Professional Services Agreement (PSA)	Week of August 19 th
Contract Award	September 1, 2013

Note: The above schedule is for informational purposes only, and is subject to change at the City's discretion.

L. AWARD PROTEST

All award protests must be in writing and filed with the Purchasing Agent within five (5) business days of the award action email. The Respondent must clearly state the reasons for the protest. If a Respondent contacts a City Service Area/Unit and indicates a desire to protest an award, the Service Area/Unit shall refer the vendor to the Purchasing Agent. The Purchasing Agent will provide the Respondent with the appropriate instructions for filing the protest. The protest shall be reviewed by the City Administrator or designee who's decision shall be final.

M. DEBARMENT

Submission of a Proposal in response to this RFP is certification that the Respondent is not currently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily

excluded from participation in this transaction by any State or Federal departments or agency. Submission is also agreement that the City will be notified of any changes in this status.

N. SUBCONTRACTORS

No contract may be sublet without the written consent of the City of Ann Arbor. Any subcontractor, so approved, shall be bound by the terms and conditions of the contract between the City and the selected respondent. The selected Respondent shall be fully liable for all acts and omissions of its subcontractor(s) and shall indemnify the City of Ann Arbor for such acts or omissions.

O. HUMAN RIGHTS INFORMATION

The City's standard Services Agreement, outlines the requirements for fair employment practices under City of Ann Arbor contracts. To establish compliance with this requirement, the Respondent should complete and return with its proposal completed copies of the Human Rights Division

Contract compliance forms should be submitted with proposal. In event they are not, the respondent will have 24 hours from the City's request to return completed forms.

P. LIVING WAGE REQUIREMENT

All respondents proposing to do business with the City of Ann Arbor, except those specifically exempted by regulations promulgated by the Administrator and approved by City Council, agree to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code and, if a "covered employer" as defined therein to pay those employees providing services to the City under this agreement a "living wage" as defined in Chapter 23 of the Ann Arbor City code; and, if requested by the City, provide documentation to verify compliance. The respondent agrees to comply with the provisions of Section 1:1815 of Chapter 23 of the Ann Arbor City Code.

The Living Wage form should be submitted with proposal. In event they are not, the vendor will have 24 hours from the City's request to return completed forms.

Q. INDEPENDENT FEE DETERMINATION

1. By submission of a proposal, the respondent certifies, and in the case of joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:
 - a) They have arrived at the fees in the proposal independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such fees with any other proposal respondent or with any competitor.
 - b) Unless otherwise required by law, the fees which have been quoted in the proposal have not been knowingly disclosed by the respondent and will not knowingly be disclosed by the respondent prior to award directly or indirectly to any other prospective respondent or to any competitor.

c) No attempt has been made or shall be made by the proposal respondent to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

d) Each person signing the proposal certifies that she or he is the person in the proposal respondent's organization responsible within that organization for the decision as to the fees being offered in the proposal and has not participated (and will not participate) in any action contrary to 1.a), b), or c) above.

2. **A proposal will not be considered for award if the sense of the statement required in the Fee Analysis portion of the proposal has been altered so as to delete or modify 1.a), c), or 2 above. If 1.b) has been modified or deleted, the proposal will not be considered for award unless the respondent furnishes with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the Issuing Office determines that such disclosure was not made for the purpose of restricting competition.**

R. RIGHTS IN DATA AND DOCUMENTS – CITY OF ANN ARBOR OWNERSHIP

Any research, reports, data, photographs, negatives or other documents, drawing or materials prepared by the successful Respondent in performance of its obligations under this contract shall be the exclusive property of the City of Ann Arbor and all such materials shall be delivered to the City of Ann Arbor upon completion, termination or cancellation of the contract. The selected Respondent shall not use, willingly allow, or cause to have such materials used for any purpose other than the performance of its obligations under the contract without the prior written consent of the City of Ann Arbor.

S. RESERVATION OF RIGHTS

1. The City of Ann Arbor reserves the right to accept any Proposal or alternative Proposal proposed in whole or in part, to reject any or all Proposals or alternatives Proposals in whole or in part and to waive irregularity and/or informalities in any Proposal and to make the award in any manner deemed in the best interest of the City.
2. The City reserves the right not to consider any Proposal which it determines to be unresponsive and deficient in any of the information requested within the RFP.
3. The City reserves the right to determine whether the scope of the project will be entirely as described in the RFP, a portion of the scope, or that a revised scope be implemented.

SECTION II
CLIENT HISTORY AND OVERVIEW AND REQUESTED PLAN DESIGN

A. CLIENT HISTORY AND OVERVIEW

CLIENT OVERVIEW

Item	Detail
Organization Name	City of Ann Arbor
Address Line 1	220 East Huron
City, State, Zip Code	Ann Arbor, MI 48104
Company Website	www.a2gov.org/
SIC Code	9121
General Line of Business	Government/Public
Medical Enrolled (Active)	612 contracts
Medical Eligible (Active)	681 contracts
Medical Enrolled (Medicare / Non-Medicare Retirees)	803 contracts
Medical Eligible (Medicare / Non-Medicare Retirees)	803 contracts
Dental Enrolled (Active)	640 contracts
Dental Eligible (Active)	681 contracts
Vision Enrolled (Active)	612 contracts
Vision Eligible (Active)	681 contracts

EMPLOYEE CLASS BREAKDOWN, ELIGIBILITY RULES, AND FUNDING

Employee Class	Eligibility Rule	New Hire Waiting Period	Medical Funding Strategy
COAM Police Command Union	30 hours per week	After six months of employment	High Option: Contributory Low Option: Non-Contributory
AAPOA Police Officers Union	30 hours per week	After three months of employment	High Option: Contributory Low Option: Non-Contributory
AFSCME Union	30 hours per week	After three months of employment	High Option: Contributory Low Option: Non-Contributory
AAFD Firefighters Union	30 hours per week	After three months of employment	High Option: Contributory Low Option: Non-Contributory
Teamsters Supervisors Union	30 hours per week	After three months of employment	High Option: Contributory Low Option: Non-Contributory
Police Professional Assistants Union	30 hours per week	After six months of employment	High Option: Contributory Low Option: Non-Contributory
Salaried Non Union	30 hours per week	After three months of employment	High Option: Contributory Low Option: Non-Contributory

Community / Public Service Admin Union	30 hours per week	After six months of employment	High Option: Contributory Low Option: Non-Contributory
Deputy Chiefs Union	30 hours per week	After six months of employment	High Option: Contributory Low Option: Non-Contributory

RELEVANT CLIENT HISTORY AND OVERVIEW

The CoAA has contracted administrative and stop loss services from Blue Cross Blue Shield for many years. Effective April, 2009 the client moved Rx management and administration to Express Scripts.

The City has moved all active units to a common plan design: one low (no contribution, higher deductible PPO) and one high (contribution, lower deductible PPO) plan design.

Union agreements have been negotiated and additional consideration will be given to union impact for any proposal submitted.

Retirees retain the plan and contribution plan they had when they retired from the City. This has resulted in a large number of retiree plans with minor variations. Currently, both the non-Medicare and Medicare retirees are self-funded with BCBSM, serving also as the administrator and stop-loss vendor. Due to the BCBSM policy of not allowing splitting of retirees, any Medicare proposals must include a non-Medicare retiree solution for coverage.

CARRIER HISTORY

Carrier Name	Funding Method	Time Period
BCBSM (Med)	Self-funding	1963 - current
Express Scripts (Rx)	Self-funding	2009 - current
Delta Dental (Dental)	Fully-Insured	10 years+
EyeMed (Vision)	Self-funding	2011 – current

MARKETING PURPOSE / GOALS TO ACHIEVE

The City of Ann Arbor is performing a market review to assess if the City and its employees are currently receiving the most competitive pricing and benefits available. Concurrently, the City is satisfying its Public Act 106 bidding requirement.

Objectives are to preserve the current level of coverage and overall security, offering ‘substantially the same’ coverage as currently in place, in accordance with the bargained commitments made by the City to its various labor groups. Cost and sustainability in pricing are of paramount importance to the City as well as to the active and retiree population.

Specific goals of the City include but are not limited to:

- Lowest claim unit cost (e.g. optimal ‘discounts’)
- Excellent network access

- Excellent network management
- Effective medical and pharmacy utilization management
- Highly detailed and client-accessible utilization and cost reporting
- Dedicated customer service for the City and its employees
- Maximum flexibility with regard to plan design
- Lowest appropriate administration/overhead expense
- Expert clinical guidance and resource application when assisting the City in establishing effective plan design
- Meaningful performance guarantees through service commitments and cost targets
- Multiple year pricing guarantees
- Overall cost reduction
- Preservation of coverage terms consistent with the current plan design and provisions negotiated in good faith with the City’s organized labor groups

Your RFP should include comments/responses of at least 250 words, but not more than 1000 words, addressing each of the points above, separately.

B. REQUESTED PLAN DESIGN

REQUESTED PLAN DESIGN(S)

Item	Detail
Coverage Effective Date	1/1/13
Commission Level Requested	Medical – \$4.59 per employee per month Dental – Flat 3% Vision – Flat 5%

1. Match current plan designs as closely as possible.
2. Please review all appendix exhibits and complete as necessary.

Important Note: If you are unable to match current benefits EXACTLY, clearly state where your proposal differs on a separate exhibit.

C. CONDITIONS

Each respondent shall fully acquaint themselves with conditions relating to the scope and restrictions attending the execution of the work under the request for proposal. Respondents shall thoroughly examine and be familiar with the specifications.

The failure or omission of any proposer to receive or examine any form, instrument, addendum, or other document or to acquaint themselves with conditions there existing shall in no way relieve them from any obligation with respect to its bid or to the contract.

The contractor, as such and as respondent, shall make its own determination as to conditions and shall assume all risk and responsibility and shall complete the work in and under whatever conditions it may encounter or create without extra cost to the City.

All applicable State laws, municipal ordinances, and rules and regulations of all authorities having jurisdiction over the work to be performed shall apply to the contract throughout, and the same as though herein written out in full.

SECTION III

MINIMUM INFORMATION REQUIRED

Submission requirements are stated in Section I above. Respondents are reminded to submit the following number of copies of their proposal:

- 5 printed copies of the Proposal (1 original and 4 copies)
- 1 digital copy of the Proposal
- 2 copies of the FEE Proposal in a separate sealed envelope labeled FEE PROPOSAL

The City reserves the right to not consider any proposal which is determined to be unresponsive or deficient in any of the information requested for evaluation.

Respondents should organize their proposals in the following sections including all requested information.

A. PROFESSIONAL QUALIFICATIONS

B. PLAN DESIGN

Include responses to each City goal listed in Section II.

C. FEE SCHEDULE

Fee quotations shall be submitted in a separate sealed envelope with the proposal. The fee quotation is to relate in detail to each item of the coverage plan, including the respondent-suggested alternatives, if any. Any respondent selected to be interviewed shall be capable of justifying the details of the fee proposal relative to personnel costs, overhead, and how the overhead rate is derived

Fee proposals will only be opened for the firms that are going to be interviewed.

D. AUTHORIZED NEGOTIATOR

Include the name and phone number of person(s) in the organization authorized to negotiate the Professional Services Agreement with the City.

E. APPENDICES

Complete and submit with the proposal the Legal Status of Respondent, Living Wage Declaration form and Contract Compliance forms which have been included in this RFP.

Submissions will be evaluated through a weighted point system that will include, but will not be limited to, the areas outlined below.

PROPOSAL EVALUATION

The City may award a contract to the respondent that best satisfies the following criteria and sufficiently responds to the goals, service and cost considerations outlined in this RFP:

- Conforms to RFP specifications
- Overall qualifications of respondent
- Capacity to perform work, as requested/specified
- Overall understanding of, and responsiveness to, the City and its RFP
- Cost and trend management
- Other relevant information that may be solicited and conveyed to the City through this RFP process, including on-site demonstrations and interviews as necessary

The City reserves the right to not consider any proposal that it determines to be unresponsive and deficient in any of the information requested for evaluation. A proposal with all the requested information does not guarantee the proposing Respondent to be a candidate for an interview. The Committee may contact references to verify material submitted by the Respondent. The City will determine whether the final plan design to be negotiated will be entirely as described in this RFP, a portion thereof or a revised plan design based on the selected proposal.

The City reserves the right to reject the low cost proposal, if evaluation determines that to be in its best interest. Proposals whose projected costs do not accurately represent a reasonable cost for the services being purchased may be automatically disqualified and rejected.

Cost Proposals will be evaluated in relation to overall strength of proposal, completeness, and demonstrated ability. The City will seek to enter into a contract with the Respondent with the highest proposal quality, most complete, accurate and detailed plan design, most favorable pricing, viability, and proven ability to execute. If differences cannot be resolved, the City may open negotiations with the Respondent with the next highest overall strength, completeness, ability and value. Cost Proposals for any additional services recommended in the Proposal(s) and acceptable to the City may be handled by separate agreement(s).

Evaluation Criteria - Point System

30 points	Professional Qualifications.
30 points	Past Involvement with Similar Project – verified by references
20 points	Proposed Coverage Plan(s) – specifications in the RFP represent minimum performance necessary for response.
20 points	Cost Proposal alignment with budget limitations

The Selection Committee will initially evaluate responses to this RFP and decide which Respondent(s), if any, they will interview. Demonstrated ability to provide the City's minimum desired quality will be a factor in the City's evaluation. A proposal with all the requested information does not guarantee the respondent to be a candidate for an interview

For the initial evaluation, the Selection Committee will not consider the cost proposals. If the City elects to conduct interviews, after the respondents have been selected, the cost proposal(s)

of the Respondent(s) selected will be opened and reviewed before the interview. The Committee will evaluate the cost proposal for each selected respondent and may re-evaluate the proposed plan design based upon knowledge of the cost proposals for the selected respondents. The Committee will contact references to verify material submitted by the respondents.

The Committee then may schedule the interviews with the selected Respondent(s). The selected Respondent(s) will be given the opportunity to discuss in more detail their qualifications, past experience, and proposed plan design. The interview shall consist of a presentation of approximately 45 minutes by the selected Respondent, including the person who will be the account manager on this Contract, followed by up to 15 minutes of questions and answers. The selected Respondent may use audiovisual aids during the oral interviews. The Selection Committee may record the interviews.

The Respondent will be re-evaluated by the above criteria after the interview and adjustment to scoring will be made if appropriate. After evaluation of the proposals, if the City is satisfied with the plan design and qualifications of the number one ranked respondent, negotiation with the selected Respondent will be pursued leading to a recommendation by the Human Resources Director to City Council for the award of a contract.

If the City cannot reach agreement with the number one-ranked respondent within a 30-day time frame, the City may go to the next ranked respondent, and so on, until an agreement can be reached.

The City may reject all proposals if they are determined to be unsuitable by the Selection Committee.

APPENDIX A

LEGAL STATUS OF RESPONDENT

(The Respondent shall fill out the appropriate form and strike out the other two.)

By signing below the authorized representative of the Respondent hereby certifies that:

The Respondent is:

- A corporation organized and doing business under the laws of the state of _____, for whom _____ bearing the office title of _____, whose signature is affixed to this proposal, is authorized to execute contracts on behalf of respondent.*

*If not incorporated in Michigan, please attach the corporation's Certificate of Authority

- A limited liability company doing business under the laws of the state of _____, whom _____ bearing the title of _____ whose signature is affixed to this proposal, is authorized to execute contract on behalf of the LLC.

- A partnership organized under the laws of the state of _____ and filed with the county of _____, whose members are (attach list including street and mailing address for each.)

- An individual, whose signature with address, is affixed to this RFP.

Respondent has examined the basic requirements of this RFP and its scope of services, including all Addendum (if applicable) and hereby agrees to offer the services as specified in the RFP.

_____, Date: _____,
Signature

(Print) Name _____ Title _____

Firm: _____

Address: _____

Contact Phone _____ Fax _____

Email _____

The City reserves the right to request any additional information from the Respondent that may be deemed necessary for evaluation.

APPENDIX B

INSTRUCTIONS FOR CONTRACTORS FOR COMPLETING CONTRACT COMPLIANCE FORM

City Policy

The “non discrimination in contracts” provision of the City Code, (Chapter 112, Section 9:161) requires contractors/vendors/grantees doing business with the City not to discriminate on the basis of actual or perceived race, color, religion, national origin, sex, age, condition of pregnancy, marital status, physical or mental limitations, source of income, family responsibilities, educational association, sexual orientation, gender identity or HIV status against any of their employees, any City employee working with them, or any applicant for employment. It also requires that the contractors/vendors/grantees include a similar provision in all subcontracts that they execute for City work or programs.

This Ordinance further requires that each prospective contractor/vendor submit employment data to the City showing current total employee breakdown by occupation, race and gender. This allows the Human Rights Office to determine whether or not the contractor/vendor has a workforce that is reflective of the availability of women and under-represented minorities within the contractor’s labor recruitment area (the area where they can reasonably be expected to recruit employees). **This data is provided to the City on the Human Rights Contract compliance Forms (attached).**

To complete the form:

- 1) **If a company has more than one location, then that company must complete 2 versions of the form.**
 - **Form #1** should contain the employment data for the **entire corporation**.
 - **Form #2** should contain the employment data for those employees:
 - who will be working on-site;
 - in the office responsible for completing the contract; or,
 - in the case of non-profit grantees, those employees working on the project funded by the City grant(s).
- 2) If the company has only one location, fill out Form #1 only.
- 3) Complete all data in the upper section of the form including the name of the person who completes the form and the name of the company/organization’s president.
- 4) Complete the Employment Data in the remainder of the form. Please be sure to complete all columns including the Total Columns on the far right side of the form, and the Total row and Previous Year Total row at the bottom of the form.
- 5) Return the completed form(s) to *your contact* in the City Department for whom you will be conducting the work.

For assistance in completing the form, contact:

Procurement Office of the City of Ann Arbor
734/794-6500

**CITY OF ANN ARBOR PROCUREMENT OFFICE
HUMAN RIGHTS CONTRACT COMPLIANCE FORM**

Form #1

Entire Organization (Totals for All Locations where applicable)

Name of Company/Organization _____ Date Form Completed _____

Name and Title of Person Completing this Form _____ Name of President _____

Address _____ County _____ Phone # _____
(Street address) (City) (State) (Zip) (Area Code)

Fax# _____ Email Address _____
(Area Code)

EMPLOYMENT DATA

Job Categories	Number of Employees (Report employees in only one category)												
	Male						Female						TOTAL COLUMNS A-L
	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaskan Native	
A	B	C	D	E	F	G	H	I	J	K	L		
Exec./Sr. Officials Level													
Supervisors													
Professionals													
Technicians													
Sales													
Admin. Support													
Craftspeople													
Operatives													
Service Workers													
Laborers/Helper													
Apprentices													
Other													
TOTAL													
PREVIOUS YEAR TOTAL													

1/12

Questions about this form? Call the Procurement Office: (734)794-6500

AAF-1

**CITY OF ANN ARBOR PROCUREMENT OFFICE
HUMAN RIGHTS CONTRACT COMPLIANCE FORM**

Form #2

Local Office (Only those employees that will do local or on-site work, if applicable)

Name of Company/Organization _____ Date Form Completed _____
 Name and Title of Person Completing this Form _____ Name of President _____
 Address _____ County _____ Phone # _____
 (Street address) (City) (State) (Zip) (Area Code)
 Fax# _____ Email Address _____
 (Area Code)

Job Categories	Number of Employees (Report employees in only one category)												
	Male						Female						TOTAL COLUMNS A-L
	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaskan Native	
	A	B	C	D	E	F	G	H	I	J	K	L	
Exec/Sr. Officials Level													
Supervisors													
Professionals													
Technicians													
Sales													
Admin. Support													
Craftspeople													
Operatives													
Service Workers													
Laborers/Helper													
Apprentices													
Other													
TOTAL													
PREVIOUS YEAR TOTAL													

Questions about this form? Call Procurement Office: (734) 794-6500

AAF-2

APPENDIX C

CITY OF ANN ARBOR LIVING WAGE ORDINANCE DECLARATION OF COMPLIANCE

**CITY OF ANN ARBOR
LIVING WAGE ORDINANCE
DECLARATION OF COMPLIANCE**

The Ann Arbor Living Wage Ordinance (Section 1:811-1:821 of Chapter 23 of Title I of the Code) requires that employers providing services to the City or recipients of grants for financial assistance (in amounts greater than \$10,000 in a twelve-month period of time) pay their employees who are working on the City project or grant, a minimum level of compensation known as the **Living Wage**. This wage must be paid to the employees for the length of the contract/project.

Companies employing fewer than 5 persons and non-profits employing fewer than 10 persons are exempt from the Ordinance. If this exemption applies to your firm, please check below:

- This **company** is exempt due to the fact that we employ or contract with fewer than 5 individuals.
- This **non-profit agency** is exempt due to the fact that we employ or contract with fewer than 10 employees.

The Ordinance requires that all contractors/vendors and/or grantees agree to the following terms:

- a) To pay each of its employees performing work on any covered contract or grant with the City, no less than the living wage, which is defined as \$12.52/hour when health care is provided, or no less than \$13.96/hour for those employers that do *not* provide health care. It is understood that the Living Wage will be adjusted each year on April 30, and covered employers will be required to pay the adjusted amount thereafter. The rates stated above include any adjustment for 2013.
- b) Please check the boxes below which apply to your workforce:
 - Employees who are assigned to any covered City project or grant will be paid at or above the applicable living wage without health benefits Yes No
 - OR**
 - Employees who are assigned to any covered City project or grant will be paid at or above the applicable living wage with health benefits Yes No
- c) To post a notice approved by the City regarding the Living Wage Ordinance in every work place or other location in which employees or other persons contracting for employment are working.
- d) To provide the City payroll records or other documentation as requested; and,
- e) To permit access to work sites to City representatives for the purposes of monitoring compliance, investigating complaints or non-compliance.

The undersigned authorized representative hereby obligates the contractor/vendor or grantee to the above stated conditions under penalty of perjury and violation of the Ordinance.

_____	_____
Company Name	Address, City, State, Zip
_____	_____
Signature of Authorized Representative	Phone (area code)
_____	_____
Type or Print Name and Title	Email address

Date signed	

Questions about this form? Please contact:
Procurement Office City of Ann Arbor
Phone: 734/794-6500

**CITY OF ANN ARBOR
LIVING WAGE ORDINANCE**

RATE EFFECTIVE APRIL 30, 2013 - ENDING APRIL 29, 2014

\$12.52 per hour

If the employer provides health
care benefits*

\$13.96 per hour

If the employer does **NOT**
provide health care benefits*

Employers providing services to or for the City of Ann Arbor or recipients of grants or financial assistance from the City of Ann Arbor for a value of more than \$10,000 in a twelve-month period of time must pay those employees performing work on a City of Ann Arbor contract or grant, the above living wage.

ENFORCEMENT

The City of Ann Arbor may recover back wages either administratively or through court action for the employees that have been underpaid in violation of the law. Persons denied payment of the living wage have the right to bring a civil action for damages in addition to any action taken by the City.

Violation of this Ordinance is punishable by fines of not more than \$500/violation plus costs, with each day being considered a separate violation. Additionally, the City of Ann Arbor has the right to modify, terminate, cancel or suspend a contract in the event of a violation of the Ordinance.

* Health Care benefits include those paid for by the employer or making an employer contribution toward the purchase of health care. The employee contribution must not exceed \$.50 an hour for an average work week; and the employer cost or contribution must equal no less than \$1/hr for the average work week.

The Law Requires Employers to Display This Poster Where Employees Can Readily See It.

**For Additional Information or to File a Complaint Contact
Karen Lancaster at 734/794-6500 or Klancaster@a2gov.org**

ATTACHMENTS

1. DATA

Respondents may request a full copy of all relevant plan information, including claims, eligibility, and plan summaries by contacting the City's Agent, McGraw Wentworth, via email, above. All requested and available information will be shared within two days of such requests, provided the appropriate HIPAA Business Associate Agreement is executed.

Item	Item Description	Source
Attachment A	Stop-Loss Contract Details	Available upon request, electronically
Attachment B	Fees / Rates	Available upon request, electronically
Attachment C	Monthly Employee Contributions	Available upon request, electronically
Attachment D	History of Plan Changes	Available upon request, electronically
Attachment E	Experience Data (Enrollment/Claims by month)	Available upon request, electronically
Attachment F	Large Claim Detail Report	Available upon request, electronically
Attachment G	Census File	Available upon request, electronically
Attachment H	Current Benefit Summaries	Available upon request, electronically
Attachment I	Questionnaire	Available upon request, electronically

2. SAMPLE AGREEMENTS

Item	Item Description	Source
Attachment J	City of Ann Arbor Sample Service Agreement	Included in RFP
Attachment K	HIPAA Business Associate Agreement	Included in RFP

ATTACHMENT J
SAMPLE CONTRACT
AGREEMENT BETWEEN

AND THE CITY OF ANN ARBOR
FOR PROFESSIONAL SERVICES

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 East Huron Street, Ann Arbor, Michigan 48107 ("City"), and _____

_____ ("Contractor") a(n) _____
(State where organized) (Partnership, Sole Proprietorship, or Corporation)

with its address at _____
agree as follows on this _____ day of _____, 20__.

The Contractor agrees to provide professional services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means _____.

Contract Administrator means _____, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for or delivered to City by Contractor under this Agreement

Project means _____.

II. DURATION

This Agreement shall become effective on _____, 20__, and shall remain in effect until satisfactory completion of the Services specified below unless terminated as provided for in this Agreement.

III. SERVICES

- A. The Contractor agrees to provide professional _____
(type of service)
services ("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes

add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

- B. Quality of Services under this Agreement shall be of the level of professional quality performed by experts regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Contractor shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- D. The Contractor may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

IV. COMPENSATION OF CONTRACTOR

- A. The Contractor shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Contractor, and approved by the Contract Administrator. Total compensation payable for all Services performed during the term of this Agreement shall not exceed _____.
- B. The Contractor will be compensated for Services performed in addition to the Services described in Section III, only when those additional Services have received prior written approval of the Contract Administrator. Compensation will be payable according to the fee schedule in Exhibit B. The Contract Administrator shall be the sole arbitrator of what shall be considered "reasonable" under this provision.
- C. The Contractor shall keep complete records of time spent and materials used on the Project so that the City may verify invoices submitted by the Contractor. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

V. INSURANCE/INDEMNIFICATION

- A. The Contractor shall procure and maintain during the life of this contract, such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage which may

arise under this contract; whether the acts were made by the Contractor or by any subcontractor or anyone employed by them directly or indirectly. In the case of all contracts involving on-site work, the Contractor shall provide to the City, before the commencement of any work under this contract, documentation demonstrating it has obtained the policies required by Exhibit C.

- B. Any insurance provider of Contractor shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- C. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result from any acts or omissions by the Contractor or its employees and agents occurring in the performance of or breach in this Agreement.

VI. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Contractor agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of Section 209 of the Elliot-Larsen Civil Rights Act (MCL 37.2209). The Contractor further agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.
- B. Living Wage. The Contractor is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code and agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Contractor agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3); to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

WARRANTIES BY THE CONTRACTOR

- A. The Contractor warrants that the quality of its Services under this Agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.
- B. The Contractor warrants that it has all the skills, experience, and professional licenses necessary to perform the Services specified in this Agreement.
- C. The Contractor warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this Agreement.
- D. The Contractor warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.

VIII. TERMINATION OF AGREEMENT

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice.
- B. The City may terminate this Agreement, on at least thirty (30) days advance notice, for any reason, including convenience, without incurring any penalty, expense or liability to the Contractor except the obligation to pay for Services actually performed under the Agreement before the termination date.
- C. Contractor acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation of funds for this Project. If funds to enable the City to effect continued payment under this Agreement are not appropriated or otherwise made available, the City shall have the right to terminate this Agreement without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Contractor. The Contract Administrator shall give the Contractor written notice of such non-appropriation within thirty (30) days after it receives notice of such non-appropriation.
- D. The remedies provided in this Agreement will be cumulative, and the assertion by a party of any right or remedy will not preclude the assertion by such party of any other rights or the seeking of any other remedies.

IX. OBLIGATIONS OF THE CITY

- A. The City agrees to give the Contractor access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Contractor of any defects in the Services of which the Contract Administrator has actual notice.

X. ASSIGNMENT

- A. The Contractor shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Contractor shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Contractor shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

XI. NOTICE

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other.

Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONTRACTOR, it shall be addressed and sent to:

If Notice is sent to the CITY, it shall be addressed and sent to:

City of Ann Arbor
301 E. Huron
Ann Arbor, Michigan 48107
Attn:

XII. CHOICE OF LAW

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

XIII. OWNERSHIP OF DOCUMENTS

Upon completion or termination of this Agreement, all documents (i.e., deliverables) prepared by or obtained by the Contractor as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Contractor as instruments of service unless specifically incorporated in a deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Contractor.

Unless otherwise stated in this Agreement, any intellectual property owned by Contractor prior to the effective date of this Agreement (i.e., preexisting information) shall remain the exclusive property of Contractor even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

XIV. CONFLICT OF INTEREST

Contractor certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Contractor further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

XV. SEVERABILITY OF PROVISIONS

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

XVI. EXTENT OF AGREEMENT

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Contractor with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. This Agreement may be altered, amended or modified only by written amendment signed by the Contractor and the City.

FOR CONTRACTOR

By _____
Its

FOR THE CITY OF ANN ARBOR

By _____
John Hieftje, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance

Steven D. Powers, City Administrator

Craig Hupy, Public Services Administrator

Approved as to Form and Content

Stephen K. Postema, City Attorney

ATTACHMENT J

SAMPLE AGREEMENT EXHIBITS

EXHIBIT A

(negotiated scope of work based on accepted terms of Proposal)

EXHIBIT B

(negotiated compensation based on accepted terms of Proposal)

EXHIBIT C

INSURANCE REQUIREMENTS

Effective the date of this Agreement, and continuing without interruption during the term of this Agreement, Contractor shall provide certificates of insurance to the City on behalf of itself, and when requested any subcontractor(s).

A. The certificates of insurance shall meet the following minimum requirements.

1. Errors and Omissions Insurance protecting Contractor and its employees in an amount not less than \$1,000,000.
2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall pbe obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit

3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations, Explosion, Collapse and Underground Coverage or Pollution. Further, the following minimum limits of liability are required:

\$1,000,000	Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined
\$2,000,000	Per Job General Aggregate
\$1,000,000	Personal and Advertising Injury

4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
 5. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.
- B. Insurance required under .A.2 and .A.3 above of this contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.
- C. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Contractor supplies a copy of the endorsements required on the policies. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this contract, the Contractor shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration.

ATTACHMENT K

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement (“Agreement”) is executed as of _____, 20____, between City of Ann Arbor, a Group Health Plan located at 301 E Huron; Ann Arbor, MI 48107 (“Covered Entity”) and _____, located at _____ (“Business Associate”) (Covered Entity and Business Associate collectively the “Parties”).

Recitals

A. Business Associate provides certain benefit consulting functions, services and activities (“Services”) to Covered Entity under one or more agreements between the Parties (“Underlying Agreement”) pursuant to which protected health information of employees and others covered by the Covered Entity benefit plans (“PHI”) is created, received, used or disclosed.

B. In connection with such Services, Business Associate creates, receives, uses or discloses for or on behalf of Covered Entity, and its group health plans, certain individually identifiable PHI that is subject to protection under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (the “HITECH Act”) and regulations promulgated there under, as such law and regulations may be amended from time to time (collectively, “HIPAA”).

C. Covered Entity and Business Associate wish to comply with HIPAA applicable to the relationship between a Covered Entity and its business associates.

NOW, THEREFORE, in consideration of the provisions herein and in the Underlying Agreements and reliance thereon, the Parties agree as follows:

1. **Definitions.**

(a) “Breach” has the same meaning as “breach” in Section 13400 of the HITECH Act.

(b) “Data Aggregation” has the same meaning as ‘data aggregation’ in 45 CFR §164.501, and means with respect to protected health information created or received by a business associate in its capacity as the business associate of a covered entity, the combining of such protected health information by the business associate with the protected health information received by the business associate in its capacity as a business associate of another covered entity, to permit data analysis that relate to the health care operation of the respective covered entities.

(c) “Designated Record Set” has the same meaning as ‘designated record set’ in 45 CFR §164.501 and means records maintained by or for a Covered Entity that includes: (a) the medical records and billing records about individuals maintained by or for a health care provider; (b) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (c) used, in whole or in part, by or for Covered Entity to make decisions about individuals.

(d) “Individual” has the same meaning as the term “individual” in 45 CFR §164.501 and includes a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

(e) “PHI” has the same meaning as the term “protected health information” in 45 CFR §§164.103 and 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

(f) “Privacy Rule” means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

(g) “Required By Law” has the same meaning as the term “required by law” in 45 CFR §164.501.

(h) “Secretary” means the Secretary of the Department of Health and Human Services or his designee.

(i) “Security Rule” means the Health Insurance Reform Security Standards, 45 CFR Parts 160, 162 and 164.

(j) “Unsecured PHI” has the same meaning as “unsecured protected health information” in Section 13402 of the HITECH Act.

2. **Amendment.** Each of the Underlying Agreements shall hereby be amended to include the provisions of this Agreement. In the event of an irreconcilable conflict the provisions of this Agreement shall govern.

3. **Obligations and Activities of Business Associate.**

(a) Business Associate shall not use or further disclose PHI other than as permitted or required by this Agreement, the Underlying Agreement or as Required By Law. Business Associate may use and disclose PHI that Business Associate obtains or creates only if such use or disclosure, is in compliance with each applicable requirement of 45 CFR §164.504(e). The additional requirements of the HITECH Act that relate to privacy and that are made applicable with respect to Covered Entity shall also be applicable to Business Associate are incorporated into this Agreement. Section 164.504(e)(1)(ii) of CFR Title 45, shall apply to Business Associate in the same manner that such Section applies to a Covered Entity, with respect to compliance with the standards in 45 CFR §§164.502(e) and 164.504(e), except that in applying such Section 164.504(e)(1)(ii) each reference to the Business Associate, with respect to a contract, shall be treated as a reference to the Covered Entity involved in such contract.

(b) Business Associate shall use appropriate safeguards, including without limitation administrative, physical, and technical safeguards, to prevent use or disclosure of the PHI other than as provided for by this Agreement and to reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI that it may receive, maintain, or transmit on behalf of the Covered Entity. Sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), and 164.316 (Policies and Procedures and Documentation Requirements) of 45 CFR shall apply to Business Associate in the same manner that such Sections apply to Covered Entity. Business Associate shall secure all PHI by technology standards, including the use of standards developed under the HITECH Act, that PHI is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the

Secretary specifying the technologies and methodologies, that render PHI unusable, unreadable, or indecipherable to unauthorized individuals.

(c) Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate from use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

(d) Business Associate shall report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement or any security incident of which it becomes aware involving Unsecured PHI of the Covered Entity within the time specified in Section 13402(d) of the HITECH Act.

(e) Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate under this Agreement with respect to PHI.

(f) Business Associate shall provide access, at the request of Covered Entity, and in the time and manner designated by Covered Entity, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524.

(g) Business Associate shall make any amendments(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR §164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity.

(h) Business Associate shall make available to the Covered Entity, or at the request of the Covered Entity to the Secretary, internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rules and Security Rules.

(i) Business Associate shall document disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

(j) Business Associate shall provide to Covered Entity or an Individual, in time and manner designated by Covered Entity, information collected in accordance with Section (3)(i) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

4. **Permitted Uses and Disclosures by Business Associate.** Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in HIPAA and the Underlying Agreement, provided that such use or disclosure would not violate the Privacy Rule or Security Rule if done by Covered Entity.

(a) Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(b) Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

(c) Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 42 CFR §164.504(e)(2)(i)(B).

5. **Obligations of the Covered Entity.**

(a) Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR §164.520, as well as any changes to such notice.

(b) Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.

(c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522.

6. **Permissible Requests by the Covered Entity.** Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or Security Rule if done by Covered Entity.

7. **Term and Termination.**

(a) **Term.** The Term of this Agreement shall be effective as of the Effective Date (as defined below), and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) **Termination for Cause.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, in its sole discretion, either: (i) provide Business Associate with an opportunity to cure the breach within a time period specified by the Covered Entity or end the violation and then terminate the Underlying Agreement if Business Associate does not cure the breach within the time period specified by the Covered Entity; (ii) immediately terminate this Agreement and the Underlying Agreements if the

Business Associate has breached a material term of this Agreement and cure is not possible; or (iii) if the Business Associate has breached a material term of this Agreement and neither a cure nor termination are feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(i) Except as provided in Subsection (ii) of this Section, upon termination of this Agreement or the Underlying Agreement for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(ii) If Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Upon mutual agreement of the Parties that return or destruction of PHI is not feasible; Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

8. Miscellaneous.

(a) Regulatory References. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended, and for which compliance is required.

(b) Agreement. This Agreement, including this subsection, and Underlying Agreements, may be amended, changed or modified only in a written agreement signed by duly authorized representatives of each Party. No full or partial waiver or discharge in regard to this Agreement or Underlying Agreements or any term or condition of this Agreement or Underlying Agreements shall be valid or binding unless embodied in a written document signed by an authorized representative of the Party against which such waiver or change is sought to be enforced.

(c) Survival. The respective rights and obligations of Business Associate under Section 4(c) of this Agreement shall survive the termination of this Agreement and/or the Underlying Agreements, as shall the rights of access and inspection of Covered Entity.

(d) Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with HIPAA.

(e) Governing Law; Conflict. This Agreement shall be enforced and construed in accordance with the laws of the State of Michigan other than its conflicts of law principles. Jurisdiction of any litigation with respect to this Agreement shall be in Michigan.

(f) Effective Date. This Agreement shall become effective as of the date the Underlying Agreement (“Effective Date”) and shall remain in effect during the entire period

the Underlying Agreement is effective; provided, however, that provisions in this Agreement that are prospectively required by the HITECH Act provisions of HIPAA shall have an effective date as of the effective date in the HITECH Act.

City of Ann Arbor

By: _____
Its: _____

By: _____
Its: _____

(1151981.4)