



City of Phoenix

REQUEST FOR PROPOSAL - PROFESSIONAL
SERVICES
RFP 25-0462
BENEFITS CONSULTING SERVICES

City of Phoenix
Finance Central Procurement
251 West Washington Street, 8th Floor
Phoenix, AZ 85003

RELEASE DATE: November 18, 2024

DEADLINE FOR QUESTIONS: December 3, 2024, 2:00 p.m.

RESPONSE DEADLINE: December 18, 2024, 2:00 p.m.

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Exhibits/Submittals/Attachments:

- A. Exhibit A – Scope Of Work
- B. Exhibit B - Fee Schedule
- C. Exhibit C - Business Associate Agreement
- D. Exhibit D - Submittal Instructions and Evaluation
- E. Submittals - 24 Hour Emergency Contact
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- K. Attachment 1: Benefits Consulting Services Questionnaire

1. INSTRUCTIONS

1.1. Introduction

1.1.1. Summary

The City intends to award one contract for Benefits Consulting and Actuarial Services commencing on or about November 1, 2025, and Employee Pharmacy Benefit Management Consulting Services commencing on or about May 1, 2026.

1.1.2. Background

As the fifth most populous city in the United States, the city employs a workforce of approximately 14,000 full time, benefit-eligible employees and has more than 10,000 retirees (and eligible survivors). The City provides benefits to approximately 40,000 members consisting of employees, retirees and eligible dependents including qualified domestic partners of same or opposite gender. The Trust Board oversees the Health Care Benefits Trust Fund to ensure fund availability for the medical, pharmacy and employee dental PPO plan expenses. The five-member Trust Board is staffed by one employee bargaining unit representative and four members of the public with related qualifications and experience. A multi-member Task Force provides benefit program recommendations to the Trust Board

1.1.3. Contact Information

Larry Jue
Procurement Officer
Email: larry.jue@phoenix.gov
Phone: [\(602\) 256-3478](tel:(602)256-3478)

Department:
Finance Central Procurement

1.1.4. Timeline

Release Project Date	November 18, 2024
Pre-Proposal Meeting (Non-Mandatory)	November 25, 2024, 1:00 p.m. Webex meeting link: https://cityofphoenix.webex.com/cityofphoenix/j.php?MTID=m9926e6c01e9850f902bf133a37f2193f
Question Submission Deadline	December 3, 2024, 2:00 p.m.
Response to Written Questions	December 10, 2024

Proposal Submission Deadline	December 18, 2024, 2:00 p.m.
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1.2. Description – Statement of Need

The City of Phoenix invites sealed offers for a five year contract period commencing on or about November 1, 2025 or the “Effective Date” which is upon award by City Council, conditioned upon signature and recording by the City Clerk’s department, as required by the Phoenix City Code, whichever is later, in accordance with the Minimum Qualifications, the Scope of Work in the Professional Services Agreement and the additional specifications and provisions contained herein.

This solicitation is available through Arizona Relay Service 7-1-1. Please call TTY 800-367-8939 for assistance.

Notwithstanding the foregoing, this Agreement will terminate upon the earliest occurrence: by reaching the end of the term including any extensions exercised, or termination pursuant to the provisions of this Agreement.

It is the intent of this Solicitation to award one or more than one contract; however, the City reserves the right to award the Contract(s) to whomever best meets the criteria set out in this Solicitation.

1.3. Minimum Qualifications

The qualified and responsive Offeror must meet **all** minimum qualifications listed below. Should an Offeror fail to meet one of the minimum qualifications identified, the Offer will be disqualified as non-responsive.

- A. Have been in operation for a minimum of seven (7) consecutive years providing the services as listed in the Solicitation.
- B. Have a minimum of seven (7) years' experience in;
 - 1. Providing Benefits Consulting and Actuarial Services, including but not limited to the following benefits: employee and retiree medical plans, dental, wellness incentive programs, claims analysis and premium solicitations, to include the services as listed in this Solicitation, for private and public entities comparable in size to the City of Phoenix.
 - 2. Providing Pharmacy Benefits Management Consulting Services including but not limited to pharmacy benefits management (PBM) services to include the services as listed in this Solicitation, for private and public entities comparable in size to the City of Phoenix.
- C. Be lawfully authorized to conduct business in Arizona or must have no impediments to conducting business in Arizona.

1.4. Agreement Term and Contractual Relationship

Offerors are responsible for reading the agreement and submitting any questions about it in accordance with the process listed in this agreement. By submitting a proposal, each Offeror agrees it will be bound by the agreement. The City anticipates a five-year term. Notwithstanding the foregoing, this Agreement will terminate upon the earliest occurrence of any of the following:

- reaching the end of the term and any extensions;
- completing the services set forth in the Scope of Work (the “Services”);
- payment of the maximum authorized compensation; or
- termination pursuant to the provisions of the Agreement.

1.5. Scope of Work and Special Terms and Conditions

Contractor will provide consulting services that will be in accordance with the Scope of Work as set forth in Scope of Work section, which may be supplemented with additional detail from time to time during the term of the Agreement, and that are satisfactory to the City. In performing these services, Contractor will also specifically comply with the applicable Supplemental Terms and Conditions that are set forth in Special Terms and Conditions section. Contractor will provide progress reports to the Deputy Human Resources Director, or “the City” per a mutually agreed-upon schedule.

1.6. City’s Vendor Self-Registration and Notification

Vendors must be registered in the City’s procurePHX Self-Registration System at <https://www.phoenix.gov/procure> to respond to solicitations and access procurement information. The City may, at its sole discretion, reject any Offer from an Offeror who has not registered.

1.7. Preparation of Offer

All forms provided in Submittal Section must be completed and submitted with the Offer. The signed and completed Conflict of Interest and Transparency form must be included or your Offer may be deemed non-responsive.

It is permissible to copy Submittal forms if necessary. Erasures, interlineations, or other modifications of the Offer must be initialed in original ink by the authorized person signing the Offer. No offer will be altered, amended or withdrawn after the specified Offer due date and time. The City is not responsible for Offeror’s errors or omissions.

All time periods stated as a number of days will be calendar days.

It is the responsibility of all Offerors to examine the entire solicitation and seek clarification of any requirement that may not be clear and to check all responses for accuracy before

submitting an Offer. Negligence in preparing an Offer confers no right of withdrawal after due date and time. Offerors are strongly encouraged to:

- A. Consider applicable laws and/or economic conditions that may affect cost, progress, performance, or furnishing of the products or services.
- B. Study and carefully correlate Offeror's knowledge and observations with the solicitation and other related data.
- C. Promptly notify the City of all conflicts, errors, ambiguities, or discrepancies that Offeror has discovered in or between the solicitation and other related documents.
- D. The City does 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. The Offeror is responsible for all costs incurred in responding to this solicitation. All materials and documents submitted in response to this solicitation become the property of the City and will not be returned.
- E. Offerors are reminded that the specifications stated in the solicitation are the minimum level required and that Offers submitted must be for products or services that meet or exceed the minimum level of all features specifically listed in this solicitation. Offers offering less than any minimum specifications or criteria specified are not responsive and should not be submitted.

1.8. Exception

If an Offeror has any exceptions to any terms, conditions or material requirements of this Solicitation including without limitation to the Professional Services Agreement and the Scope of Work, the Offeror must include a list of all exceptions to the requirements of the Solicitation and attachment documents, if any, stated on a separate page labeled "Exceptions Statement."

- Clearly reference the solicitation provision (i.e., title, paragraph number and page number)
- Redline the City's provision and provide alternate language
- Offeror must explain the reason for the requested change

Note: The preferred method would be to receive an Excel spreadsheet with the following columns: 1) RFP Section, Provision number and Title and page number, 2) Copy of City's provision, 3) City's provision with proposed redlines/changes, and 4) explanation/justification for requested change.

If Offeror's Submittal does not include a separate Exceptions Statement identifying all specific exceptions, the exceptions will be deemed waived by the Offeror.

It is the intent of the City to award a contract on a fair, competitive basis. For this reason, the City may view any "Exception" in response to any material conditions or requirement of the

solicitation, as an attempt by the Offeror to vary the terms of the solicitation which, in fact, may result in giving the Offeror an unfair advantage. For this reason, the City will, at its option, not allow exceptions to any material requirement if, in the opinion of the City, the exceptions alter the overall intent of the solicitation, unless the exception would be of material benefit to the City. Additionally, the City may, at its option, deem any submittal non-responsive based on exceptions by the Offeror.

1.9. Inquiries

All questions that arise relating to this solicitation should be submitted in writing by email to the Procurement Officer and must be received by the due date indicated in the Timeline. The City will not consider questions received after the deadline.

No informal contact initiated by Offerors on the proposed service will be allowed with members of City's staff from date of distribution of this solicitation until after city council awards the contract. All questions concerning or issues related to this solicitation must be presented in writing.

The Procurement Officer will answer written inquiries in an addendum and publish any addenda on the Procurement Website.

1.10. Addenda

The City of Phoenix will not be responsible for any oral instructions made by any employees or officers of the City of Phoenix regarding this solicitation. Any changes to the plans, drawings, and specifications will be in the form of an addendum. The Offeror must acknowledge receipt of any/all addenda by signing and returning the document with the Offer submittal.

1.11. Licenses

If required by law for the operation of the business or work related to this Offer, Offeror must possess all valid certifications and/or licenses as required by federal, state or local laws at the time of submittal.

1.12. Certifications

By signature in the Offer section of the Offer and Acceptance page(s), Offeror certifies:

- The submission of the Offer did not involve collusion or other anti-competitive practices.
- The Offeror must not discriminate against any employee, or applicant for employment in violation of Federal or State Law.
- The Offeror 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.

1.13. Submission of Offer

Offers must be in possession of the Department on or prior to the exact time and date indicated in the Timeline. Late offers will not be considered. The prevailing clock will be the City Department's clock.

1. The City of Phoenix will ONLY accept Offers electronically for this RFP process. Offerors may not submit hardcopies of any Offer to this Solicitation.
2. Offers must be submitted electronically by email to procurement@phoenix.gov and the following should be noted in the submission email:
 - a. Email Subject Line: "Solicitation number and Title" Submittal for "Company Name"
 - b. Contents in the Email body:
 - Offeror's Name
 - Offeror's Address (as shown on the Certification Page)
 - Solicitation Number
 - Solicitation Title
 - Offer Opening Date
3. Due to file size limitations for electronic transmission (for sending or receiving), Offers sent by email may need to be sent in parts with multiple emails. It is the responsibility of the Offeror to ensure that the Offer (including all parts if sent in multiple emails) is timely and to confirm that there are no technical reasons that any offer submitted electronically may be delayed. The date and time on the email(s) as received/stamped by the City's inbox will provide proof of submission and verification whether the Offer was received on or prior to the exact time and date indicated in the Timeline.
4. It is the responsibility of the Offeror to ensure that the Offer is timely and to confirm that there are no technical reasons that any offer submitted electronically may be delayed. The date and time on the upload as received/stamped by the City's file transfer site will provide proof of submission and verification whether the Offer was received on or prior to the exact time and date indicated in the Timeline.

1.14. Withdrawal of Offer

At any time prior to the solicitation due date and time, an Offeror (or designated representative) may withdraw the Offer by submitting a request in writing and signed by a duly authorized representative. If Offeror withdraws the Offer electronically by email to the Procurement Officer, the request to withdraw must be in the form of a letter attached to the email that includes either

an image of the duly authorized representative's signature or an electronic signature from a verifiable source, such as Adobe Sign, DocuSign or a similar verifiable software program.

1.15. Offer Results

Offers will be opened on the Offer due date, time and location indicated in the Timeline, at which time the name of each Offeror, and the prices may be read. Offers and other information received in response to the solicitation will be shown only to authorized City personnel having a legitimate interest in them or persons assisting the City in the evaluation. Offers are not available for public inspection until after the City has posted the award recommendation on the City's website.

The City will post a preliminary Offer tabulation on the City's website, <https://solicitations.phoenix.gov/Awards> within five business days of the Offer opening. The City will post the information on the preliminary tabulation as it was read during the Offer opening. The City makes no guarantee as to the accuracy of any information on the preliminary tabulation. Once the City has evaluated the Offers, the City will post an award recommendation on the website. By signing and submitting its Offer, each Offeror agrees that this posting of the award recommendation to the City's website effectively serves as the Offeror's receipt of that notice of award recommendation. The City has no obligation to provide any further notification to unsuccessful Offerors.

1.16. Pre-Award Qualifications

Upon notification of an award, but before finalization of the award, the Offeror will have fourteen (14) business days to submit a complete certificate of insurance in the minimum amounts and the coverages as required in the Insurance Requirements of this Solicitation. Insurance and Indemnification requirements are non-negotiable.

Upon notification of an award, but before the finalization of the award, the Offeror will have fourteen (14) calendar days to submit the bonding requirements.

If the requirements of paragraphs 1 and 2 above are not met, the City at its option may deem the Offeror's Offer non-responsive and award the contract to another Offeror.

1.17. Award of Contract

Unless otherwise indicated, award(s) will be made to the most responsive, responsible Offeror(s) who are regularly established in the service, or providing the goods, contained in this solicitation and who have demonstrated the ability to perform in an acceptable manner.

A. Factors that may be considered by the City include:

1. Technical capability of the Offeror to accomplish the scope of work required in the Solicitation. This may include performance history on past and current government or industrial contracts; and,

2. Demonstrated availability of the necessary manpower (both supervisory and operational personnel) and necessary equipment to accomplish the scope of work in the Solicitation; and,
 3. Safety record; and,
 4. Offeror history of complaints and termination for convenience or cause.
- B. Notwithstanding any other provision of this solicitation, the City reserves the right to: (1) waive any immaterial defect or informality; or (2) reject any or all offers or portions thereof; or (3) reissue a solicitation.
- C. A response to a solicitation is an offer to contract with the City based upon the terms, conditions, and specifications contained in the City's solicitation. Offers do not become contracts until they are executed by the Chief Procurement Officer or Department Director. The City requires formal signing of a separate Professional Services Consultant agreement, to include the Standard Terms and Conditions, Special Terms and Conditions, all of the terms, conditions and specifications contained in this solicitation, and in any addendum.

1.18. City's Right to Disqualify for Conflict of Interest

The City reserves the right to disqualify any Offeror on the basis of any real or apparent conflict of interest that is disclosed by the Offer submitted or any other data available to the City. This disqualification is at the sole discretion of the City. Any Offeror submitting an Offer herein waives any right to object now or at any future time, before anybody or agency, including but not limited to, the City Council of the City of Phoenix or any court.

1.19. Solicitation Transparency Policy

- A. Commencing on the date and time a solicitation is published, potential or actual Offerors or respondents (including their representatives) shall only discuss matters associated with the solicitation with the Mayor, any members of City Council, the City Manager, any Deputy City Manager, or any department director directly associated with the solicitation (including in each case their assigned staff, except for the designated Procurement Officer) at a public meeting, posted under Arizona Statutes, until the resulting contract(s) are awarded to all Offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or similar solicitation. As long as the solicitation is not discussed, Offerors may continue to conduct business with the City and discuss business that is unrelated to the solicitation with the City staff. Offerors may not discuss the solicitation with any City employees or evaluation panel members.
- B. Offerors may discuss their proposal or the solicitation with the Mayor or one or more members of the Phoenix City Council, provided such meetings are scheduled through the Procurement Officer, and are posted as open meetings with the City Clerk at least 24 hours prior to the scheduled meetings. The City Clerk will be responsible for posting the

meetings. The posted notice shall identify the participants and the subject matter, as well as invite the public to participate.

- C. With respect to the selection of the successful Offerors, the City Manager and/or City Manager's Office will continue the past practice of exerting no undue influence on the process. In all solicitations of bids and proposals, any direction on the selection from the City Manager and/or City Manager's Office and Department Head (or representative) to the proposal review panel or selecting authority must be provided in writing to all prospective Offerors.
- D. This policy is intended to create a level playing field for all Offerors, assure that contracts are awarded in public, and protect the integrity of the selection process. **OFFERORS THAT VIOLATE THIS POLICY SHALL BE DISQUALIFIED.** After official Notice is received by the City for disqualification, the Offeror may follow the Protest process, unless the Solicitation is cancelled without notice of intent to re-issue.
- E. "To discuss" means any contact by the Offeror, regardless of whether the City responds to the contact. Offerors that violate this policy will be disqualified until the resulting contract(s) are awarded, or all Offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or a similar solicitation. The City interprets the policy as continuing through a cancellation of a solicitation until Council award of the contract, as long as the City cancels with a statement that the City will rebid the solicitation.

1.20. Protest Process

- A. Offeror may protest the contents of a solicitation no later than seven days before the solicitation deadline when the protest is based on an apparent alleged mistake, impropriety or defect in the solicitation. Protests filed regarding the solicitation may be addressed by an amendment to the solicitation or denied by the City. If denied, the opening and award will proceed unless the City determines that it is in the City's best interests to set new deadlines, amend the solicitation, cancel or re-bid.
- B. Therefore, unless otherwise notified by a formal amendment, the Protester must adhere to all solicitation dates and deadlines, including timely filing of an Offer, regardless of filing a protest.
- C. Offeror may protest an adverse determination issued by the City regarding responsibility and responsiveness, within seven days of the date the Offeror was notified of the adverse determination.
- D. Offeror may protest an award recommendation if the Offeror can establish that it had a substantial chance of being awarded the contract and will be harmed by the recommended award. The City will post recommendations on the City's website to award the contract(s) to an Offeror(s). Offeror must submit award protests within seven days after the posting of the award recommendation, with exceptions only for good cause shown, within the City's full and final discretion.

- E. All protests will be in writing, filed with the Procurement Officer identified in the solicitation and include the following:
 - 1. Identification of the solicitation number;
 - 2. The name, address and telephone number of the protester;
 - 3. A detailed statement describing the legal and factual grounds for the protest, including copies of relevant documents;
 - 4. The form of relief requested; and
 - 5. The signature of the protester or its authorized representative.
- F. The Procurement Officer will render a written decision within a reasonable period after the protest is filed. The City will not request City Council authorization to award the contract until the protest process is complete. All protests and appeals must be submitted in accordance with the City's Procurement Code, (Phoenix City Code, Ch. 43), and administrative regulations and any protests or appeals not submitted within the time requirements will not be considered. Protests must be filed with the Procurement Officer.

1.21. Public Record

All Offers submitted in response to this solicitation will become the property of the City and become a matter of public record available for review pursuant to Arizona State law. If an Offeror believes that a specific section of its Offer response is confidential, the Offeror will isolate the pages marked confidential in a specific and clearly labeled section of its Offer response. An Offeror may request specific information contained within its Offer is treated by the Procurement Officer as confidential provided the Offeror clearly labels the information "confidential." To the extent necessary for the evaluation process, information marked as "confidential" will not be treated as confidential. Once the procurement file becomes available for public inspection, the Procurement Officer will not make any information identified by the Offerors as "confidential" available to the public unless necessary to support the evaluation process or if specifically requested in accordance with applicable public records law. When a public records request for such information is received, the Procurement Officer will notify the Offeror in writing of any request to view any portion of its Offer marked "confidential." The Offeror will have the time set forth in the notice to obtain a court order enjoining such disclosure. If the Offeror does not provide the Procurement Officer with a court order enjoining release of the information during the designated time, the Procurement Officer will make the information requested available for inspection.

1.22. Late Offers

Late Offers must be rejected, except for good cause. If a late Offer is submitted, the Department will document the date and time of the submittal of the late Offer, keep the Offer and notify the Offeror that its Offer was disqualified for being a late Offer.

1.23. Right to Disqualify

The City reserves the right to disqualify any Offeror who fails to provide information or data requested or who provides materially inaccurate or misleading information or data. The City further reserves the right to disqualify any Offeror on the basis of any real or apparent conflict of interest that is disclosed by the Offer submitted or any other data or information available to the City. This disqualification is at the sole discretion of the City. By submission of a solicitation response, the Offeror waives any right to object now or at any future time, before any agency or body including, but not limited to, the City Council of the City or any court as to the exercise by the City of such right to disqualify or as to any disqualification by reason of real or apparent conflict of interest determined by the City. The City reserves the right to replace the disqualified Offeror.

1.24. Statement of Bonding Ability

Offerors must submit a letter from a bonding or insurance company stating that the Offeror can qualify for and procure the performance and/or payment surety required in this solicitation. Submittals received without the required statement of ability to secure a performance or payment surety may be considered as non-responsive. Offerors anticipating the submittal of a cash surety in lieu of a bond should submit a statement notifying the City.

1.25. Performance Bond

A performance surety in the amount of 10% of the total contract amount shall be provided by the Contractor immediately after notice of award and no later than 14 calendar days. The City of Phoenix will not issue a written purchase order or give notice to proceed in any form until the surety is received by the Procurement Officer. The performance surety must be in the form of a bond, cashier's check, certified check or money order. Personal or company checks are not acceptable unless certified. If surety is in the form of a bond, the company issuing the surety must be authorized by the Insurance Department of Arizona to transact business in the State of Arizona or be named on the approved listing of non-admitted companies. A Certificate of Deposit (CD) issued by a local Phoenix bank may also be used as a form of surety provided that the CD is issued jointly in the name of the City of Phoenix and the Contractor, and that the Contractor endorses the CD over to the City at the beginning of the contract period. Interest earnings from the CD can be retained by the Contractor.

1.26. Contract Award

The City reserves the right to award a contract by individual line items, by group, all or none, or any other combination most advantageous to the City. The City reserves the right to award multiple contracts.

1.27. Evaluation of Competitive Sealed Offers

The City will use its discretion in applying the following processes to this solicitation. Any ties in scoring will be resolved with a best and final price request and the lowest price will prevail.

1.28. Determining Responsiveness and Responsibility

Offers will be reviewed for documentation of any required minimum qualifications, and completeness and compliance with the solicitation requirements. The City reserves sole discretion to determine responsiveness and responsibility.

Responsiveness: Nonresponsive Offers will not be considered in the evaluation process. The solicitation states criteria that determine responsiveness, and the solicitation includes terms and conditions that if included or excluded from Offers will render an Offer nonresponsive.

Responsibility: To obtain true economy, the City must conduct solicitations to minimize the possibility of a subsequent default by the Offeror, late deliveries, or other unsatisfactory performance that may result in additional administrative costs. It is important that the Offeror be a responsible Offeror. Responsibility includes the Offeror's integrity, skill, capacity, experience, and facilities for conducting the work to be performed.

1.29. Detailed Evaluation of Offers and Determination of Competitive Range

During deliberations, the Evaluation Panel will reach a consensus score for each evaluation criterion except price. The Procurement Officer will score the price, which will be added to the overall consensus score. The overall consensus scores will determine the Offerors' rankings and which Offers are within the Competitive Range, when appropriate.

1.30. Offers Not Within the Competitive Range

The City may notify Offerors of Offers that the City determined are not in the Competitive Range.

1.31. Discussions with Offerors in the Competitive Range

The City will notify each Offeror whose Offer is in the Competitive Range or made the 'short list' and provide in writing any questions or requests for clarification to the Offeror. Each Offeror so notified may be interviewed by the City and asked to discuss answers to written or oral questions or provide clarifications to any facet of its Offer. The Offerors in the competitive range may be required to provide a demonstration of their product.

Demonstrations - Offerors in the competitive range may be invited to construct a hands-on sample or presentation of their solution at the City of Phoenix. In addition, each finalist may prepare and deliver a presentation of their proposed solution based on the script developed by the evaluation panel. The City may also require a hands-on lab demonstration designed specifically for the evaluation panel. The results of the surveys will be tabulated and delivered to the evaluation team for the final review and solution selection session(s).

If an Offer in the Competitive Range contains conditions, exceptions, reservations or understandings to or about any Contract or Solicitation Scope requirement, the City may discuss or negotiate the conditions, exceptions, reservations or understandings during these meetings. But the City in its sole discretion may reject any and all conditions, exceptions,

reservations and understandings, and the City may instruct any Offeror to remove the conditions, exceptions, reservations or understandings. If the Offeror fails to do so, the City may determine the Offer is nonresponsive, and the City may revoke its determination that the Offer is in the Competitive Range.

To the fullest extent permitted by law, the City will not provide any information, financial or otherwise, to any Offeror about other Offers received in response to this solicitation. During discussions with Offerors in the Competitive Range, the City will not give Offerors specific prices or specific financial requirements that Offerors must meet to qualify for further consideration. The City may state that proposed prices are too high with respect to the marketplace or otherwise unacceptable. Offerors will not be told of their relative rankings before Contract award.

1.32. Best and Final Offers (BAFO)

A BAFO is an option available for negotiations. Each Offeror in the Competitive Range, which is determined in the City's sole discretion, may be afforded the opportunity to amend its Offer and make one BAFO.

If an Offeror's BAFO modifies its initial Offer, the modifications must be identified in the BAFO. The City will evaluate BAFOs based on the same requirements and criteria applicable to initial Offers. The City will adjust appropriately the initial scores for criteria that have been affected by Offer modifications made by a BAFO. Based on the criteria defined in the solicitation as weighted, the City will then perform final scoring and prepare final rankings.

The Evaluation Panel will recommend the Offer that is the best value and most advantageous to the City based on the evaluation criteria.

The City reserves the right to make an award to an Offeror whose Offer is the highest rated, best value, and most advantageous to the City based on the evaluation criteria, without conducting written or oral discussions with any Offeror, without negotiations, and without soliciting BAFOs.

1.33. Fixed Offer Price Period

All Offers shall be firm and fixed for a period of 270 calendar days from the solicitation opening date.

1.34. Obtaining a Copy of the Solicitation and Addenda

Interested Offerors may download the complete solicitation and addenda from <https://solicitations.phoenix.gov/>. Any interested Offerors without internet access may obtain this solicitation by calling the Procurement Officer or picking up a copy during regular business hours at the City of Phoenix, Finance Department, Central Procurement Division, 251 W Washington Street, 8th Floor, Phoenix, AZ. It is the Offeror's responsibility to check the website, read the entire solicitation, and verify all required information is submitted with their Offer.

1.35. Business in Arizona

The City will not enter contracts with Offerors (or any company(ies)) not granted authority to transact business, or not in good standing, in the state of Arizona by the Arizona Corporation Commission, unless the Offeror asserts a statutory exception prior to entering a contract with the City.

1.36. Evaluation Criteria

In accordance with the Administrative Regulation 3.10. Competitive Sealed Proposal awards shall be made to the responsive and responsible Offeror(s) whose Offer 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 the relative order of importance and more details are provided in Scope of Work. The following evaluation criteria will be used to evaluate all Offers:

Evaluation Criteria #1: Qualifications, Experience and References....325 Points

Evaluation Criteria #2: Method of Approach...375 Points

Evaluation Criteria #3: Pricing...300 Points

Total available points: 1,000 Points

2. AGREEMENT

2.1. Professional Services Agreement

**BETWEEN
THE CITY OF PHOENIX
AND
CONTRACTOR NAME**

This AGREEMENT is made and entered into this November 1, 2025, (“the Effective Date”), or as of the City Clerk date, whichever is later, by and between the City of Phoenix, Arizona, a municipal corporation of the State of Arizona (hereinafter referred to as “City”) and **insert legal name of Contractor here, insert state of corporation and correct business name – Corporation, LLC, etc that you have confirmed on the Arizona Corporation Commission website**, (hereinafter referred to as “ Contractor”).

RECITALS

- A. The City Manager of the City of Phoenix, Arizona, is authorized by the provisions of the City Charter to execute agreements for professional services.
- B. The City desires to obtain the services that are specifically set forth in this Agreement.
- C. The City procured these professional services in accordance with the Phoenix City Code and Administrative Regulation 3.10.
- D. Contractor possesses the skills and expertise necessary to provide such services as desired by the City.
- E. **This Agreement is authorized by the City Council (Ordinance Number and Agenda Number if applicable) Enter date.**

NOW, THEREFORE, it is agreed by and between the parties as follows:

2.2. Term of Agreement

- A. This Agreement begins on the Effective Date in the above introductory paragraph, and upon approval by the City, for five years.
- B. This Agreement will terminate upon the earliest occurrence of any of the following:
 - 1. reaching the end of the term exercised as set forth in A;
 - 2. completing the services set forth in the Scope of Work attached as EXHIBIT A – SCOPE OF WORK (the “Services”);
 - 3. payment of the maximum compensation under Paragraph Payment of this Agreement; or
 - 4. termination pursuant to the provisions of this Agreement.

2.3. Payment

- A. The total amount to be remitted by the City to Contractor for all Services satisfactorily performed under this Agreement will not exceed the aggregate amount of \$ **(amount will be inserted in the final agreement)** including reasonable expenses, if approved in advance by the City and included in the Fee Schedule EXHIBIT B. Under this Agreement, the City will pay for Services at the rate(s) specified in the Fee Schedule and that comply with the requirements for Reimbursable Expenses as outlined below, with no additional charges for overhead, benefits, local travel or administrative support. Payments will be made in proportion to the Services performed and no more than 90% of the total contract price will be paid before the work is totally completed and accepted by the City.
- B. Contractor will submit monthly invoices on or before the 10th calendar day of every month. Each invoice will be accompanied with itemized receipts. The invoice will be submitted free of mathematical errors and/or missing supporting documentation. All appropriate documentation will be provided that supports the charges reflected in the monthly invoice. Upon finding of an error and/or missing documentation, the City will return the invoice to the Contractor. Contractor will promptly resubmit the revised invoice to the City. Each revised invoice will document the date that the revised invoice is submitted to the City. Requests for payment must be submitted with documentation of dates and hours worked, hourly rate charged, and a detailed description of the Services performed. Failure of City to identify an error does not waive any of the City's rights.
- C. Invoices will be submitted to: City of Phoenix Human Resources Department, Benefits Division, staff:

Brianna.Aceves@phoenix.gov

Debra.Payan@phoenix.gov

Tristin.Sullivan-Leppa@phoenix.gov

Benefits.Invoices@phoenix.gov

2.5. Exhibit A – Scope of Work

This section is intentionally left blank. Please refer to Exhibit A.

2.6. Exhibit B - Fee Schedule

This section is intentionally left blank. Please refer to Exhibit B.

2.7. Standard Terms and Conditions

2.7.1. Definition of Key Words Used in the Solicitation

Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of Offer as non-responsive.

Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the Offer without the information.

May: Indicates something that is not mandatory but permissible.

For purposes of this solicitation, the following definitions will apply:

“A.R.S.” Arizona Revised Statute

“Buyer” or “Procurement Officer” City of Phoenix staff person responsible for the solicitation. The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and responsible for monitoring and overseeing the Contractor's performance under this contract.

"City" The City of Phoenix

"Contractor" The individual, partnership, or corporation who, as a result of the competitive process, is awarded a contract by the City of Phoenix.

"Contract" or "Agreement" The legal agreement executed between the City of Phoenix, AZ and the Contractor.

“Days” Means calendar days unless otherwise specified.

“Chief Procurement Officer” The contracting authority for the City of Phoenix, AZ, authorized to sign contracts and amendments thereto on behalf of the City of Phoenix, AZ.

“Employer” Any individual or type of organization that transacts business in this state, that has a license issued by an agency in this state and employs one or more employees in this state. Employer includes this state, any political subdivision of this state and self-employed persons. In the case of an independent contractor, employer means the independent contractor and does not mean the person or organization that uses contract labor. (A.R.S. 23-211).

“Offer” Means a response from a Supplier, Contractor, or Service Provider to a solicitation request that, if awarded, binds the Supplier, Contractor, or Service Provider to perform in accordance with the contract. Same as bid, proposal, quotation or tender.

“Offeror” Any Vendor, Seller or Supplier submitting a competitive offer in response to a solicitation from the City. Same as Bidder or Proposer.

“Solicitation” Means an Invitation for Bid (IFB), Request for Proposal (RFP), Request for Quotations (RFQ), Request for Qualifications (RFQu) and request for sealed Offers, or any other type of formal procurement which the City makes public through advertising, mailings, or some other method of communication. It is the process by which the City seeks information, proposals, Offers, or quotes from suppliers.

“Suppliers” Firms, entities or individuals furnishing goods or services to the City.

“Vendor or Seller” A seller of goods or services.

2.7.2. *Contract Interpretation*

- A. **Applicable Law:** This Contract will be governed by the law of the State of Arizona, and suits pertaining to this Contract will be brought only in Federal or State courts in Maricopa County, State of Arizona.
- B. **Contract Order of Precedence:** In the event of a conflict in the provisions of the Contract, as accepted by the City and as they may be amended, the following will prevail in the order set forth below:
 - 1. Professional Services Agreement Standard Terms and Conditions
 - 2. Special terms and conditions
 - 3. Insurance and Indemnification Terms and Insurance Certificate
 - 4. Statement of Scope of Work and Fee Schedule
- C. **Organization – Employment Disclaimer:** The Agreement resulting hereunder is not intended to constitute, create, give rise to or otherwise recognize a joint venture agreement or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties will be only those expressly set forth in the agreement. The parties agree that no persons supplied by the Contractor in the performance of Contractor's obligations under the agreement are considered to be City's employees and that no rights of City civil service, retirement or personnel rules accrue to such persons. The Contractor will have total responsibility for all salaries, wage bonuses, retirement, withholdings, workmen's compensation, occupational disease compensation, unemployment compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and will save and hold the City harmless with respect thereto.
- D. **Severability:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid will not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.
- E. **Non-Waiver of Liability:** The City of Phoenix as a public entity supported by tax monies, in execution of its public trust, cannot agree to waive any lawful or legitimate right to recover monies lawfully due it. Therefore, any Contractor agrees that it will not insist upon or demand any statement whereby the City agrees to limit in advance or waive any right the City might have to recover actual lawful damages in any court of law under applicable Arizona [law](#).
- F. **Parol Evidence:** This Agreement is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage in the trade will be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this contract will not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.
- G. **Counterparts:** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

- H. **Facsimile or Electronic Signature:** Either or all parties may execute this Agreement by facsimile or other scanned or electronic signature, and any such facsimile or other scanned or electronic signature shall be deemed an original signature.

2.7.3. *Contract Administration and Operation*

- A. **Records:** All books, accounts, reports, files and other records relating to the contract will be subject at all reasonable times to inspection and audit by the City for five years after completion of the contract. Such records will be produced at a City of Phoenix office as designated by the City. Confidentiality will be maintained, and City will not violate any proprietary or other confidentiality agreements Contractor has in place.
- B. **Discrimination Prohibited:** Contractor agrees to abide by the provisions of the Phoenix City Code Chapter 18, Article V as amended. Any Contractor, in performing under this contract, will not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age or disability nor otherwise commit an unfair employment practice. The supplier and/or lessee will take action to ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, or national origin, age or disability and adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort and responsibility, and that are performed within the same establishment under similar working conditions. Such action will include but not be limited to the following: Employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract. Contractor further agrees that this clause will be incorporated in all subcontracts, job-contractor agreements or subleases of this agreement entered into by supplier/lessee.
- C. **Equal Employment Opportunity and Pay:** In order to do business with the City, Contractor must comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended, Equal Employment Opportunity Requirements. Contractor will direct any questions in regard to these requirements to the Equal Opportunity Department, (602) 262-6790.
1. **For a Contractor with 35 employees or fewer:** Contractor in performing under this Agreement shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The Contractor will ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or

- termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The Contractor further agrees that this clause will be incorporated in all subcontracts related to this Agreement that involve furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this Agreement. Contractor further agrees that this clause will be incorporated in all subcontracts, Contractor agreements or subleases of this agreement entered into by supplier/lessee.
2. **For a Contractor with more than 35 employees:** Contractor in performing under this Agreement shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The Contractor will ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and shall adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The Contractor further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract. Contractor further agrees that this clause will be incorporated in all subcontracts, job-Contractor agreements or subleases of this Agreement entered into by supplier/lessee. The Contractor further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.
 3. **Documentation:** Suppliers and lessees may be required to provide additional documentation to the Equal Opportunity Department affirming that a nondiscriminatory policy is being utilized.
 4. **Monitoring:** The Equal Opportunity Department shall monitor the employment policies and practices of suppliers and lessees subject to this article as deemed necessary. The Equal Opportunity Department is authorized to conduct on-site compliance reviews of selected firms, which may include an audit of personnel and payroll records, if necessary.
- D. **Legal Worker Requirements:** The City of Phoenix is prohibited by A.R.S. § 41-4401 from awarding a contract to any Contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees that:

1. Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. § 23-214, subsection A.
 2. A breach of a warranty under paragraph 1 will be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract.
 3. The City of Phoenix retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph 1.
- E. **Compliance with Laws:** Contractor agrees to fully observe and comply with all applicable Federal, State and local laws, regulations, standards, codes and ordinances when performing under this Contract regardless of whether they are being referred to by the City. Contractor agrees to permit City inspection of Contractor's business records, including personnel records to verify any such compliance. Because the contractor will be acting as an independent contractor, the City assumes no responsibility for the Contractor's acts.
- F. **Lawful Presence Requirement:** Pursuant to A.R.S. §§ 1-501 and -502, the City of Phoenix is prohibited from awarding a contract to any natural person who cannot establish that he or she is lawfully present in the United States. In order to establish lawful presence, this person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. In the event the prevailing responder is unable to satisfy this requirement, the City will offer the award to the next-highest scoring responder. The law does not apply to fictitious entities such as corporations, partnerships and limited liability companies.
- G. **Continuation During Disputes:** Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as is possible, under the terms of the contract, the Contractor will continue to perform the obligations required of Contractor during the continuation of any such dispute unless enjoined or prohibited by an Arizona Court of competent jurisdiction.

2.7.4. Governing Law; Forum; Venue

This Agreement is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) will govern their interpretation and enforcement. Any action brought to interpret or enforce any provision of this Agreement that cannot be administratively resolved, or otherwise related to or arising from this Agreement, will be commenced and maintained in the state or federal courts of the State of Arizona, Maricopa County, and each of the parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

2.7.5. Audits/Records

- A. The City reserves the right, at reasonable times, to audit Contractor's books and records relative to the performance of service under this Agreement. All records pertaining to this Agreement will be kept on a generally accepted accounting basis for a period of five years following termination of the Agreement.
- B. If following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

2.7.6. *Independent Contractor Status; Employment Disclaimer*

- A. The parties agree that Contractor is providing the Services under this Agreement on a part-time and/or temporary basis and that the relationship created by this Agreement is that of independent contractors. Neither Contractor nor any of Contractor's agents, employees or helpers will be deemed to be the employee, agent, or servant of the City. The City is only interested in the results obtained under this Agreement; the manner, means and mode of completing the same are under the sole control of Contractor.
- B. This Agreement is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, partnership or formal business association or organization of any kind, and the rights and obligations of the parties will be only those expressly set forth in this Agreement. The parties agree that no individual performing under this Agreement on behalf of Contractor will be considered a City employee, and that no rights of City Civil Service, City retirement or City personnel rules will accrue to such individual. Contractor will have total responsibility for all salaries, wages, bonuses, retirement, withholdings, worker's compensation, other employee benefits, and all taxes and premiums appurtenant thereto concerning such individuals and will save and hold harmless the City with respect thereto.

2.7.7. *Costs and Payments*

- A. **Commencement of Work:** Any prompt payment terms offered must be clearly noted by the Contractor on all invoices submitted to the City for the payment of goods or services received. The City will make every effort to process payment for the purchase of material or services within thirty to forty-five calendar days after receipt of a correct invoice, unless a good faith dispute exists to any obligation to pay all or a portion of the account. Payment terms are specified in the Offer.
- B. **Late Submission of Claim by Contractor:** The City will not honor any invoices or claims which are tendered one year after the last item of the account accrued.
- C. **Discounts:** If applicable, payment discounts will be computed from the date of receiving acceptable products, materials and/or services or correct invoice, whichever is later to the date payment is mailed.
- D. **No Advance Payments:** Advance payments are not authorized. Payment will be made only for actual services or commodities that have been received, unless addressed specifically in the Scope of work for subscription services.

- E. **Fund Appropriation Contingency:** The Contractor recognizes that any agreement entered into will commence upon the day first provided and continue in full force and effect until termination in accordance with its provisions. The Contractor and the City herein recognize that the continuation of any contract after the close of any given fiscal year of the City, which ends on June 30th of each year, will be subject to the approval of the budget of the City providing for or covering such contract item as an expenditure therein. The City does not represent that said budget item will be actually adopted, said determination being the determination of the City Council at the time of the adoption of the budget.
- F. **IRS W-9 Form:** In order to receive payment, the Consultant shall have a current IRS W-9 form on file with the City of Phoenix. The form can be downloaded at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

2.7.8. *Contract Changes*

- A. **Contract Amendments:** Whenever an addition, deletion or alteration to the Services described in EXHIBIT A – SCOPE OF WORK substantially changes the Scope of Work thereby materially increasing or decreasing the cost of performance, a supplemental agreement must first be approved in writing by the City and Contractor before such addition, deletion or alteration will be performed. Changes to the Services may be made and the compensation to be paid to Contractor may be adjusted by mutual agreement, but in no event may the compensation exceed the amount authorized without further written authorization. It is specifically understood and agreed that no claim for extra work done or materials furnished by Contractor will be allowed except as provided herein, nor will Contractor do any work or furnish any materials not covered by this Agreement unless first authorized in writing. Any work or materials furnished by Contractor without prior written authorization will be at Contractor's risk, cost and expense, and Contractor agrees to submit no claim for compensation or reimbursement for additional work done or materials furnished without prior written authorization.
- B. **Non-Assignability:** This Agreement is in the nature of a personal services contract and Consultant shall have no power to assign this Agreement, including any right, duty, or obligation of Consultant under this Agreement, without the prior written consent of the City. Consultant shall not subcontract with any third party for any component of the Services without the prior written consent of the City. Any attempt to assign or subcontract without the City's prior written consent shall be void. An essential consideration provided to the City by Consultant to induce the City to enter into the Agreement is Consultant's representation that the individual(s) performing services shall include Consultant's principals as selected through the solicitation process. Therefore, should such named individual(s) sever their relationship with Consultant, or otherwise be unavailable to carry out Consultant's duties under this Agreement for a period of time deemed to be excessive

by the City in its sole and absolute discretion, then the City may, without notice, immediately terminate this Agreement for cause.

- C. **Non-Exclusive Contract:** Any contract resulting from this solicitation will be awarded with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods or services from another source when necessary.

2.7.9. *Risk of Loss and Liability*

- A. **Title and Risk of Loss:** The title and risk of loss of material or service will not pass to the City until the City actually receives the material or service at the point of delivery; and such loss, injury, or destruction will not release seller from any obligation hereunder.
- B. **Acceptance:** All material or service is subject to final inspection and acceptance by the City. Material or service 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. Noncompliance will conform to the cancellation clause set forth in this document.
- C. **Force Majeure:** Except for payment of sums due, neither party will 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. Contractor will not be responsible or liable for, or deemed in breach hereof because of any delay in the performance of its obligations hereunder to the extent caused by circumstances beyond its control, without its fault or negligence, and that could not have been prevented by the exercise of due diligence, including but not limited to fires, natural disasters, riots, wars, unavoidable and unforeseeable site conditions, failure of the City to provide data within the City's possession or to make necessary decisions or provide necessary comments in connection with any required reports prepared by Contractor in connection with the Services and the unforeseeable inability to obtain necessary site access, authorization, permits, licenses, certifications and approvals (such causes hereafter referred to as "Force Majeure").
- D. **Loss of Materials:** If applicable, the City does not assume any responsibility, at any time, for the protection of or for loss of materials, from the time that the contract operations have commenced until the final acceptance of the work by the City.
- E. **Contract Performance:** Contractor will furnish all necessary labor, tools, equipment, and supplies to perform the required services at the City facilities designated, unless otherwise specifically addressed in the scope, or elsewhere in this Agreement. The City's authorized representative will decide all questions which may arise as to the quality and acceptability of any work performed under the contract. If, in the opinion of the City's authorized representative, performance becomes unsatisfactory, the City will notify the Contractor. The Contractor will have 30 days from that time to correct any specific instances of unsatisfactory performance, unless a different amount of time is

specified in the agreement. In the event the unsatisfactory performance is not corrected within the time specified, the City will have the immediate right to complete the work to its satisfaction and will deduct the cost to cover from any balances due or to become due the Contractor. Repeated incidences of unsatisfactory performance may result in cancellation of the agreement for default.

- F. **Damage to City Property:** If applicable, Contractor will perform all work so that no damage to the building or grounds results. Contractor will repair any damage caused to the satisfaction of the City at no cost to the City. Contractor will take care to avoid damage to adjacent finished materials that are to remain. If finished materials are damaged, Contractor will repair and finish to match existing material as approved by the City at Contractor's expense.

2.7.10. City's Contractual Rights

Whenever one party to this contract in good faith has reason to question the other party's intent to perform, the former party 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 days, the demanding party may treat this failure as an anticipatory repudiation of this contract.

- A. **Non-Exclusive Remedies:** The rights and remedies of the City under this Contract are non-exclusive.
- B. **Default in One Installment to Constitute Breach:** Each installment or lot of the agreement is dependent on every other installment or lot and a delivery of non-conforming goods or a default of any nature under one installment or lot will impair the value of the whole agreement and constitutes a total breach of the agreement as a whole.
- C. **On Time Delivery:** Because the City is providing services which involve health, safety and welfare of the general public, delivery time is of the essence. Delivery must be made in accordance with the delivery schedule promised by the Contractor.
- D. **Default:** In case of default by the Contractor, the City may, by written notice, cancel this contract and repurchase from another source and may recover the excess costs by (1) deduction from an unpaid balance due; (2) collection against the Solicitation and/or Performance Bond, or (3) a combination of the aforementioned remedies or other remedies as provided by law.
- E. **Covenant Against Contingent Fees:** Seller warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employers or bona fide established commercial or selling agencies maintained by the seller for the purpose of securing business. For breach or violation of this warranty, the City will have the right to annul the contract without liability or in its

discretion to deduct from the contract price a consideration, or otherwise recover the full amount of such commission, brokerage or contingent fee.

- F. **Cost Justification:** In the event only one response is received, the City may require that the Contractor submit a cost proposal in sufficient detail for the City to perform a cost/price analysis to determine if the Offer price is fair and reasonable.
- G. **Work Product, Equipment, and Materials:** All work product, equipment, or materials created or purchased under this contract belongs to the City and must be delivered to the City at City's request upon termination of this contract. Contractor agrees to assign to City all rights and interests Contractor may have in materials prepared under this contract that are "works for hire" within the meaning of the copyright laws of the United States, including any right to derivative use of the material.

2.7.11. Contract Termination

- A. **Gratuities:** The City may, by written notice to the Contractor, cancel this contract if it is found 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 making any determinations with respect to the performing of such contract. In the event this contract is canceled by the City pursuant to this provision, the City will be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.
- B. **Conditions and Causes for Termination:**
 - 1. This contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty-day written notice to Contractor. The City at its convenience, by written notice, may terminate this contract, in whole or in part. If this contract is terminated, the City will be liable only for payment under the payment provisions of this contract for services rendered and accepted material received by the City before the effective date of termination. Title to all materials, work-in-process and completed but undeliverable goods, will pass to the City after costs are claimed and allowed. The Seller will submit detailed cost claims in an acceptable manner and will permit the City to examine such books and records as may be necessary in order to verify the reasonableness of any claims.
 - 2. Immediately upon receiving a written notice to terminate or suspend Services, Contractor will:
 - Discontinue advancing the work in progress, or such part that is described in the notice.
 - Deliver to the City all collected raw data, draft reports, preliminary reports, working papers, estimates and forecasts entirely or partially completed, together with all unused materials supplied by the City.

- Appraise the work it has completed and submit its appraisal to the City for evaluation.
 - Be paid in full the pro rata value for services performed to the date of its receipt of the Notice of Termination, including reimbursement for all reasonable costs and expenses incurred by the Contractor in terminating the work, including demobilization of field service. No payment will be made for loss of anticipated profits or unperformed services.
3. The City reserves the right to cancel the whole or any part of this contract due to failure of Contractor to carry out any term, promise, or condition of the contract. The City will issue a written notice of default to Contractor for acting or failing to act as in any of the following:
- In the opinion of the City, Contractor provides personnel who do not meet the requirements of the contract;
 - In the opinion of the City, Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this contract;
 - In the opinion of the City, Contractor attempts to impose on the City personnel or materials, products or workmanship, which is of an unacceptable quality;
 - Contractor fails to furnish the required service and/or product within the time stipulated in the contract;
 - In the opinion of the City, Contractor fails to make progress in the performance of the requirements of the contract and/or gives the City a positive indication that Contractor will not or cannot perform to the requirements of the contract.
4. Final Payment. The City shall make final payment for all Services performed and accepted within sixty (60) days after Contractor has delivered to the City any final progress reports, documentation, materials and evidence of costs and disbursement as required under this Agreement.
5. Temporary Suspension. The City may, by written notice, direct Consultant to suspend performance on all or any part of the Services for such period of time as may be determined by the City to be necessary or desirable for its convenience. If such suspension causes additional expense to Consultant in performance, and such additional expense is not due to fault or negligence of Consultant, the payment will be adjusted on the basis of actual costs resulting directly from the suspension, and the period for performance of the Services will be extended by mutual agreement. Any claim by Consultant for a price adjustment must be supported by appropriate documentation asserted promptly after Consultant has been notified to suspend performance.

- C. **Contract Cancellation:** All parties acknowledge that this contract is subject to cancellation by the City of Phoenix pursuant to the provision of Section 38-511, Arizona Revised Statutes.

2.7.12. Notice

Any notice, consent or other communication (“Notice”) required or permitted under this Agreement will be in writing and either: (1) delivered in person; (2) sent via e-mail, return receipt requested; (3) sent via facsimile transmission; (4) deposited with any commercial air courier or express delivery service; or (5) deposited in the United States mail, postage prepaid.

If to Contractor:

Legal name and address of contractor.

If to City:

City of Phoenix - Human Resources Department
Benefits Division
251 W. Washington St., 7th Floor
Phoenix, AZ 85003
Telephone: (602) 262-1618
Benefits.Questions@phoenix.gov

Notice will be deemed received: (1) at the time it is personally served; (2) on the day it is sent via e-mail; (3) on the day it is sent by facsimile transmission; (4) on the second day after its deposit with any commercial air courier or express delivery service; or (5) five business days after the Notice is deposited in the United States mail as above provided. Any time period stated in a Notice will be computed from the time the Notice is deemed received.

Notices sent by e-mail and facsimile transmission will also be sent by regular mail to the recipient at the above address. This requirement for duplicate Notice is not intended to change the effective date of the Notice sent by e-mail or facsimile transmission.

2.7.13. Integration

This Agreement constitutes and embodies the full and complete understanding and agreement of the parties hereto and supersedes all prior understandings, agreements, discussions, proposals, bids, negotiations, communications, and correspondence, whether oral or written. No representation, promise, inducement or statement of intention has been made by any party hereto which is not embodied in this Agreement, and no party will be bound by or liable for any statement of intention not so set forth.

2.7.14. Conflicts of Interest

- A. Contractor acknowledges that, to the best of its knowledge, information and belief, no person has been employed or retained to solicit or secure this Agreement upon a promise of a commission, percentage, brokerage, or contingent fee, and that no member of the Phoenix City Council or any employee of the City has any financial interest in the

consulting firm. For breach of violation of this warranty, the City will have the right to annul this Agreement without liability, including any such commission, percentage, brokerage or contingent fee.

- B. The City reserves the right to immediately terminate the contract in the event that the City determines that Contractor has an actual or apparent conflict of interest.
- C. Upon a finding by the City that gratuities in the form of entertainment, gifts or inducements were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the City for the purpose of securing this Agreement, or securing favorable treatment with respect to the awarding, amending, or making of any determination with respect to the performance of this Agreement, the City may, by one calendar day written notice to Contractor, terminate the right of Contractor to proceed under this Agreement, provided that the existence of the facts upon which the City made such finding will be an issue and may be litigated in an Arizona court of competent jurisdiction. In the event of such termination, the City will be entitled to the same remedies against Contractor as could be pursued in the event of default by Contractor.
- D. This Agreement is subject to the requirements of Arizona Revised Statutes §38-511.

2.7.15. Waiver of Claims for Anticipated Profits

Contractor waives any claims against the City and its officers, officials, agents and employees for loss of anticipated profits caused by any suit or proceeding, directly or indirectly, involving any part of this Agreement.

2.7.16. State and Local Transaction Privilege Taxes

In accordance with applicable state and local law, transaction privilege taxes may be applicable to this transaction. The state and local transaction privilege (sales) tax burden and legal liability to remit taxes are on the Contractor that is conducting business in Arizona and the City of Phoenix. Any failure by the Contractor to collect applicable taxes from the City will not relieve the Contractor from its obligation to remit taxes. It is the responsibility of the prospective bidder to determine any applicable taxes. The City will look at the price or offer submitted and will not deduct, add or alter pricing based on speculation or application of any taxes, nor will the City provide advice or guidance. If you have questions regarding your tax liability, please seek advice from a tax professional prior to submitting your Offer. You may also find information at <https://www.phoenix.gov/finance/plt> or <https://www.azdor.gov/Business>. Once your Offer is submitted, the Offer is valid for the time specified in this Solicitation, regardless of mistake or omission of tax liability. If the City finds over payment of a project due to tax consideration that was not due, the Contractor will be liable to the City for that amount, and by contracting with the City, the Contractor agrees to remit any overpayments back to the City for miscalculations on taxes included in an offer price.

2.7.17. Tax Indemnification

Contractor will pay all federal, state and local taxes applicable to its operation and any persons employed by the Contractor, and require the same of all subcontractors. Contractor will hold the City harmless from any responsibility for taxes, damages and interest, if applicable,

contributions required under federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation, and require the same of all subcontractors.

2.7.18. Tax Responsibility Qualification

Contractor may be required to establish, to the satisfaction of City, that any and all fees and taxes due to the City or the State of Arizona for any License or Transaction Privilege taxes, Use Taxes or similar excise taxes, are currently paid (except for matters under legal protest).

Contractor agrees to a waiver of the confidentiality provisions contained in the City Finance Code and any similar confidentiality provisions contained in Arizona statutes relative to State Transaction Privilege Taxes or Use Taxes. Contractor agrees to provide written authorization to the City Finance Department and to the Arizona State Department of Revenue to release tax information relative to Arizona Transaction Privilege Taxes or Arizona Use Taxes in order to assist the Department in evaluating Contractor's qualifications for and compliance with contract for duration of the term of contract.

2.7.19. No Israel Boycott

If this Contract is valued at \$100,000 or more and requires Contractor (a company engaging in for-profit activity and having ten or more full-time employees) to acquire or dispose of services, supplies, information technology, or construction, then Contractor must certify and agree that it does not and will not boycott goods or services from Israel, pursuant to Title 35, Chapter 2, Article 9 of the Arizona Revised Statutes. Provided that these statutory requirements are applicable, Contractor by entering this Contract now certifies that it is not currently engaged in, and agrees for the duration of the Contract to not engage in, a boycott of goods or services from Israel.

2.7.20. No Forced Labor of Ethnic Uyghurs

If this Contract requires Contractor (a company engaging in for-profit activity and having ten or more full-time employees) to acquire or dispose of services, supplies, information technology, goods, or construction, then pursuant to Title 35, Chapter 2, Article 10 of the Arizona Revised Statutes Contractor must certify and agree that it and any contractors, subcontractors, or suppliers it utilizes do not and will not use the forced labor of ethnic Uyghurs in the People's Republic of China or any goods or services produced by such forced labor. Provided these statutory requirements are applicable, Contractor, by entering this Contract, now certifies it is not currently engaged in, and agrees for the duration of the Contract to not engage in, (a) the use of forced labor of ethnic Uyghurs in the People's Republic of China; (b) the use of any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (c) the use of any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

2.7.21. Advertising

Except as required by law, Contractor shall not publish, release, disclose or announce to any member of the public, press, official body, or any other third party any information or documents concerning this Agreement or any part thereof without the prior written consent of the City. The name of any City site on which services are performed by the Contractor pursuant to this Agreement shall not be used in any advertising or other promotional context by Contractor without the prior written consent of the City.

2.7.22. Release of Information - Advertising and Promotion

Contractor will not publish, release, disclose or announce to any member of the public, press, official body, or any other third party: (1) any information concerning this Agreement, the Services, or any part thereof; or (2) any documentation or the contents thereof, without the prior written consent of the City, except as required by law. The name of any site on which Services are performed will not be used in any advertising or other promotional context by Contractor without the prior written consent of the City.

2.7.23. Strict Performance

Failure of either party to insist upon the strict performance of any item 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 acceptance of materials or services, obligations imposed by this contract, or by law, will not be deemed a waiver of any right of either party to insist upon the strict performance of the contract.

2.7.24. Authorized Changes

The City reserves the right at any time to make changes in any one or more of the following: (a) specifications; (b) methods of shipment or packing; (c) place of delivery; (d) time of delivery; and/or (e) quantities. If the change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment will be deemed waived unless asserted in writing within sixty days from the receipt of the change. Price increases or extensions of delivery time will not be binding on the City unless evidenced in writing and approved by the Chief Procurement Officer prior to the institution of the change.

2.7.25. Claims or Demands Against the City

- A. Contractor acknowledges and accepts the provisions of Chapter 18, Section 14 of the Charter of the City of Phoenix, pertaining to claims or demands against the City, including provisions therein for set-off of indebtedness to the City against demands on the City, and Contractor agrees to adhere to the prescribed procedure for presentation of claims and demands. Nothing in Chapter 18, Section 14 of the Charter of the City of Phoenix alters, amends or modifies the supplemental and complementary requirements of the State of Arizona Notice of Claim statutes, Arizona Revised Statutes §§ 12-821 and 12-821.01, pertaining to claims or demands against the City. If for any reason it is determined that the City Charter and state law conflict, then state law will control.

- B. Moreover, nothing in this Agreement will constitute a dispute resolution process, an administrative claims process, or contractual term as used in Arizona Revised Statutes § 12-821.01(C), sufficient to affect the date on which the cause of action accrues within Arizona Revised Statutes § 12-821.01(A) and (B).

2.7.26. *No Third-Party Beneficiaries*

The parties expressly agree that this Agreement is not intended by any of its provisions to create any right of the public or any member thereof as a third-party beneficiary nor to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

2.8. Special Terms and Conditions

2.8.1. *Method of Ordering*

Contractor shall deliver items and/or services only upon receipt of a written purchase order. All Contractor invoices and packing/delivery tickets must include the City of Phoenix purchase order number.

2.8.2. *Method of Invoicing*

Invoice must be emailed in .pdf format to invoices@phoenix.gov and must include the following:

- City purchase order number or shopping cart number
- Items listed individually by the written description and part number
- Unit price, extended and totaled
- Quantity ordered, back ordered, and shipped
- Applicable tax
- Invoice number and date
- Delivery address
- Payment terms
- FOB terms
- Remit to address

2.8.3. *Partial Payments*

Partial payments are not authorized on individual purchase orders. Payment will be made upon final delivery and acceptance of all goods and services on the purchase order.

2.8.4. *Supplier Profile Changes*

It is the responsibility of the Contractor to promptly update their profile in procurePHX at <https://www.phoenix.gov/procure>. If Contractor's legal identify has changed, the Procurement

Officer must be notified immediately. Failure to do so may result in non-payment of invoices and contract termination.

2.8.5. Suspensions of Work

The City reserves the right to suspend work wholly or in part if deemed necessary for the best interest of the City. This suspension will be without compensation to the Contractor, other than to adjust the contract completion/delivery requirements.

2.8.6. Post Award Conference

A post-award conference will be held prior to commencement of any work on the project. The purpose of this conference is to discuss critical elements of the work schedule and operational problems and procedures.

2.8.7. Performance Interference

Contractor shall notify the City's authorized Department representative immediately of any occurrence and/or condition that interferes with the full performance of the contract and confirm it in writing within 24 hours.

2.8.8. Cooperative Agreement

In addition to the City and with approval of the Contractor, this contract may be extended for use by other municipalities and government agencies in the State of Arizona.

2.8.9. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables which may be created under this contract are the sole property of the City of Phoenix and will not be used by the Contractor or any other person except with prior written permission by the City.

2.8.10. Licenses and Permits

Contractor will keep current Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this contract.

2.8.11. Contacts with Third Parties

- A. Contractor or its subcontractors will not contact third parties to provide any information in connection to the Services provided under this Agreement without the prior written consent of the City. Should Contractor or its subcontractors be contacted by any person requesting information or requiring testimony relative to the Services provided under this Agreement or any other prior or existing Agreement with the City, Contractor or its subcontractors will promptly inform the City giving the particulars of the information sought and will not disclose such information or give such testimony without the written consent of the City or court order. The obligations of Contractor and its subcontractors under this Section will survive the termination of this Agreement.
- B. Contractor agrees that the requirements of this Section will be incorporated into all subcontractor agreements entered into by the Contractor. It is further agreed that a violation of this Section will be deemed to cause irreparable harm that justifies injunctive

relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

2.8.12. *Fiscal Year Clause*

The City's fiscal year begins July 1st and ends June 30th each calendar year. The City may make payment for services rendered or costs encumbered only during a fiscal year and for a period of 60 days immediately following the close of the fiscal year, under the provisions of Arizona Revised Statutes §42-17108. Therefore, Contractor must submit billings for services performed or costs incurred prior to the close of a fiscal year within ample time to allow payment within this 60-day period.

2.8.13. *Final Payment*

- A. **PAYMENT:** The City will make final payment for all Services performed and accepted within 60 days after Contractor has delivered to the City any final progress reports, documentation, materials and evidence of costs and disbursement as required under this Agreement. Any use by the City of preliminary reports, raw data or other incomplete material returned by Contractor will be at the City's sole risk for such use.
- B. **TEMPORARY SUSPENSION:** The City may, by written notice, direct Contractor to suspend performance on all or any part of the Services for such period of time as may be determined by the City to be necessary or desirable for its convenience. If such suspension causes additional expense to Contractor in performance, and not due to fault or negligence of Contractor, the payment will be adjusted on the basis of actual costs resulting directly from the suspension, and the period for performance of the Services will be extended by mutual agreement. Any claim by Contractor for a price adjustment must be supported by appropriate documentation asserted promptly after Contractor has been notified to suspend performance.

2.8.14. *Professional Competency*

- A. **QUALIFICATIONS:** Contractor represents that it is familiar with the nature and extent of this Agreement, the Services, and any conditions that may affect its performance under this Agreement. Contractor further represents that it is fully experienced and properly qualified, is in compliance with all applicable license requirements, and is equipped, organized, and financed to perform such Services.
- B. **LEVEL OF CARE AND SKILL:** Services provided by Contractor will be performed in a manner consistent with that level of care and skill ordinarily exercised by members of Contractor's profession currently practicing in the same industry under similar conditions. Acceptance or approval by the City of Contractor's work will in no way relieve Contractor of liability to the City for damages suffered or incurred arising from the failure of Contractor to adhere to the aforesaid standard of professional competence.

2.8.15. *Specific Performance*

Contractor agrees that in the event of a breach by Contractor of any material provision of this Agreement, the City will, upon proper action instituted by it, be entitled to a decree of specific performance thereof according to the terms of this Agreement. In the event the City will elect to treat any such breach on the part of Contractor as a discharge of the Agreement, the City may

nevertheless maintain an action to recover damages arising out of such breach. This paragraph is not intended as a limitation of such other remedies as may be available to the City under law or equity.

2.8.16. Documentation

- A. **DISSEMINATION AND RETENTION:** There will be no dissemination or publication of any information gathered, or documents prepared in the course of the performance of the Services without the prior written consent of the City. Should the City, upon advice of counsel, deem it necessary, due to existing or anticipated litigation, to assert a legal privilege of protection and non-disclosure with regard to the subject matter of this Agreement, then, and in that event, upon written demand, Contractor will relinquish to the possession and control of the City its entire file related to this Agreement and only those portions of said file deemed by the City to be not privileged will be returned to Contractor pending the resolution of the existing or anticipated litigation.
- B. **FORMAT AND QUALITY:** All documents prepared by Contractor will be prepared in a format and at a quality approved by the City.
- C. **DOCUMENT REVIEW:** Contractor will review all documents provided by the City related to the performance of the Services and will promptly notify the City of any defects or deficiencies discovered in such review.
- D. **SUBMITTALS:** Contractor will provide timely and periodic submittals of all documents required of Contractor, including subcontracts, if any, as such become available to the City for review.

2.8.17. Public Records

- A. Notwithstanding any provisions of this Agreement regarding confidentiality, secrets, or protected rights, the Contractor acknowledges that all documents provided to the City may be subject to disclosure by laws related to open public records. Consequently, the Contractor understands that disclosure of some or all of the items subject to this Agreement may be required by law.
- B. In the event City receives a request for disclosure that is reasonably calculated to incorporate information that might be considered confidential by Contractor, the City agrees to provide the Contractor with notice of that request, which shall be deemed given when deposited by the City with the USPS for regular delivery to the address of the Contractor specified in their proposal. Within ten days of City notice by the City, the Contractor will inform the City in writing of any objection by the Contractor to the disclosure of the requested information. Failure by the Contractor to object timely shall be deemed to waive any objection and any remedy against the City for disclosure.

- C. In the event the Contractor objects to disclosure within the time specified, the Contractor agrees to handle all aspects related to request, including properly communicating with the requestor and timely responding with information the disclosure of which the Contractor does not object thereto. Furthermore, the Contractor agrees to indemnify and hold harmless the City from any claims, actions, lawsuits, or any other controversy or remedy, in whatever form, that arises from the failure to comply with the request for information and the laws pertaining to public records, including defending the City in any legal action and payment of any penalties or judgments. This provision shall survive the termination of this Agreement.

2.8.18. *Background Screening*

Contractor agrees that all Contractor and subcontractors' workers (collectively "Contract Worker(s)") pursuant to this Agreement will be subject to background and security checks and screening (collectively "Background Screening") at Contractor's sole cost and expense, unless otherwise provided for in the scope of work. Contractor's background screening will comply with all applicable laws, rules and regulations. Contractor further agrees that the background screening is necessary to preserve and protect the public health, safety and welfare. The City requires a completed Contract Worker Badge/Key/Intrusion Detection Responsibilities Agreement for each Contract Worker who requires a badge or key.

2.8.19. *Background Screening Risk Level*

The City has established two levels of risk: Standard and Maximum risk. If the scope of work changes, the City may amend the level of risk, which could require the Contractor to incur additional contract costs to obtain background screens or badges.

2.8.20. *Terms of This Section Applicable to all Contractor's Contracts and Subcontracts*

Contractor will include Contract Worker background screening in all contracts and subcontracts for services furnished under this agreement.

2.8.21. *Materiality of Background Screening Requirements; Indemnity*

The background screening requirements are material to City's entry into this agreement and any breach of these provisions will be deemed a material breach of this contract. In addition to the indemnity provisions set forth in this agreement, Contractor will defend, indemnify and hold harmless the City for all claims arising out of this background screening section including, but not limited to, the disqualifications of a Contract Worker by Contractor. The background screening requirements are the minimum requirements for the Agreement. The City in no way warrants that these minimum requirements are sufficient to protect Contractor from any liabilities that may arise out of the Contractor's services under this Agreement or Contractor's failure to comply with this section. Therefore, Contractor and its Contract Workers will take any reasonable, prudent and necessary measures to preserve and protect public health, safety and welfare when providing services under this Agreement.

2.8.22. Continuing Duty; Audit

Contractor's obligations and requirements will continue throughout the entire term of this Agreement. Contractor will maintain all records and documents related to all background screenings and the City reserves the right to audit Contractor's records.

2.8.23. Background Screening – Maximum Risk

- A. **Determined Risk Level:** The current risk level and background screening required is MAXIMUM RISK.
- B. **Maximum Risk Level:** A maximum risk background screening will be performed every **five** years when the Contract Worker's work assignment will:
 - 1. work directly with vulnerable adults of children, (under age 18); or
 - 2. allow any responsibility for the receipt of payment of City funds or control of inventories, assets, or records that are at risk of misappropriation; or
 - 3. unescorted access to:
 - a. City data centers, money rooms, high-value equipment rooms; or
 - b. Unescorted access to private residences; or
 - c. access to critical infrastructure sites/facilities; or
 - d. direct or remote access to Criminal Justice Information Systems (CJIS) infrastructure.
- C. **Requirements:** The background screening for maximum risk level will include a background check for real identity/legal name and will include felony and misdemeanor records from any county in the United States, the State of Arizona, plus any other jurisdiction where the Contractor worker has lived at any time in the preceding seven years from the Contract Worker's proposed date of hire. In addition, Maximum screening levels may require additional checks as included herein, depending on the scope of work, and may be amended if the scope of work changes.

2.8.24. Contractor Certification; City Approval of Maximum Risk Background Screening

Unless otherwise provided for in the Scope of Work, Contractor shall be responsible for:

- A. determining whether Contract Worker(s) are disqualified from performing work for the City for maximum risk level background checks; and,
- B. submitting pass/fail results to the City for approval; and,
- C. reviewing the results of the background check every three to five years, dependent on scope; and,

- D. to engage in whatever due diligence is necessary to make the decision on whether to disqualify a Contract Worker; and,
- E. submitting the list of qualified Contract Workers to the contracting department.
- F. If, upon review of the background information, the City will advise the Contractor if it believes a Contract Worker should be disqualified. The Contractor will evaluate the Contract Worker and if the Contractor believes that there are extenuating circumstances that suggest that the person should not be disqualified, the Contractor will discuss those circumstances with the contracting department. The contracting department decision on disqualification of a Contract Worker is final.
- G. For sole proprietors, the Contractor must comply with the background check for himself and any business partners, or members or employees who will assist on the contract and for whom the requirements of the Agreement apply.
- H. By executing this agreement, Contractor certifies and warrants that Contractor has read the background screening requirements and criteria in this section, and that all background screening information furnished to the City is accurate and current.
- I. The City final documented decision will be an “approve” or “deny” for identified Contract Workers.
- J. The City will not keep records related to background checks once they are confirmed. Information to verify the results will be returned to the Contractor, or any contracted agency that assists with review, after the City’s completed review.
- K. By executing this agreement, Contractor further certifies and warrants that Contractor has satisfied all such background screening requirements for the maximum risk background screening, and verified legal worker status, as required.
- L. Contract Workers will not apply for the appropriate City of Phoenix identification and access badge or keys until Contractor has received the City’s written acceptance of Contract Worker’s maximum risk background screening. The City may, in its sole discretion, accept or reject any or all the Contract Workers proposed by Contractor for performing work under this Agreement. A Contract Worker rejected for work at a maximum risk level under this agreement will not be proposed to perform work under other city contracts or engagements without city’s prior written approval.

2.8.25. Confidentiality

“Confidential information” means ” means all non-public, confidential, sensitive, or proprietary information disclosed or made available by City to Contractor or its affiliates, employees, contractors, partners, or agents (collectively “Recipient”), whether disclosed before or after the Effective Date, whether disclosed orally, in writing, or via permitted electronic access, and whether or not marked, designated, or otherwise identified as confidential. Confidential Information includes, but is not limited to: user contents, electronic data, meta data, employment

data, network configurations, information security practices, business operations, strategic plans, financial accounts, personally identifiable information, protected health information, protected criminal justice information, and any other information that by the nature and circumstance of the disclosure should be deemed confidential. Confidential Information does not include this document or information that: (a) is now or subsequently becomes generally available to the public through no wrongful act or omission of Recipient; (b) Recipient can demonstrate by its written records to lawfully have had in its possession prior to receiving such information from the City; (c) Recipient can demonstrate by its written records to have been independently developed by Recipient without direct or indirect use of any Confidential Information; (d) Recipient lawfully obtains from a third party who has the right to transfer or disclose it; or (e) the City has approved in writing for disclosure.

Recipient shall: (a) protect and safeguard Confidential Information with at least the same degree of care as Recipient would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care, such as ensuring data is encrypted in transit and at rest and maintaining appropriate technical and organizational measures in performing the Services under the Agreement; (b) not use Confidential Information, or permit it to be accessed or used, for any purpose other than in accordance with the Agreement; (c) not use Confidential Information, or permit it to be accessed or used, in any manner that would constitute a violation of law, including without limitation export control and data privacy laws; and (d) not disclose Confidential Information except to the minimum number of recipients who have a need to know and who have been informed of and agree to abide by confidentiality obligations that are no less restrictive than the terms of this Agreement. If Recipient is required by law or court order to disclose any Confidential Information, Recipient will first give written notice to the City and provide the City with a meaningful opportunity to seek a protective order or limit disclosure.

Upon the City's written request or expiration of this Agreement, whichever is earlier, Recipient shall, at no additional costs to the City, promptly return or destroy all Confidential Information belonging to the City that Recipient has in its possession or control. After return or destruction of the Confidential Information, Recipient shall certify in writing as to its compliance with this paragraph.

If applicable, Contractor agrees to comply with all City information technology policies and security standards, as may be updated from time to time, when accessing City networks and computerized systems whether onsite or remotely.

In addition to, and not in lieu of, all other rights and remedies available to the City, Contractor will defend, indemnify, and hold the City harmless against all losses, claims, costs, attorneys' fees, damages or proceedings arising out of Contractor's breach of this Section (Confidentiality). Contractor's obligations pursuant to this Section (Confidentiality) shall not be subject to any limits of liability or exclusions as may be stated elsewhere in the Agreement.

A violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may at the City's discretion result in immediate termination of this Agreement without notice. The obligations of Contractor under this Section shall survive the termination of this Agreement.

2.8.26. *Data Protection*

The parties agree this Section shall apply to the City's Confidential Information and all categories of legally protected personally identifiable information (collectively "PII") that Contractor processes pursuant to the Agreement. "Personally identifiable information" is defined as in the Federal Privacy Council's Glossary available at:

<https://www.fpc.gov/resources/glossary/>.

As between the parties, the City is the data controller and owner of PII and Contractor is a data processor. In this Section, the term "process," "processing," or its other variants shall mean: an operation or set of operations which is performed on PII, whether or not by automated means, including without limitation: collection, recording, copying, analyzing, caching, organizing, structuring, storage, adaptation, alteration, retrieval, transmission, dissemination, alignment, combination, restriction, erasure, or destruction.

- A. When Contractor processes PII pursuant to the Agreement, Contractor shall, at no additional cost to the City:
 1. process PII only within the United States and only in accordance with the Agreement and not for Contractor's own purposes, including product research, product development, marketing, or commercial data mining, even if the City's data has been aggregated, anonymized, or pseudonymized;
 2. implement and maintain appropriate technical and organizational measures to protect PII against unauthorized or unlawful processing and against accidental loss, destruction, damage, theft, alteration or disclosure, including at a minimum, and as applicable, those measures specified by the National Institute of Standards and Technology (NIST) SP800-53; A.R.S. § 18-552 (Notification of Security System Breaches); A.R.S. § 44-7601 (Discard and Disposal of Personal Identifying Information Records); Health Information Technology for Economic and Clinical Health (HITECH) Act; Payment Card Industry Data Security Standards; and good industry practice; (When considering what measures are appropriate and in line with good industry practice, Contractor shall keep abreast of current regulatory trends in data security and the state of technological development to ensure a level of security appropriate to the nature of the data to be protected and the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction, damage, theft, alteration or disclosure. At minimum, Contractor will timely remediate any vulnerabilities found within its network that are rated medium or more critical by the Common Vulnerability Scoring System (CVSS); however, Contractor must remediate vulnerabilities that are rated critical within 14 days and vulnerabilities that are rated high within 30 days. If requested by the City, Contractor shall promptly provide a written description of the technical and organizational methods it employs for processing PII.)
 3. not subcontract any processing of PII to any third party (including affiliates, group companies or sub-contractors) without the prior written consent of the City; and Contractor shall remain fully liable to the City for any processing of PII conducted by a sub-processor appointed by Contractor;

4. as applicable, implement and maintain appropriate policies and procedures to manage payment card service providers with whom Contractor shares sensitive financial information or cardholder data; and provide the City with a Qualified Security Assessor Attestation of Compliance for Payment Card Industry Data Security Standards on an annual basis, but no later than within 30 days of attestation report completion;
 5. take reasonable steps to ensure the competence and reliability of Contractor's personnel or sub-processor who have access to the PII, including verifications and background checks appropriate to the security level required for such data access;
 6. maintain written records of all information reasonably necessary to demonstrate Contractor's compliance with this Agreement and applicable laws;
 7. allow the City or its authorized agents to conduct audit inspection during the term of the Agreement, but no more than once per year, which may include providing access to the premises, documents, resources, personnel Contractor or Contractor's sub-contractors use in connection with the Services; provided however, the City may at its sole discretion accept a qualified and industry recognized independent third-party assessment report or certification (such as SSAE 18 SOC 2 or ISO/IEC 27001) provided by Contractor at no cost to the City in lieu of the audit inspection rights of this Section;
- B. If the Contractor becomes aware of any actual or potential data breach (each an "Incident") arising from Contractor's processing obligations pursuant to the Agreement, Contractor shall notify the City at SOC@phoenix.gov without undue delay within 48 hours; and:
1. provide the City with a detailed description of the Incident, the type of data that was the subject of the Incident, and the identity of each affected person as soon as such information can be collected or otherwise becomes available;
 2. take action immediately, at Contractor's own expense, to investigate the Incident and to identify, prevent, and mitigate the effects of the Incident and to carry out any recovery or other action necessary to remedy the Incident;
 3. cooperate with the City in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable laws or as otherwise required by the City; and
 4. not directly contact any individuals who may be impacted by the Incident or release or publish any filing, communication, notice, press release, or report concerning the Incident without the City's prior written approval (except where required to do so by applicable laws).

In addition to, and not in lieu of, all other rights and remedies available to the City, Contractor will defend, indemnify, and hold the City harmless against all losses, claims, costs, attorneys' fees, damages or proceedings arising out of Contractor's breach of this Section (Data

Protection). Contractor's obligations pursuant to this Section (Data Protection) shall not be subject to any limits of liability or exclusions as may be stated elsewhere in the Agreement.

A violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may at the City's discretion result in immediate termination of this Agreement without notice. The obligations of Contractor under this Section shall survive the termination of this Agreement.

2.8.27. Title

All documents including but not limited to artwork, copy, posters, billboards, photographs, video tapes, audio tapes, systems designs, drawings, estimates, field notes, investigations, software, reports, diagrams, surveys, analyses, studies or any other original works of authorship created by Contractor in the performance of this Agreement are to be and remain "works for hire" under Title 17, United States Code, and the property of the City and all copyright ownership and authorship rights in the work(s) shall belong to the City pursuant to 17 U.S.C. § 201(b). In the event that the work(s) that is/are the subject matter of this Agreement is deemed to not be work for hire, then Contractor hereby assigns to the City all of the right, title and interest for the entire world in and to the work(s) and the copyright therein. Contractor agrees to cooperate and execute additional documents reasonably necessary to conform to its obligations under this paragraph.

All documents, together with all unused materials supplied by the City, are to be delivered to the City upon termination of this Agreement before the final payment is made to Contractor.

2.9. Defense and Indemnification

2.9.1. Standard General Defense and Indemnification

Consultant ("Indemnitor") must defend, indemnify, and hold harmless the City of Phoenix and its officers, officials (elected or appointed), agents, and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including but not limited to court costs, attorney fees, expert fees, and costs of claim processing, investigation and litigation) of any nature or kind whatsoever ("Losses") caused, or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Indemnitor or any of its owners, officers, directors, members, managers, agents, employees or subcontractors ("Indemnitor's Agents") arising out of or in connection with this Contract. This defense and indemnity obligation includes holding Indemnitee harmless for any Losses arising out of or recovered under any state's Workers' Compensation Law or arising out of the failure of Indemnitor or Indemnitor's Agents to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Indemnitor's duty to defend Indemnitee accrues immediately at the time a claim is threatened or a claim is made against Indemnitee, whichever is first. Indemnitor's duty to defend exists regardless of whether Indemnitor is ultimately found liable. Indemnitor must indemnify Indemnitee from and against any and all Losses, except where it is proven that those Losses are solely a result of Indemnitee's own negligent or willful acts or omissions. Indemnitor will be responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this

Contract, Indemnitor waives all rights of subrogation against Indemnitee for losses arising from the work performed by Indemnitor or Indemnitor's Agents for the City of Phoenix. The obligations of Indemnitor under this provision survive the termination or expiration of this Contract.

2.10. Insurance Requirements

2.10.1. *Consultant's Insurance*

Consultant and subconsultants must procure insurance against claims that may arise from or relate to performance of the work hereunder by Consultant and its agents, representatives, employees and subconsultants. Consultant and subconsultants must maintain that insurance until all their obligations have been discharged, including any warranty periods under this Contract.

The City in no way warrants that the limits stated in this section are sufficient to protect the Consultant from liabilities that might arise out of the performance of the work under this Contract by the Consultant, its agents, representatives, employees, or subconsultants and Consultant may purchase additional insurance as they determined necessary.

2.10.2. *Scope and Limits of Insurance*

Consultant must provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the liability limits provided that (1) the coverage is written on a "following form" basis, and (2) all terms under each line of coverage below are met.

2.10.3. *Commercial General Liability – Occurrence Form*

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

- The policy must name the City of Phoenix as an additional insured with respect to liability for bodily injury, property damage and personal and advertising injury with respect to premises, ongoing operations, products and completed operations and liability assumed under an insured contract arising out of the activities performed by, or on behalf of the Consultant related to this Contract.
- There shall be no endorsement or modification which limits the scope of coverage or the policy limits available to the City of Phoenix as an additional insured.
- City of Phoenix is an additional insured to the full limits of liability purchased by the Consultant.
- The Consultant's insurance coverage must be primary and non-contributory with respect to any insurance or self-insurance carried by the City.

2.10.4. Automobile Liability

Bodily Injury and Property Damage coverage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- The policy must be endorsed to include the City of Phoenix as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Consultant, relating to this Contract.
- City of Phoenix is an additional insured to the full limits of liability purchased by the Consultant.
- The Consultant’s insurance coverage must be primary and non-contributory with respect to any insurance or self-insurance carried by the City.

2.10.5. Worker’s Compensation and Employers’ Liability

Workers’ Compensation Statutory

Employers’ Liability

Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- Policy must contain a waiver of subrogation against the City of Phoenix.
- This requirement does not apply when a consultant or subconsultant is exempt under A.R.S. §23-902(E), **AND** when such consultant or subconsultant executes the appropriate sole proprietor waiver form.

2.10.6. Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000

- The policy must cover liability arising from the failure to meet the professional standards required or expected in the delivery of those services as defined in the Scope of Services of this Contract.
- Consultant warrants that any retroactive date under the policy must precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended reporting period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

2.10.7. Network Security and Privacy Liability (required if Contractor has access to personal or confidential data)

Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000

Policy must cover but not be limited to (1) coverage for third party claims and losses with respect to network risk and invasion of privacy (2) crisis management and third-party identity theft response costs and (3) cyber extortion.

Contractor warrants that any retroactive date under the policy must precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended reporting period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

2.10.8. Notice of Cancellation

For each insurance policy required by the insurance provisions of this Contract, the Consultant must provide to the City, within 5 business days of receipt, a notice if a policy is suspended, voided or cancelled for any reason. Such notice must be mailed, emailed, or hand delivered to City of Phoenix Finance Department, Procurement Division, 251 W Washington Street, Phoenix, AZ 85003 OR procurement@phoenix.gov.

2.10.9. Acceptability of Insurers

Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The City in no way warrants that the required minimum insurer rating is sufficient to protect the Consultant from potential insurer insolvency.

2.10.10. Verification of Coverage

Consultant must furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract must be sent directly to the Finance Department, Central Procurement, 251 W. Washington St., 8th Floor, Phoenix, AZ 85003 OR procurement@phoenix.gov. The City project/contract number and project description must be noted on the certificate of insurance. The City reserves the right to review complete copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY'S RISK MANAGEMENT DIVISION.**

2.10.10. Subconsultants

Consultant's certificates shall include all subconsultants as additional insureds under its policies **OR** Consultant shall be responsible for ensuring and verifying that all subconsultants have valid and collectable insurance. At any time throughout the life of the contract, the City of Phoenix reserves the right to require proof from the Consultant that its subconsultants have insurance coverage. All subconsultants providing services included under this Contract's Scope of Services are subject to the insurance coverages identified above and must include the City of Phoenix as an additional insured. In certain circumstances, the Consultant may, on behalf of its subconsultants, waive a specific type of coverage or limit of liability where appropriate to the type of work being performed under the subcontract. Consultant assumes liability for all subconsultants with respect to this Contract.

2.10.11. Approval

Any modification or variation from the insurance coverages and conditions in this Contract must be documented by an executed contract amendment.

3. SUBMITTALS

3.1. Submittals

3.1.1. AFFIDAVIT

The undersigned Offeror hereby submits to the City of Phoenix (City) the enclosed proposal based upon all terms and conditions set forth in the City's Request for Proposals (RFP) and referenced materials. Offeror further specifically agrees hereby to provide services in the manner set forth in the proposal submitted by the Offeror.

The undersigned Offeror acknowledges and states, under penalty of perjury, as follows:

- A. The City is relying on Offeror's submitted information and the representation that Offeror has the capability to successfully undertake and complete the responsibilities and obligations submitted in its proposal and in the resulting contract.
- B. The City has the right to make any further inquiry it deems appropriate to substantiate or supplement information supplied by Offeror
- C. Offeror has read and fully understands all the provisions and conditions set forth in the RFP documents, upon which its proposal is based.
- D. The forms and information requested in the RFP are complete and made part of the proposal. The City is not responsible for any Offeror errors or omissions.
- E. This proposal may be withdrawn by requesting such withdrawal in writing at any time prior to the proposal deadline but may not be withdrawn after such date and time.
- F. The City reserves the right to reject any and all proposals and to accept the proposal that, in its judgment, will provide the best quality development to the City.
- G. This proposal is valid for a minimum of 270 days after the RFP proposal deadline.
- H. All costs incurred by Offeror in connection with this proposal shall be borne solely by Offeror. Under no circumstances shall the City be responsible for any costs associated with Offeror's proposal or the RFP process.
- I. Offeror has not in any manner, directly or indirectly, conspired with any person or party to unfairly compete or compromise the competitive nature of the RFP process.
- J. The contents of this proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.
- K. To the best of the Offeror's knowledge, the information provided in its proposal is true and correct and neither the undersigned Offeror nor any partner, corporate officer or managing employee have ever been convicted of a felony or a crime involving moral turpitude.

EXHIBIT A – SCOPE OF WORK

1. INTRODUCTION

The City is responsible for the management of all employees' benefits. The City selects all third-party administrators necessary to provide coverage for City benefit Eligible Employees and their dependents (individually referred to as "Eligible Employees" and "Eligible Dependents" collectively referred to herein as "Participants").

Through this Request for Proposal (RFP), the City seeks to obtain firm fixed pricing (no commission based or percentage charges) from a well-qualified firm for the provision of employee benefits consulting and actuarial services and employee pharmacy benefit management consulting and actuarial services in accordance with Exhibit A, Scope of Services. The successful firm shall provide a full range of professional employee benefits consulting and actuarial services, and pharmacy benefits management consulting services to the City and the City's Health Care Benefits Trust Board (HCBTB) with the expectation of ongoing strategic improvement to all City employee benefit programs. The effective date of the employee benefits consulting and actuarial services contract will commence November 1, 2025. The effective date of the employee pharmacy benefit management consulting contract will commence May 1, 2026.

The selected Consultant and Actuary shall provide expert guidance and recommendations on all aspects of the City's employee benefits programs including, but not limited to:

- A. Ensuring that the City's benefits programs align with the City's goals and comply with all applicable laws and regulations.
- B. Analyzing and identifying factors driving health plan costs and offer cost-containment strategies through error-free financial and mathematical models, financial projections, claim and utilization forecasts, detailed reserve and accrued liability valuations, etc.
- C. Developing comprehensive and effective multi-year employee benefit strategies, by fully reviewing the City's current benefits package to include self-funded plan designs (e.g., covered services, deductibles, copays, coinsurance annual/lifetime maximums and premium costs). The following URL will allow the review of the City of Phoenix benefits package: [Human Resources](#). Contractor shall assess its effectiveness annually with the goal of continuous improvement to accommodate the City's complex and evolving needs.
- D. Analyzing the City's benefit costs and trust funding status, methods, and estimates.
- E. Completing Claims cost and utilization analysis and reporting actuarial services that detail health care spend, cost and use.
- F. Annual budget preparation and projection
- G. Benchmarking; comparing the City's benefits offerings against market

- trends, industry standards and/or competitors.
- H. General benefit consulting guidance and recommendation(s) regarding market trends including ensuring the City remains compliant with all applicable benefit state and federal laws and regulations.
 - I. Assisting with existing and new vendor implementation initiatives, benefit contractual negotiations and renewals to ensure all project timelines stay on schedule.
 - J. Supporting annual open enrollment initiatives to include, but not limited to preparing, reviewing, editing error-free open enrollment documents (e.g., annual benefit guide, open enrollment announcements, FAQs, disclosure and legal notice requirements, required Summary Benefit Coverage (SBC) etc.).
 - K. Provide annual fiscal year required annual reporting to include Incurred but not Reported (IBNR) reserves for all self-insured City sponsored plans and Patient Centered Outcomes Research Trust Fund Fee (PCORI). Contractor shall provide required reports by established deadlines as communicated by the City.
 - L. Preparing presentations to present at HCBTB and Health Care Task Force (HCTF) meetings.
 - M. Develop, review, evaluate and prepare analysis for each applicable Request for Proposal (RFP), Request for Information (RFI) and Request for Quotation (RFQ) for third-party administrators for various City benefit programs as listed in this RFP.

The City will award a contract to one Contractor that can provide both Employee Benefits Consulting and Actuarial Services and Pharmacy Benefits Management Consulting Services.

2. BACKGROUND

The Employee Benefits Consulting and Actuarial Services and Pharmacy Benefits Management Consulting Services Contractor shall provide seasoned experts and key partners who collaborate with the City to develop and execute effective employee benefits strategies. The City currently contracts with an employee benefits consultant for benefits consulting and actuarial services and separately contracts with a pharmacy benefits management consultant for pharmacy benefits management consulting services.

The City is currently contracted with Foster & Foster for employee benefits consulting and actuarial services and pharmacy benefit management consulting services.

The City currently offers a wide variety of benefit programs to approximately 15,000 employees and 2000 retirees. The City offers the following benefit programs (list is not all inclusive):

- A. Three (3), two-tier, self-funded active employee medical health plans that

include an Open Access PPO, High Deductible Health Plan with a Health Savings Account (HSA) and an Open Access HMO plan.

- B. A self-funded prescription plan: bundled with each offered active medical plan.
- C. A self-funded dental PPO plan.
- D. A self-funded dental PPO plus plan.
- E. A flexible spending account for medical and dependent care, with administration outsourced.
- F. A fully funded vision plan.

The City employs a workforce of over 14,000 full time, benefit-eligible employees and has more than 8,000 retirees. The workforce is disbursed over 516 Phoenix metropolitan square miles working a variety of schedules and shifts. The medical plans cover an estimated 34,000 lives.

As the fifth most populous city in the United States, the City's goal is to offer competitive and sustainable employee benefits packages that attract and retain employees. A competitive and sustainable employee benefits packages shall encompass and meet ever-changing employee needs while managing overall spend, risk, compliance, and containing costs.

The City's Benefit Management team is responsible for coordinating and providing support to the HCBTB of which is comprised by one employee bargaining unit representative and four members of the public with related qualifications and experience. The HCBTB provides financial oversight for the Health Care Benefits Trust, including administering, staffing, managing, and funding the Health Care Benefits Plans, as required by state statute for the City's self-funded employer health plans. The City's current Trust Fund Balance is approximately \$60 million dollars.

The City's Benefit Management team meets with the City's HCTF a minimum of six times per year. The HCTF is comprised of one representative from each bargaining unit, each 'meet and confer' unit, middle management, executives, and one representative from the City's retiree group. The intent of the meetings is designed to provide high-level employee benefit analytics and present solutions necessary to ensure the City's employee benefits healthcare plans are sustainable, competitive, and compliant with all applicable laws and regulations. HCTF feedback and recommendations are presented to the HCBTB for consideration and recommendation to the City Manager's Office for review and consideration for approval.

The City's plan year is January 1st through December 31st; the fiscal year is July 1st through June 30th. Annual Open Enrollment is normally held in the Fall, October through November.

Offerors are required to describe their expertise and proven successful cost-reduction and cost-containment strategies in all areas of providing employee benefits consulting and actuarial services and pharmacy benefits management consulting services.

3. EMPLOYEE BENEFITS CONSULTING AND ACTUARIAL SERVICES

Contractor shall provide a team of seasoned, well qualified consultant and actuary professionals with a strong background in employee benefits and extensive understanding of best practices, industry trends, and applicable compliance regulations to provide valuable insight, recommend innovative solutions tailored specific to the City's unique needs.

The Contractor shall be a strategic partner, working closely with the City to assess its' unique needs, align benefit offerings with the City's objectives, and ensure regulatory compliance requirements are met. The City is unique and rarely does a one-size-fits-all approach yield the most optimal results. Contractor shall provide the City draft analytical models that track and show employee benefit program effectiveness and highlight understanding of data-driven continuous improvement initiatives.

Contractor through draft presentations shall identify and detail cost drivers, model how to decrease risk, assess and highlight whether benefit strategies implemented had a positive or negative impact, develop employee communication strategies, present overall spend and plan design and implement cost containment strategies through proven, accurate and City specific data driven analytics. Collaborative solutions shall be tailored to the City's needs which include a self-insured carved-out pharmacy solutions. Collaboration process may include multiple versions of draft presentations plan design and/or actuarial models until final draft documents are approved by City.

Contractor shall be independent of all potential vendor products and have no conflicts of interest related to services recommended to the City.

3.1 SCOPE OF SERVICES - DELIVERABLES

The Contractor shall provide, but not be limited to the following benefits consulting and actuarial services:

- A. Contractor shall provide the benefits and Services that are: (1) required under this Agreement; (2) proposed by Contractor and accepted by the City; and (3) otherwise required under the Contract between the Contractor and the City.
- B. Contractor shall upon Contract effective date, complete an in-depth analysis and executive reporting on the current City employee benefits package that include actuarial projections to meet required funding and reserve analysis funding for all City sponsored employee benefits self-insured and fully funded plans, setting of contribution rates for the employer and employee cost share. In-depth analysis shall include review of the City's current Health Plan Contracts to include, but not limited to, Medical, carved-out Pharmacy coverage, Health Saving's Account (HSA), Dental, Flexible Spending Account (FSA), COBRA, and ACA. The assessment shall include a thorough review of contract deliverables, current program pricing arrangement, plan

designs, current cost factors, performance, reports and performance, network, discount guarantees, member satisfaction, and any service pain points. Assessment shall highlight whether or not the vendor(s) are providing the best-in-class industry practices and best pricing available. Contractor shall provide by written report detailing findings, recommendations, and action plan(s) for improvement, no later than forty-five (45) days from Contract effective date.

- C. Contractor shall provide annual fiscal year actuarial certification of required Incurred but not Reported (IBNR) reserves for the City's self-insured plans. Certification to be completed and issued by a credentialed health actuary. The IBNR reserve certified calculation for the fiscal year ending every June 30th is due to the City no later than the last business day of August each year. The City's medical, pharmacy, and two dental plans are self-insured.
- D. Contractor shall provide an annual actuarial attestation of the City's prescription drug plan coverage that demonstrates whether the City's plan design is and will be for each plan year covered under this Agreement creditable for Medicare Part D. The actuarial value shall be at least equal to or less the actuarial value of Medicare Part D defined standard prescription drug coverage.
- E. Contractor shall provide benchmarking reports on the City's employee benefits programs on annual basis, due to the City no later than the last business day of March. Benchmarking shall be inclusive of industry trend and include other Arizona municipalities, i.e., Mesa, Peoria, Chandler, Tucson, and other like large municipalities, i.e. Las Vegas, El Paso, Albuquerque.
- F. Contractor shall participate in the development and presentation of all necessary and/or requested report, including error free cost-projections, plan design and contribution changes to include evaluation summary detailing the accurate error-free financial impact measurement for each model recommendation(s). Presentations may be for the leadership team, HCTF, HCBTB, or Finance. Contractor shall ensure that all presentation material developed for the HCBTB and HCTF are delivered to the City's designated Benefits Management team a minimum of fourteen (14) days prior to any scheduled board or committee meeting.
- G. Contractor's Senior Consultant and Actuary shall participate, attend and present at all scheduled or upon request by the City HCBTB and HCTF meetings.
- H. Contractor shall provide annual update to Fair Market Value to determine the imputed income related to domestic partner coverage no later than July 1st for the following plan year.
- I. Contractor shall provide an annual stewardship report including, but not limited to a compliance check list, summary of all benefit changes, applicable plan year experience and financial results, and other applicable information. Contractor shall provide the annual stewardship report to the City's designated benefit management liaisons.
- J. Contractor shall meet virtually with the City's Benefit Management designated liaison(s) on a weekly basis to discuss and/or provide:
 - 1) Short- and long-term strategic planning, short- and long-range

comprehensive employee benefit plan goals, actuarial review of health costs and projection of future claims and related necessary changes to premiums and cost containment strategies relative to City specific benefit plan experience/trend versus overall market trend.

- 2) Recommendations regarding strategic and proactive plan designs, vendor management, new to market products, programs, and services to ensure that the City's employee benefits packages are compliant, competitive, sustainable and cost-effective.
 - 3) The City reserves the right to request in person meetings with Contractor anytime during the duration of the Contract at no additional cost to the City. Contractor shall bear all expense for travel, lodging, meals, or other expenses. No expenses will be reimbursed by the City.
- K. Contractor shall perform accurate data and actuarial analysis of plan offerings, design, and cost structure to identify cost containment strategies or reduction measures to prevent and/or minimize significant increase in cost to the Plan. Provide cost projections based on Fiscal and Benefit plan year by deadlines as set by the City. Contractor shall introduce proven programs and ideas to manage healthcare costs and develop wellness programs, to include recommendations and incentives to enhance current or new programs, at no additional cost to the City.
- L. Contractor shall prepare for presentation accurate and error-free comprehensive written recommendations for the following plan year annually by March 1st. Presentation shall reflect necessary changes projected to sustain and/or reduce the overall cost of health and dental benefits to the plan and its' Participants. Presentation shall specifically address economic and member impact projections. At no additional cost to the City.
- M. Contractor shall upon Agreement commencement, review and analyze past (24 months) claims experience, claim service, clinical programs, and claim administration to ensure efficacious and maximum benefit to the City's overall benefit plan(s). Contractor shall prepare a written summary of findings and provide an update to the City's Benefit Management designated liaison(s) no later than forty-five (45) days from Agreement commencement. At no additional cost to the City.
- N. At no additional cost to the City, the Contractor shall evaluate utilization patterns and recommend plan modifications, plan cost(s), funding options, to optimize the quality and cost effectiveness of the plan. Contractor shall provide all recommendations in written format by agreed to document type, e.g., Word, Excel, PowerPoint to the City's Benefit Management designated liaison(s) by established deadlines.
- O. Contractor shall provide initial draft presentation and report material in draft redline format for review and feedback by designated Benefits Management liaison(s) fourteen (14) days prior to any scheduled meetings. The City reserves the right to establish or modify deadline(s).
- P. Contractor shall provide the City with annual brokerage services for stop loss

insurance coverage (individual and aggregate stop loss), including analysis of loss experience, review of coverage forms, retention limits, premium terms, summarized terms, to include reviewing the stop loss policy for accuracy and reporting any areas of concern or discrepancy to the City prior to the finalization of the annual policy. Contractor shall ensure that stop loss policy does not lapse and that stop loss coverage is competitive. Contractor shall prepare and develop in draft format each applicable health plan Requests for proposals (RFP) initiatives, Requests for Quotation (RFQ) and/or Requests for Information (RFI), that includes all applicable standards, and language, to include redline draft detailed Scope of Work, Exhibits, Attachments, Questionnaire, Evaluation Criteria and Pricing. Documents shall be reflective of the City's business requirements, compliant with applicable federal, state, local regulations, City Code, City Charter, and Procurement requirements and regulations.

- Q. For each solicitation service, Contractor shall provide redline draft RFP, RFQ or RFI documents to the City by agreed to deadlines for review and feedback prior to the City releasing and facilitating the formal procurement process(s). Contractor shall include their expert opinion and recommendations to include current and projected market trends as applicable.
- R. Contractor shall assist in evaluating offeror responses; develop Executive Summary of each RFP, RFQ, or RFI evaluations to include Consultant's findings, recommendations and considerations. Contractor shall attend all required meetings that correlated to each RFP, RFQ, or RFI process. Contractor shall:
 - 1) Evaluate bids and bidders, to include, but not limited to, administration services, coverage, claim payment procedures, customer service, networks, data, and security, appeals, discounts, clinical programs, savings, member disruption, etc., and how the offers compare to the current benefit plan pricing, design, network, discounts, programs, etc.
 - 2) Provide the City with an Executive Summary by established deadline(s).
 - 3) The Summary shall detail the bidder's competence, qualifications, related experience, pricing, plan design proposal(s), bidder's understanding of the City's intent and business needs that result in the most efficacious and cost-effective plan administration.
- S. Contractor shall develop and prepare all necessary procurement material for each Solicitation listed in the table below (e.g., applicable Scope of Services document, specifications, Exhibits, Attachment list, Questionnaires (to include Financial/pricing), Evaluation Criteria)

Solicitations	Begin Date	Target Complete Date
Broker of Record – Medicare Supplemental and Pharmacy Part D Enrollment Guidance	2/2026	5/2027

Services		
Employee and Retiree Legal Plan Services	2/2026	1/2028
Employee Loan Program Services	4/2026	5/2027
Affordable Act (ACA) Administration Services	8/2026	1/2028
Employee Medical Administration Services	8/2027	1/2029
Employee and Retiree Dental Administration Services	8/2027	1/2029
Flexible Spending Account (FSA) Administration Services	8/2028	1/2030
COBRA Administration Services	8/2028	3/2030
Wellness Platform Administration Services (Health Risk Assessment)	TBD	
Health Savings Account (HSA) Administration Services	TBD	
Employee and Retiree Pet Insurance		
Data Warehouse	TBD	

- T. Contractor shall provide the City with information related to local and national benefit trends and provide industry specific benchmark survey data to help design program offerings with employee and employer costs compared to similar sized organizations.
- U. Through bi-weekly meetings, the Contractor shall serve as resource on regulatory issues related to Public Employer Benefit Administration and provide general guidance on health and welfare regulatory compliance. Contractor shall also be available to meet with the City Benefits' management team upon request.
- V. Contractor shall proactively assess current plan, educate, and advise on applicable compliance, changes in laws and regulations with, i.e., Healthcare Reform, PPACA, MHPAEA, and any other key compliance decisions for City consideration.
- W. Contractor shall in collaboration with the City review and provide expert guidance, upon request by the City during the RFP process so that the City can effectively negotiate contractual terms and performance standards for healthcare benefit plan programs.
- X. Contractor shall develop technology, administrative and communication strategies to provide integrated systems and processes for benefits related programs for both Active and Retiree populations.
- Y. Through the term of the Contract, the Contractor shall proactively update the City in written format and through proven employee benefits data driven analytics that shows, but not limited to overall benefit cost and utilization, benefit leakage/waste, description of where improvement(s) can be exercised and what is and isn't working.
- Z. Contractor shall review, track and request timely applicable stop loss reimbursement due to the City for both active and retiree plans.
- AA. Contractor shall review, track, and request timely applicable stop loss reimbursement, rebates, credits due to the City from each applicable

employee benefits TPA. Contractor shall ensure that all stop loss reimbursements, rebates, credits include all supporting documentation upon submission to the City.

BB. Contractor shall provide annual Open Enrollment support for both Active and Retiree population in the areas of employee benefit communication strategies, development of printed material, error free redline draft active and retiree benefit guides annually, and other Open Enrollment communication strategies.

- 1) Annual Benefit book shall be maintained in a format approved by the City.
- 2) Contractor shall incorporate via redline all medical and dental plan changes for the upcoming plan year before sending draft to the City for review.
- 3) Contractor shall communicate in writing all medical and dental plan changes to the carriers within one week of receiving final decision from the City Benefits office with a written confirmation to the City Benefits Management Team. Contractor shall copy City's benefit management team in communication.
- 4) Contractor shall provide the City with:
 - a) Monthly/or bi-monthly plan status reports.
 - b) Any special reports upon request, i.e., plan cost projections, benefits strategies, employee communications; audit responses; and,
 - c) Annual plan evaluation to include long range plan development and design; identify issues, implement solutions, identify improved processes, develop new ideas to optimize the quality and cost effectiveness of the plan.

CC. Contractor shall produce and deliver via email to the City by established deadlines and free of error, the following detailed reports at no additional cost:

Report Name	Date Due
PCORI Fee	July 1 st of each plan year
Annual Stewardship Report (Accomplishments/Objectives)	April 30 th of each plan year
Creditable Coverage Notices - Annual Disclosures	August 1 st of each plan year
CAA (RxDC) - From each applicable Third-Party Administrator	June 1 st of each plan year
IBNR Certification	August 30 th of each plan year
Medicare Part D CMS Disclosure reporting information	January 15 th of each plan year

Mental Health Parity and Addiction Equity Act (NQTL Comparative analysis report)	As requested by the City
Filing confirmation of the CAA GAG Clause Prohibition and Attestation Requirement From each applicable Third-Party Administrator	On or before December 15 of year plan year
AD-HOC reports as necessary	As requested by the City

- DD. Contractor shall, upon request by the City, collaborate with any current or future City contracted vendor including but not limited to pharmacy, wellness, stop loss, cost transparency, on site or near site clinics, internal or external auditors, or Contractors to integrate, transfer, or house data as required and approved by the City.
- EE. As applicable, Contractor shall audit or assist in auditing the third-party administrator of the medical, dental, and pharmacy plans to substantiate contract compliance.
- FF. Contractor shall attend meetings in person, by telephone or virtually, upon request with City Benefit Management or City leadership to present monthly plan status, plan cost projections, benefits strategies, employee communications and annual plan evaluation to include long range plan development and design; identify issues, implement solutions, identify improved processes, develop new ideas to optimize the quality and cost effectiveness of the plan.
- GG. Contractor shall evaluate and assist in evaluating the effectiveness of the City's wellness program to include calculating return on investment.
- HH. Contractor shall provide annual healthcare premium equivalent rate projections each calendar year, to be complete no later than March 15th for the following plan year.
- II. Contractor shall conduct benefit claims audits, as deemed necessary.
- JJ. Contractor shall perform actuarial functions in accordance with relevant GASB standards.
- KK. Contractor shall conduct free of error, annual reserve actuarial analysis, upon request by City, but no later than every 18-months at no additional cost to the City.
- LL. Perform all procurement Services in compliance with the City's Procurement Code, A.R. 3.10 and any applicable state and local regulations.

3.2 SERVICE REQUIREMENTS

- A. Contractor should quickly become familiar with the City benefits programs and the communication challenges associated with a diverse and distributed workforce.
- B. Contractor's senior staff specialized in actuarial, pharmacy and other benefit technical areas shall, upon request attend all HCTF and HCBTB

meetings in an advisory capacity. Meetings are standardly held virtually, the City reserves discretion to schedule in person meetings, as deemed necessary.

- C. Contractor shall provide a monthly billing invoice with a detailed accounting of hours worked on behalf of the City to include, the name of the staff member performing work, description of work performed, the date and hours work was performed. All work must be performed in accordance with this Agreement and as authorized by action of the Board or the request of its staff. Billing invoice must be received by the City by the 10th of each month.
- D. Contractor shall consistently provide highly qualified senior technical staff in the areas of applicable Actuarial services, applicable regulatory compliance, communication, and benefit management consulting services.
- E. Contractor designated key personnel shall return calls and respond to City emails within two business days; sooner if the subject matter is deemed urgent.
- F. Contractor shall review and provide redline feedback on benefit booklets, to include but not limited to, SBC's, SPDs, and annual vendor Admin Summaries.
- G. Contractor shall provide HIPAA training on an annual basis and or upon request by the City. Training shall be facilitated through live virtual webinar platform and recorded for future training reference.
- H. Contractor shall be available to the City's designated HR HIPAA liaison for HIPAA related questions and provide guidance as requested by the City.
- I. Contractor shall provide training virtually or in person to the City's active and retiree population on topics such as navigating the Marketplace healthcare coverage; training topics to include how to navigate the Marketplace platform, available subsidies through the Marketplace, how to connect with Navigators, training topics shall be approved by the City.

Training	Date	Frequency
Virtual HIPAA Privacy and Security Compliance (plus recorded)	April-June	Annually
Navigating HealthMarket In person/virtual (For Retirees and Active Employees)	TBD	1 st Year a min 3x 2 nd to 5 th Year TBD

3.3 AUDITS

- A. Contractor shall provide full disclosure of all its records upon notice from the City and/or the City-selected auditor. The Contractor shall cooperate with the auditors and waive any fees associated with obtaining access to the City's data and/or records.
- B. The City reserves the right to audit Contractor's performance, records, and

standards as outlined below. Contractor shall cooperate with the internal/external auditor(s) and shall provide records as requested at no additional fee to the City. Audits, reviews, or evaluations may include, but are not limited to, the following topics:

- 1) Performance guarantees as measurable of Contractor's services.
- 2) Review of SSAE 18 (SOC) external evaluations.
- 3) Compliance with regulatory guidelines, industry and operating standards

3.4 ACCOUNT MANAGEMENT TEAM

A. Contractor shall provide a team of designated professionals who are responsible for ensuring that all Contract requirements and service deliverables are met by the Contractor. The City reserves the right to approve the staffing of the City service team. The Designated Teams may also serve other clients if such assignment does hinder timely performance of Services for the City.

B. Contractor shall provide an account management team that is experienced in providing Services for similar entities, trained on the City Health Plan, accessible to the City geographically, and with sufficient capacity and authority to respond to the City issues in a timely manner. The account management team shall include:

- 1) Executive Sponsor – shall be responsible for collaborating with the City on issues related to legislation and policy and shall provide recommendations to the City. The Executive Sponsor shall work with the entire senior management team in other roles as well, including high-level operational issues resolution.

C. Consultant shall:

- 1) Coordinate and provide input as applicable in renewals, new contracts and performance guarantees for all vendors providing health and wellness benefits for the City.
- 2) Develop request for proposal information and assist with implementation of benefit vendors in the most cost-effective and efficient manner.
- 3) Review and edit technical language in applicable employee benefit service agreements and contracts.
- 4) Provide rate models for all applicable employee benefit plans with the goals, objectives, timelines, and policies of the City, including best-estimate full-cost accrual rates, including pharmacy costs, for the upcoming plan year and multi-year projections to meet the City's needs.
- 5) Produce an actuarial rate development model which analyzes data and

projects estimates across the following elements and domains:

- a) Claims data- ensure that any changes in covered services, changes in benefit plan or claims anomalies are accounted for.
 - b) Pharmacy data.
 - c) Enrollment – quantify any changes in enrollment and adjust for any likely consequences of enrollment migration changes.
 - d) Trend assumptions.
 - e) Plan projections shall be performed for each plan independently and on an aggregate basis.
 - f) Perform other duties as mutually agreed upon that supports a positive City sponsored health plan performance.
- D. Work with the City to evaluate and refine wellness program design, incentives and initiatives to include request for proposals for wellness solutions upon request by the City.
- E. Advise the City of any changes or proposed changes in state and federal laws or regulations that may impact the City’s employee benefit plans/programs. Contractor shall assist in the implementation of applicable changes.
- F. Develop an electronic tracking log of all open and closed services, projects, solicitations, reporting, etc.in relation to this Agreement. The tracking log shall be sent to the Benefits Management team a minimum of two business days before any scheduled weekly meeting. Tracking log shall be updated weekly.
- G. Actuary shall:
- 1) Annually and upon request by the City, provide error-free actuarial calculations necessary for calculating employee benefits. Actuary shall review, develop and provide various actuarial calculations necessary for the accurate calculations of the City’s employee benefit plans.
 - 2) Actuary shall be available to attend and participate in public HCBTB meetings to discuss, respond to and/or present actuarial theory or questions of an actuarial nature in lay terms upon request by the City.
 - 3) Actuary shall attend all scheduled weekly Consultant meetings with the City.
 - 4) All analysis required to produce the annual actuarial rate development model.

4 PHARMACY BENEFITS MANAGEMENT CONSULTING SERVICES

Contractor shall provide a team of well qualified senior professionals with deep expertise to provide a wide array of pharmacy benefits management consulting services to the City. The Consultant shall work with the City to identify what is driving up claims cost, how to decrease risk, whether benefit strategies implemented had a positive or negative impact, employee communication strategies, cost containment strategies to manage overall spend through proven data driven analytics. Collaborative solutions shall be crafted to meet and/or exceed the City's needs.

Contractor shall be independent of all potential vendor products and have no conflicts of interest related to services recommended to the City.

The City's employee pharmacy benefit is a pass-through model with transparent network rates at transparent retail and pass-through of manufacturer rebates and other payments, competitive discounts and mail order and drug-specific pricing through the exclusive specialty provider-backed by transparent component level guarantees.

It is the philosophy of the City to improve management and administrations of the pharmacy benefit for its' Participants. Contractor shall work collaboratively with the City and its' designated contracted Pharmacy Benefit Manager to attain these goals by providing the City with increase in financial/fiduciary accountability, and ensuring alignment with proven clinical and policy goals, while continuously improving the Participant's customer service experience, transparency and cost-effective solutions related to pharmacy benefits and trends.

4.1 SCOPE OF SERVICES – DELIVERABLES

The Contractor shall provide, but not be limited to the following pharmacy benefits consulting services:

- A. Contractor shall upon Contract effective date, complete a comprehensive assessment of the current PBM Contract that includes thorough review of contract deliverables, current program pricing arrangement, current cost factors in the pharmacy benefits, performance reports and guarantees; member satisfaction; and service issues to ensure the PBM is compliant with Contract and providing the best industry practices and best pricing available.
- B. Contractor shall provide by written report detailing findings, recommendations, and action plan(s) for improvement, no later than forty-five (45) days from Contract effective date.
- C. Contractor shall evaluate the City's PBM plan performance on a routine and ongoing basis to include data validation on pharmacy spend and utilization, formulary review, pharmacy network adequacy, rebates, top utilized and most costly medications, use and cost of generic versus brand medications, use and cost of mail-order versus retail pharmacies and prescriptions applicable to coverage rules such as prior authorizations, step therapy, etc. At no additional cost to the City, the Contractor shall provide the City a written report detailing findings, recommendations, and action plan(s) for improvement

upon request by the City.

- D. Contractor shall, at no additional cost to the City validate on a semi-monthly basis that the PBM Contractor is satisfactorily meeting overall quality of pharmacy services, contractual transparency, integrity, and financial obligations. Contractor shall provide the City a written report detailing findings, root cause analysis, recommendations, and action plan(s) for improvement semi-monthly or upon request by the City.
- E. Contractor shall work directly with the City on continued support and management of PBM services to affirm transparency in clinical, operational, and financial process of the operation of PBM services specific to the City's plan coverage. Contractor shall routinely provide the City free of error, accurate monthly, quarterly and/or ad-hoc reporting on cost and utilization statistics, perform market checks every eighteen (18) months or upon request by the City for pricing terms on brand, specialty, and generic medications.
- F. Contractor shall ensure the following business goals are met:
 - 1) Ensure the City's desired outcomes are delivered no less than as expected.
 - 2) Improve the efficiency and economy of the City's pharmacy benefit program.
- G. Contractor shall prepare in writing for each Pharmacy Benefit Management Request for proposal (RFP) initiative, all applicable standards, and language, to include redline draft detailed Scope of Work, Exhibits, Attachments, Questionnaire, Evaluation Criteria and Pricing, that are reflective of the City's business requirements, compliant with applicable federal, state, local regulations, City Charter, Procurement requirements and regulations, and current and projected market trends.
- H. Contractor shall evaluate bids and bidders against the issued RFP and analyze and summarize PBM RFP offers and attend and participate in the evaluation process.
- I. Contractor shall create a side-by-side comparison summary document by the established deadline provided by the City to include, but not limited to, financial exhibits that project costs and savings in administrative fees, clinical program fees, prescription drug ingredient pricings (AWP-discounts, MAC-pricing, etc.) dispensing fees, rebates, formulary disruption analysis, performance guarantees, etc. The Contractor shall participate in the Best and Final Offer process and update as applicable the side-by-side comparison summary document.
- J. Contractor shall not have a conflict of interest with the successful bidder, i.e., revenue agreements or any other conflicts.
- K. Contractor shall attend HCTF and HCBTB meetings to present the selection of the PBM RFP to include summary of selection, upon request by the City.

- L. Contractor shall conduct an implementation audit to ensure all pricing, plan design, clinical programs, and other agreed-upon terms are incorporated into the vendor’s systems accurately, free of error.
- M. Contractor shall stay up to date with regulatory requirements and keep the City abreast with all applicable laws and regulations to ensure that the City is maintains appropriate compliance.
- N. Contractor shall ensure that the PBM vendor adheres to all CAA, Section 204, RxDC required reporting deadlines, specific to the City and provide the City an annual CAA Rx reporting list to include applicable deadlines, frequency and any additional information required per applicable rules and regulations.
- O. Contractor shall develop and prepare all necessary procurement material for each Solicitation listed in the table below (e.g., applicable Scope of Services document, specifications, Exhibits, Attachment list, Questionnaires (to include Financial/pricing), Evaluation Criteria)
- P. Contractor shall assist the City with the following RFP initiatives:

Solicitation	Begin Date	Target Complete Date
Pharmacy Benefit Management Administrative Services	05/2026	12/2027

- Q. For each solicitation service, Contractor shall provide redline draft RFP, RFQ or RFI documents to the City by agreed to deadlines for review and feedback prior to the City releasing and facilitating the formal procurement process(s). Contractor shall include their expert opinion and recommendations to include current and projected market trends as applicable.
- R. Contractor shall assist in evaluating offeror responses; develop Executive Summary of each RFP, RFQ, or RFI evaluations to include Consultants findings, recommendations and considerations. Contractor shall attend all required meetings that correlated to each RFP, RFQ, or RFI process. Contractor shall:
 - 1) Evaluate bids and bidders, to include, but not limited to, administration services, coverage, discounts, formularies claim payment procedures, customer service, networks, data, and security, appeals, discounts, clinical programs, savings, member disruption, etc., and how the offers compare to the current benefit plan pricing, design, network, discounts, programs, etc.
 - 2) Provide the City with an Executive Summary by established

deadline(s).

- 3) The Summary shall detail the bidder's competence, qualifications, related experience, pricing, plan design proposal(s), bidder's understanding of the City's intent and business needs that result in the most efficacious and cost-effective plan administration.
- 4) Contractor shall provide the City with information related to local and national benefit trends and provide industry specific benchmark survey data to help design program offerings with employee and employer costs compared to similar sized organizations.
- 5) Through bi-weekly meetings, the Contractor shall serve as resource on regulatory issues related to public employer pharmacy benefit administration and provide general guidance on health and welfare regulatory compliance. Contractor shall also be available to meet with the City Benefits' management team upon request.
- 6) Contractor shall proactively assess current plan, educate, and advise on applicable compliance, changes in laws and regulations with, i.e., Healthcare Reform, PPACA, MHPAEA, and any other key compliance decisions for City consideration.
- 7) Contractor shall in collaboration with the City review and provide expert guidance, upon request by the City during the RFP process so that the City can effectively negotiate contractual terms and performance standards for pharmacy benefit plan programs.
- 8) Through the term of the Contract, the Contractor shall proactively update the City in written format and through proven employee benefits data driven analytics that shows, but not limited to overall benefit cost and utilization, benefit leakage/waste, description of where improvement(s) can be exercised and what is and isn't working.
- 9) Contractor shall provide the City with:
 - a) Monthly/or bi-monthly plan status reports.
 - b) Any special reports upon request, i.e., plan cost projections, benefits strategies, employee communications; audit responses; and Annual plan evaluation to include long range plan development and design; identify issues, implement solutions, identify improved processes, develop new ideas to optimize the quality and cost effectiveness of the plan.

S. Contractor shall, upon request by the City, collaborate with any current or future City contracted vendor including but not limited to

pharmacy, wellness, stop loss, cost transparency, on site or near site clinics, internal or external auditors, or Contractors to integrate, transfer, or house data as required and approved by the City.

- T. As applicable, Contractor shall audit or assist in auditing the third-party administrator of pharmacy benefit management plans to substantiate contract compliance.
- U. Contractor shall attend meetings virtually to present monthly plan status, plan cost projections, benefits strategies, employee communications and annual plan evaluation to include long range plan development and design; identify issues, implement solutions, identify improved processes, develop new ideas to optimize the quality and cost effectiveness of the plan. Upon request by the City, Contractor shall be available to attend meetings in person.
- V. Documents shall be reflective of the City's business requirements, compliant with applicable federal, state, local regulations, City Code, City Charter, and Procurement requirements and regulations.

4.2 AUDITS

- A. Contractor shall provide full disclosure of all its records upon notice from the City and/or the City-selected auditor. The Contractor shall cooperate with the auditors and waive any fees associated with obtaining access to the City's data and/or records.
- B. The City reserves the right to audit Contractor's performance, records, and standards as outlined below. Contractor shall cooperate with the internal/external auditor(s) and shall provide records as requested at no additional fee to the City. Audits, reviews, or evaluations may include, but are not limited to, the following topics:
 - C. Performance guarantees as measurable of Contractor's services.
 - D. Review claims to ensure PBM is adjudicating claims accurately and in accordance with the City's benefit plan design.
 - E. Review of SSAE 18 (SOC) external evaluations.
 - F. Compliance with regulatory guidelines, industry and operating standards

4.3 ACCOUNT MANAGEMENT TEAM

- A. Contractor shall provide a team of designated professionals who are responsible for ensuring that all Contract requirements and service deliverables are met by the Contractor. The City reserves the right to approve the staffing of the City service team. The Designated Teams

may also serve other clients if such assignment does hinder timely performance of Services for the City.

- B. Contractor shall provide an account management team that is experienced in providing Services for similar entities, trained on the City Health Plan, accessible to the City geographically, and with sufficient capacity and authority to respond to the City issues in a timely manner. The account management team shall include:
- C. Executive Sponsor – shall be responsible for collaborating with the City on issues related to legislation and policy and shall provide recommendations to the City. The Executive Sponsor shall work with the entire senior management team in other roles as well, including high-level operational issues resolution.
- D. Consultant shall:
 - 1) Coordinate and provide input as applicable in renewals, new contracts and performance guarantees for all vendors providing health and wellness benefits for the City.
 - 2) Develop request for proposal information and assist with implementation of benefit vendors in the most cost-effective and efficient manner.
 - 3) Review and edit technical language in applicable employee pharmacy benefit management service agreements and contracts.
 - 4) Provide rate models for applicable employee pharmacy benefit management plans with the goals, objectives, timelines, and policies of the City, including best-estimate full-cost accrual rates for the upcoming plan year and multi-year projections to meet the City's needs.
 - 5) Provide expertise on specialty pharmacy management strategies to include transparency into specialty spend and trends to improve specialty drug management.
 - 6) Provide pharmacy benefit management program audits and oversight as requested by the City with the goal to identify gaps in clinical management, waste and opportunity for improvements.
 - 7) Monitor and evaluate PBM, PBM Contract and PBM performance as requested by the City. Consultant shall provide advice and meaningful recommendations based on assessment of City's pharmaceutical spend. Recommendations shall include effective cost-saving measures.
 - 8) Produce an actuarial rate development model which analyzes data and projects estimates across the following elements and domains:

- a) Claims data- ensure that any changes in covered services, changes in benefit plan or claims anomalies are accounted for
 - b) Enrollment – quantify any changes in enrollment and adjust for any likely consequences of enrollment migration changes.
 - c) Trend assumptions
 - d) Plan projections shall be performed for each plan independently and on an aggregate basis.
 - e) Perform other duties as mutually agreed upon that supports a positive City sponsored health plan performance.
- E. Consultant shall perform vendor claims and rebate audit and by written Executive Summary report findings and recommendations to the City upon request.
- F. Consultant shall advise the City of any changes or proposed changes in state and federal laws or regulations that may impact the City’s employee benefit plans/programs. Contractor shall assist in the implementation of applicable changes.
- G. Consultant shall perform annual market check to ensure competitive pricing with the City’s PBM vendor and report findings to the City in written format.
- H. Consultant shall measure the City’s PBM formulary in comparison to rebate strategy and report findings to the City in written format at a minimum annually or upon request by the City.
- I. Consultant shall develop an electronic tracking log of all open and closed services, projects, solicitations, reporting, etc.in relation to this Agreement. The tracking log shall be sent to the Benefits Management team a minimum of two business days before any scheduled weekly meeting. Tracking log shall be updated weekly.
- J. As applicable, Consultant shall in collaboration with designated Benefits Management liaison oversee the implementation process for the City when implementing a new or existing pharmacy benefit management services vendor. Consultant shall, but not limited to:
- 1) Coordinate and participate in implementation kick-off meetings with the PBM and City.
 - 2) Coordinate and participate in calls and meetings.
 - 3) Work with City, Benefits Consultant and PBM to establish plan design setup, manage benefit plan design document development with City as final sign off, assist with applicable PBM transition initiatives, review of pre-implementation audit report, accumulator

oversight, clinical program setup, conduct detailed clinical review on any formulary disruption migration, and medication therapy management review.

5. LINKS WHICH APPLY TO THE SOLICITATION/SCOPE OF WORK

The following links are provided by the City for informational purposes as part of the Solicitation only. This information will not be part of the final scope of work.

Procurement Code: [City Clerk Phoenix Charter and Code](#)

HR Benefits: [Human Resources](#)

SOLICITATION SERVICES	ALL-INCLUSIVE FIXED PRICE
AFFORDABLE ACT ADMINISTRATION (ACA) SERVICES	\$
EMPLOYEE MEDICAL PLANS ADMINISTRATION SERVICES	\$
EMPLOYEE AND RETIREE DENTAL PLANS ADMINISTRATION SERVICES	\$
EMPLOYEE AND RETIREE VISION PLANS ADMINISTRATION SERVICES	\$
EMPLOYEE HEALTHCARE CLINIC SERVICES	\$
EMPLOYEE GROUP LIFE INSURANCE (Including OCC AD&D and Voluntary Optional)	\$
EMPLOYEE FLEXIBLE SPENDING ACCOUNT (FSA) ADMINISTRATION SERVICES	\$
COBRA ADMINISTRATION SERVICES	\$
EMPLOYEE PHARMACY BENEFIT MANAGEMENT ADMINISTRATION SERVICES	\$
EMPLOYEE ASSISTANCE PROGRAM (INCLUDING ELDER SERVICES, SAP, ARS 38-673)	\$
EMPLOYEE AND RETIREE LEGAL PLAN SERVICES	\$
BROKER OF RECORD – MEDICARE SUPPLEMENTAL AND PHARMACY PART D	\$
MEDICARE BILLING AGREEMENT SERVICES	\$
HEALTH SAVINGS ACCOUNT (HSA) ADMINISTRATION SERVICES	\$
EMPLOYEE AND RETIREE PET INSURANCE	\$
EMPLOYEE AND RETIREE GYM MEMBERSHIP DISCOUNT	\$
WELLNESS PLATFORM ADMINISTRATION SERVICES	\$
BROKER SERVICES / ADDITIONAL SERVICES	
MEDICAL/RX STOP LOSS (EXCLUDING RENEWALS)	\$

EMPLOYEE BENEFITS CONSULTANT SERVICES

HOURLY RATES FOR WORK OUTSIDE OF EXHIBIT A, SCOPE OF SERVICES AND SOLICITATION SERVICES

Fixed fee schedule is inclusive of all consulting and actuarial services included in Exhibit A, Scope of Work.

	2025 (Nov-Dec)	2026	2027	2028	2029	2030
Senior Consultant	\$	\$	\$	\$	\$	\$
Consultant	\$	\$	\$	\$	\$	\$
Other*	\$	\$	\$	\$	\$	\$
Other*	\$	\$	\$	\$	\$	\$

* Please add other classifications not listed above.

EMPLOYEE BENEFITS ACTUARIAL SERVICES

HOURLY RATES FOR WORK OUTSIDE OF EXHIBIT A, SCOPE OF SERVICES AND SOLICITATION SERVICES

Fixed fee schedule is inclusive of all consulting and actuarial services included in Exhibit A, Scope of Work.

	2025 (Nov-Dec)	2026	2027	2028	2029	2030
Senior Actuary	\$	\$	\$	\$	\$	\$
Actuary	\$	\$	\$	\$	\$	\$
Other*	\$	\$	\$	\$	\$	\$
Other*	\$	\$	\$	\$	\$	\$

* Please add other classifications not listed above.

PHARMACY BENEFITS MANAGEMENT CONSULTING SERVICES

ALL SERVICES LISTED IN EXHIBIT A, SCOPE OF WORK (EXCEPT FOR SOLICITATION SERVICES PRICED SEPARATELY) ARE EXPECTED TO BE INCLUDED IN THE FEE SCHEDULE

FEE MUST BE LISTED SEPARATELY AND COMBINED

	2026 (May – Dec)	2027	2028	2029	2030 (Jan-Oct)
Pharmacy Benefits Consulting Services	\$	\$	\$	\$	\$

PHARMACY BENEFITS MANAGEMENT CONSULTING SERVICES

HOURLY RATES FOR APPROVED ADHOC WORK OUTSIDE OF EXHIBIT A, SCOPE OF SERVICES AND SOLICITATION SERVICES

	2026 (May – Dec)	2027	2028	2029	2030 (Jan-Oct)
Senior Consultant	\$	\$	\$	\$	\$
Consultant	\$	\$	\$	\$	\$
Other*	\$	\$	\$	\$	\$
Other*	\$	\$	\$	\$	\$

* Please add other classifications not listed above.

PERFORMANCE GUARANTEES

Note: For all performance guarantees, the Measurement Criteria is: Client Specific.

Item	Standard	Measurement Frequency	Target	Dollars at Risk (\$)
1.	<p>Implementation (Initial)</p> <p>All implementation initiatives shall take effect/go live and be fully operational on the initial go live date(s) as specified in the Contract. For new vendor implementation: The Contractor shall ensure that the initial group structure and benefit plan design is entered, error free into the system 60 days prior to the effective/go live date by the vendor.</p>	One Time	Pass or Fail	\$
2.	<p>Implementation (Ongoing)</p> <p>For new plan year implementation (existing vendor): The Contractor shall ensure that all benefit design changes are communicated to each applicable vendor 120 days prior to go live date and all plan design changes are entered into the system 90 days prior to effective/go live date by the impacted vendor. All claims' services shall take effect/go live and be fully operational on the annual go live date for each plan year.</p>	Annual	Pass or Fail	\$
3.	<p>Contractor Account Management Scorecard</p> <p>Contractor shall have an overall score of 3 or better out of 5 on the Account Management Score Card.</p> <p>Categories include effective support for open enrollment events, timely client notification of applicable rules and regulations impacting City health plans, response to client issues and questions in a timely, timely and accurate Health Care Benefits Trust Board and Health Care Task Force presentation material, and delivery of agreed-upon reports on time and error free.</p>	Quarterly	3 or better out of 5	\$
4.	<p>Contractor Service Delivery</p> <p>Contractor returns the Client's calls (or e-mails) within 1 business day (even if the answer is "I am working on it"). Contractor meets expected levels of service delivery as outlined in Exhibit A, Scope of Work to include, but not limited t response times, meeting attendance, meeting readiness, solicitation services and compliance assurance.</p>	Quarterly	No more than 2 missed.	\$
5.	<p>Accuracy Guarantee</p> <p>At least 99.9% of all calculations, and data related tasks, presentations are performed correctly and accurately.</p>	Semi-Annually	Pass or Fail	\$

6.	<p>Compliance Assurance</p> <p>Guarantees that all health plans and services are in line with all applicable laws and regulations.</p>	Quarterly	Pass or Fail	\$
7.	<p>Financial Guarantees</p> <p>Guarantees on quoted cost-savings or return on investments from Contractor recommended analysis, services, plan design changes and premium rate setting.</p>	Annually	Pass or Fail	\$

EXHIBIT C – BUSINESS ASSOCIATE AGREEMENT (BAA)

BUSINESS ASSOCIATE AGREEMENT

This **BUSINESS ASSOCIATE AGREEMENT** (“BAA” or “Agreement is entered into on this _____ (“Effective Date”) between **City of Phoenix** and _____ (hereinafter referred to as “Business Associate”). (Covered Entity and Business Associate may each be referred to as a “Party,” and collectively, as the “Parties.”) Covered Entity and Business Associate are Parties to the underlying **Benefit Consultant Services** ("Underlying Agreement") into which this BAA is incorporated as Exhibit C, that contains express and implied mutual promises and covenants that in some instances will require the use or disclosure of Protected Health Information (“PHI”) (defined below) pursuant to the terms of this Agreement.

In consideration of the Parties’ continuing obligations as set forth in the Underlying Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the following:

I. Background and Purpose

- (a) Covered Entity and Business Associate have entered into the Underlying Agreement, pursuant to which Business Associate will be providing Benefit Consultant services on behalf of Covered Entity.
- (b) Business Associate, in the course of its work for Covered Entity, will frequently perform duties on behalf of Covered Entity that may require the use or disclosure of PHI.
- (c) Covered Entity has obligations to protect the privacy and security of PHI received its employees. Covered Entity is thus subject to and must comply with the provisions of the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health (“HITECH”) Act (Division A, Title XIII, and Division B, Title IV, of Pub. L. No. 111-5) (which was part of the American Recovery and Reinvestment Act of 2009 (“ARRA”) and relevant implementing regulations, including the Privacy Rule (defined below), the Security Rule (defined below), and the Breach Notification Rule (defined below). Covered Entity is further contractually required to pass such statutory and regulatory obligations on to its subcontractors, agents, and vendors, including entities such as Business Associate.
- (d) _____ constitutes a Business Associate of Covered Entity (as such term is defined in the Code of Federal Regulations (“Regulations” or “C.F.R.”), *see* 45 C.F.R § 160.103) and wishes to commence and/or continue its business relationship with Covered Entity.

- (e) The Parties mutually intend that this Agreement between them will assure compliance with applicable provisions of law and regulation pertaining to the responsibilities of Business Associates of Covered Entities and the obligations that are properly imposed upon and undertaken by “downstream” subcontractors, vendors, or agents of such Business Associates.
- (f) This Agreement replaces any existing Agreement or other terms and conditions entered into or agreed upon by the parties governing their respective rights and obligations under HIPAA, as amended, and/or its implementing rules and regulations.

II. Definitions

Terms used, but not otherwise defined, in this Agreement shall, as applicable, have the same meaning as the definitions for such terms in the federal regulations implementing HIPAA, as amended by HITECH provisions of ARRA, which is published in the C.F.R. at Title 45, Parts 160 and 164, as amended from time to time.

- (a) “Breach” shall have the meaning given to such term in 45 C.F.R. § 164.402.
- (b) “Breach Notification Rule” shall mean the final omnibus rule related to breach notification for unsecured protected health information at 45 C.F.R. Parts 160 and 164.
- (c) “Business Associate” shall have the meaning given to such term in 45 C.F.R. § 160.103.
- (d) “Covered Entity” shall have the meaning given to such term in 45 C.F.R. § 160.103.
- (e) “Designated Record Set” shall have the meaning given to such term under the Privacy Rule at 45 C.F.R. § 164.501.
- (f) “Discovery” shall mean the first day on which an event is known to Business Associate (including any person, other than the individual committing the breach, that is an employee, officer, or other agent of Business Associate), or should reasonably have been known to Business Associate, to have occurred.
- (g) "Electronic Health Record" shall have the meaning given to such term in Section 13400 of the HITECH Act (42 U.S.C. § 17921).
- (h) "Electronic Protected Health Information" or "EPHI" shall have the same meaning given to such term under the Security Rule at 45 C.F.R. § 160.103, including, but not limited to protected health information in electronic form that is created, received, maintained, or transmitted by the health care component of a Covered Entity.
- (i) “HIPAA” or “Health Insurance Portability and Accountability Act of 1996” are those provisions set forth in Public Law 104-191 and its implementing rules and regulations.
- (j) “HITECH Act” or “HITECH” or “Health Information Technology for Economic and Clinical Health Act” are those provisions set forth in Title XIII of the ARRA of 2009, Public Law 111-5 as enacted on February 17, 2009 and its implementing regulations.

- (k) “Individual” shall have the meaning given to such term under the Privacy Rule at 45 C.F.R. § 160.103, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- (l) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information, codified at 45 C.F.R. Part 160 and Part 164, Subparts A and E.
- (m) “Protected Health Information” or “PHI” shall have the meaning given to such term under the Privacy and Security Rules at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- (n) “Required by Law” shall have the meaning given to such term under the Privacy Rule at 45 C.F.R. § 164.103.
- (o) “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.
- (p) “Security Breach” shall have the same meaning given to the term “breach of security” in Section 13407 of HITECH provisions of ARRA (42 U.S.C. § 17937).
- (q) “Security Breach Compliance Date” means the date that is thirty (30) days after the Secretary published interim final regulations to carry out the provisions of Section 13402 of Subtitle D (Privacy) of ARRA, which date is September 24, 2009.
- (r) “Security Incident” shall have the meaning given to such phrase under the Security Rule at 45 C.F.R. § 164.304.
- (s) “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information, codified at 45 C.F.R. Part 160 and Part 164, Subparts A and C.
- (t) “Subcontractor” shall have the meaning given to such term under in 45 C.F.R. § 160.103.
- (u) “Unsecured Protected Health Information” shall have the meaning given to such phrase under the Breach Notification Rule at 45 C.F.R. § 164.402.
- (v) Other terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in have the same meaning as the definitions for such terms in the federal regulations implementing HIPAA, as amended by HITECH provisions of ARRA (which is published in the C.F.R. at Title 45, Parts 160 and 164), and/or the Privacy, Security, Enforcement & Breach Notification Final Omnibus Rule, as such rules and provisions are amended from time to time (collectively, the “HIPAA Rules”).

III. Obligations and Activities of Business Associate

- (a) Business Associate agrees not to use or disclose Protected Health Information other than as permitted by this BAA or as required by law. Business Associate acknowledges that, as of the Effective Date of this Agreement, it shall be liable under the civil and criminal enforcement provisions set forth at 42 U.S.C. § 1320d-5 and § 1320d-6 (as amended from time to time), for failure to comply with any of the use and disclosure requirements of this Agreement and any guidance issued by the Secretary from time to time with respect to such use and disclosure requirements.
- (b) Business Associate agrees that beginning on the Effective Date of this Agreement or the Security Breach Compliance Date, it will report to Covered Entity any Security Incidents required by HIPAA or HITECH, Security Breach of Unsecured PHI, or any use or disclosure of PHI not provided for by this Agreement without unreasonable delay, and in no case later than (1) the time period required by HIPAA or HITECH, (2) allowed in any applicable underlying contract, or (3) sixty (60) calendar days after Discovery of a Breach, whichever is earliest. Such notice shall include the identification of each individual whose Unsecured PHI has been or is reasonably believed by Business Associate, to have been, accessed, acquired, or disclosed during such Breach. In addition, Business Associate shall provide any additional information reasonably requested by Covered Entity for purposes of investigating the Breach. Business Associate's notification of a Breach under this Section III(b) shall comply in all respects with each applicable provision of Section 13400 of Subtitle D (Privacy) of ARRA, 45 C.F.R. § 164.410, and any related guidance issued by the Secretary from time to time.
- (c) Business Associate agrees that in accordance with 45 C.F.R. § 164.314(a)(2), it will comply with the applicable requirements of Part 164, Subpart C, including but not limited to (1) ensuring that any Subcontractors that create, receive, maintain, or transmit electronic protected health information on behalf of Business Associate agree to comply with the applicable requirements of Part 164, Subpart C by entering into a contract or other arrangement that complies with the HIPAA Rules, and (2) reporting to Covered Entity any Security Incident of which it becomes aware, including breaches of unsecured protected health information as required by 45 C.F.R. § 164.410.
- (d) Business Associate agrees to mitigate, to the extent practicable, any harmful effect of any use or disclosure that is known to Business Associate to have occurred in violation of the terms of this BAA, including but not limited to compliance with all mitigation factors and other provisions listed at 45 C.F.R. § 160.408.

- (e) Business Associate agrees to ensure that any of its agents or subcontractors to whom Business Associate provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity, agree to the same restrictions and conditions that apply through this BAA to Business Associate with respect to such PHI, and agree to implement reasonable and appropriate safeguards to protect the confidentiality, integrity, and availability of Electronic Protected Health Information that it creates, receives, maintains, or transmits. With respect to Electronic Protected Health Information, Business Associate shall implement and comply with (and ensure that its subcontractors and agents implement and comply with) the security standards set forth at 45 C.F.R. § 164.306, administrative safeguards set forth at 45 C.F.R. § 164.308, the physical safeguards set forth at 45 C.F.R. § 164.310, the technical safeguards set forth at 45 C.F.R. § 164.312, and the policies and procedures set forth at 45 C.F.R. § 164.316 to reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity. Business Associate acknowledges that, as of the Effective Date of this Agreement, (i) the foregoing safeguard, policies and procedures requirements shall apply to Business Associate in the same manner that such requirements apply to Covered Entity, and (ii) Business Associate may be liable under the civil and criminal enforcement provisions set forth in 42 U.S.C. § 1320d-5 and § 1320d-6, as amended from time to time, for failure to comply with the safeguard, policies and procedures requirements and any guidance issued by the Secretary from time to time with respect to such requirements.
- (f) Business Associate agrees that it shall keep such records and submit such compliance reports, in such manner and containing such information, as the Secretary may determine to be necessary to enable the Secretary to ascertain whether Covered Entity or Business Associate has complied or is complying with the applicable administrative simplification provisions, in accordance with 45 C.F.R. § 160.310(a).
- (g) Business associate agrees that it shall cooperate with Covered Entity and the Secretary in the event that the Secretary undertakes an investigation or compliance review of the policies, procedures, or practices of Covered Entity or Business Associate to determine whether Covered Entity or Business Associate is complying with the applicable administrative simplification provisions, in accordance with 45 C.F.R. § 160.310(b).
- (h) Business Associate agrees that it shall:
 - (1) In accordance with 45 C.F.R. § 160.310(c)(1), permit access by the Secretary during normal business hours to its facilities, books, records, accounts, and other sources of information, including protected health information, that are pertinent to ascertaining compliance with the applicable administrative simplification provisions. If the Secretary determines that exigent circumstances exist, such as when documents may be hidden or destroyed, Business Associate must permit access by the Secretary at any time and without notice.
 - (2) In accordance with 45 C.F.R. § 160.310(c)(2), if any information required of Business Associate under 45 C.F.R. § 160.310(c) is in the exclusive possession of any other agency, institution, or person and the other agency, institution, or person fails or refuses to furnish the information, Business Associate must so certify and set forth all efforts it has made to obtain the information.

- (i) Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity, available to Covered Entity and/or to the Secretary of the United States Department of Health and Human Services, within ten (10) business days of receiving such request, or at such other time as may be designated by the Secretary, for purposes of the Secretary determining Covered Entity's and/or Business Associate's compliance with the Rule and the HITECH provisions of ARRA and related guidance as issued by the Secretary from time to time.
- (j) Business Associate agrees that in accordance with 45 C.F.R. § 164.502(a)(4), it shall disclose protected health information (1) when required by the Secretary under Part 160, Subpart C to investigate or determine the Business Associate's compliance with the HIPAA Rules, or (2) to Covered Entity, an Individual (or Individual's designee), as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.524(c)(2)(ii) and (3)(ii) with respect to an individual's request for an electronic copy of PHI.
- (k) Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual or an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528 and the HITECH provisions of ARRA and related guidance as issued by the Secretary from time to time.
- (l) Business Associate agrees to provide to Covered Entity or the Individual to whom PHI relates, upon request and within ten (10) business days of receiving such request, information collected in accordance with Section III(k) of this BAA and sufficient to constitute or permit Covered Entity to provide, a response to a request by the Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. In addition, with respect to information contained in an Electronic Health Record, Business Associate shall document, and maintain such documentation for three (3) years from date of disclosure, such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of information contained in an Electronic Health Record, as required by Section 13405(c) of Subtitle D (Privacy) of ARRA (42 U.S.C. § 17935), and related regulations issued by the Secretary from time to time.
- (m) Business Associate agrees to provide access to Covered Entity or an Individual, as requested by or directed by Covered Entity, respectively, to Health Information in a Designated Record Set within ten (10) business days of such request, to meet the requirements under 45 C.F.R. §164.524 and Section 13405(e) of Subtitle D (Privacy) of ARRA (42 U.S.C. § 17935(e)), and related guidance issued by the Secretary from time to time.
- (n) Business Associate agrees to promptly make any amendment(s) to Protected Health Information in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual to whom the PHI pertains.
- (o) Business Associate agrees, in accordance with 45 C.F.R. § 164.502(a)(5)(ii), that it shall not sell any PHI received from Covered Entity, except pursuant to written authorization

and consent provided by Covered Entity to Business Associate that complies with the requirements of 45 C.F.R. § 164.508(a)(4).

- (p) Business Associate agrees, in accordance with 45 C.F.R. § 160.316, that it shall not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any individual or other person for (1) filing a complaint under 45 C.F.R. § 160.306, (2) testifying, assisting, or participating in an investigation, compliance review, proceeding, or hearing under this part, or (3) opposing any act or practice made unlawful by the HIPAA Rules, provided the individual or person has a good faith belief that the practice opposed is unlawful, and the manner of opposition is reasonable and does not involve a disclosure of PHI in violation of Part 164, Subpart E.

IV. Permitted Uses and Disclosures by Business Associate

- (1) Business Associate may use and/or disclose Protected Health Information provided or made available from Covered Entity only (1) to complete any and all services agreed to pursuant to the Underlying Agreement between the parties (and any corresponding Statement(s) of Work, as applicable), or (2) to perform functions, activities, or services for, or on behalf of Covered Entity as specified in the Underlying Agreement, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity, violate the terms of this Agreement, or violate the policies or procedures of Covered Entity.
- (b) Except as otherwise limited in this BAA, Business Associate acknowledges that it shall request from Covered Entity and disclose to its affiliates, agents and subcontractors or other third parties, only (i) the information contained in a “Limited Data Set,” as such term is defined at 45 C.F.R. § 164.514(e)(2), or, (ii) if needed by Business Associate, the minimum necessary PHI to accomplish the intended purpose of such requests or disclosures. In all cases, Business Associate shall request and disclose Protected Health Information only in a manner that is consistent with this Agreement, all relevant HIPAA Rules, and guidance issued by the Secretary from time to time.
- (c) Except as otherwise limited in this BAA, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, or for the management, prosecution, or defense of any legal proceeding which involves Business Associate (including but not limited to the disclosure of such PHI and/or ePHI to any law firm or expert that may be retained by or otherwise represent or assist Business Associate in any such lawsuit). Business Associate shall obtain reasonable assurances from the person or entity to whom the information is disclosed that (i) 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 (ii) the person or entity shall notify the Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

- (d) Except as otherwise limited in this BAA, Business Associate may, in accordance with 45 C.F.R. § 164.502(e)(1)(ii), disclose Protected Health Information to a business associate that is a subcontractor and may allow the subcontractor to create, receive, maintain, or transmit Protected Health Information on its behalf, only if Business Associate obtains satisfactory assurances, through a business associate agreement that satisfies 45 C.F.R. § 164.504(e)(1)(i), that the subcontractor will appropriately safeguard the information.
- (1) In accordance with 45 C.F.R. § 164.504(e)(1)(iii), in the event that Business Associate learns or knows of a pattern of activity or practice of a subcontractor that presently constitutes or previously constituted a material breach of the subcontractor's obligation under the business associate agreement providing for the disclosure of PHI, Business Associate shall (A) promptly notify Covered Entity of such activity or practice, and (B) take prompt, reasonable steps to cure the breach or end the violation, as follows:
- A. Provide an opportunity for subcontractor to cure the breach or end the violation within ten (10) days of receiving notice of the breach and/or violation. If such action does not successfully bring about cure of the breach or an end to the violation within the time specified by the Parties, Business Associate may terminate the BAA and the Underlying Agreement under which the subcontractor has access to, uses or discloses PHI on behalf of Business Associate and/or Covered Entity; or
 - B. Immediately terminate the BAA and the Underlying Agreement under which the subcontractor has access to, uses or discloses PHI on behalf of Business Associate and/or Covered Entity, if cure of the breach or causing the violation to end is not possible; or
 - C. If neither termination nor cure is feasible, Business Associate, under direction from Covered Entity, shall report the violation to the Secretary, as required by the HIPAA Rules, or other applicable laws, rules, or regulations.
- (e) Except as otherwise limited in this BAA or the Underlying Agreement, Business Associate may use Protected Health Information to provide Data Aggregation services relating to the health care operations of Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- (f) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. § 164.502(j)(1).

V. Obligations of Covered Entity

- (a) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- (b) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.
- (c) **Permissible Requests by Covered Entity.** Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that this restriction is not intended, and shall not be construed, to limit Business Associate's capacity to use or disclose Protected Health Information for the proper management and administration of the Business Associate or to provide Data Aggregation services to Client, as provided for and expressly permitted under Section IV.(b), (d), and (e) of this BAA.

VI. Term and Termination

- (a) **Term.** The Term of this BAA shall be effective on the Effective Date provided herein, and shall terminate when the contractual or other relationship between Covered Entity and Business Associate that involves or requires the receipt, creation, use, and/or disclosure of PHI by or to the Business Associate is terminated or ceases to exist, whichever is earlier.
- (b) **Termination for Cause.** Upon Covered Entity obtaining knowledge of or reason to believe that a pattern of activity or practice by Business Associate that constitutes a material breach or violation of Business Associate's obligations under this BAA, Covered Entity shall:
 - (1) Provide an opportunity for Business Associate to cure the breach or end the violation within ten (10) days of receiving notice of the breach and/or violation. If such action does not successfully bring about cure of the breach or an end to the violation within the time specified by the Parties, Covered Entity may terminate this BAA and the Underlying Agreement under which the Business Associate has access to, uses or discloses PHI on behalf of Covered Entity; or
 - (2) Immediately terminate this BAA and the Underlying Agreement under which the Business Associate has access to, uses or discloses PHI on behalf of Covered Entity, if cure of the breach or causing the violation to end is not possible; or
 - (3) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary, as required by the HIPAA Rules, or other applicable laws, rules, or regulations.

(c) **Obligations of Business Associate Upon Termination**

- (1) Except as provided in paragraph (2) of this subsection, upon termination of this BAA for any reason, Business Associate shall return to Covered Entity or destroy all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity. This provision shall also apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- (2) In the event that return or destruction of any Protected Health Information is not feasible, Business Associate shall extend the protections of this BAA to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

VII. State Law

If state law applicable to the relationship between Business Associate and Covered Entity contains additional or more stringent requirements than federal law for Business Associates regarding any aspect of privacy or security, then Business Associate agrees to comply with the additional or more stringent standard contained in applicable state law.

VIII. Miscellaneous

- (a) **Regulatory References.** A reference in this BAA to a section in the HIPAA Rules means the section as is presently in effect or amended.
- (b) **Amendment.** This BAA may only be modified through a writing signed by the Parties and, thus, no oral modification hereof shall be permitted. Covered Entity and Business Associate agree to take such action as is necessary to amend this BAA from time to time as is necessary for Covered Entity to comply with the requirements of HIPAA or the Privacy, Security or Breach Notification Rules.
- (c) **Indemnification.** Business Associate agrees to defend, indemnify and hold Covered Entity harmless from and against any and all penalties, claims, losses, liabilities or expenses (including without limitation attorneys' fees) which may arise, in whole or in part, out of a breach or violation by the Business Associate of its obligations under this BAA, the HIPAA Rules, or applicable law, rules, or regulations.
- (d) **Survival.** The respective rights and obligations of Business Associate pursuant to this Agreement shall survive the termination of this Agreement.
- (e) **Interpretation.** Any ambiguity in this Agreement shall be resolved to permit Covered Entity comply with the HIPAA Rules.

(f) **Notice.**

1. **To COVERED ENTITY.** Any notice or reporting required under this BAA to be given to Covered Entity shall be made in writing to:

NAME: _____

TITLE: _____

ADDRESS1: _____

ADDRESS2: _____

PHONE: _____

EMAIL: _____

FAX: _____

2. **To BUSINESS ASSOCIATE.** Any notice or reporting required under this BAA to be given to Business Associate shall be made in writing to:

Contact Name

Title

Mailing Address

City, State, Zip Code

Phone Number

Email Address

* * * * *

IN WITNESS WHEREOF, Covered Entity and Business Associate have caused this Business Associate Agreement to be executed by duly authorized officers.

City of Phoenix

Consultant

By _____

By _____

Adriana Phillips
Assistant Finance Director

Name _____
Title _____

EXHIBIT D

SUBMITTAL INSTRUCTIONS AND EVALUATION REQUIREMENTS

EVALUATION CRITERIA

In accordance with the Administrative Regulation, 3.10, Competitive Sealed Proposal awards shall be made to the responsible Offeror(s) 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 the relative order of importance.

Qualifications, Experience and References	325 POINTS
Method of Approach	375 POINTS
Pricing	300 POINTS
TOTAL AVAILABLE POINTS:	1000 Maximum

Vendor Security Maturity Questionnaire

As part of the evaluation process, Offerors who have been deemed as responsible offeror(s) most susceptible for award, shall be required to complete and submit a Vendor Security Maturity Questionnaire.

The process is the following:

1. All Vendors shall submit an email address of an IT specialist with the skills and knowledge of the Vendor's IT systems, as the person to whom the Questionnaire will be sent.
2. The City of Phoenix will send the Vendor Security Maturity Questionnaire to the Vendor's identified IT Specialist. The Questionnaire will come in the form of a link from ZenGRC.
3. The IT Specialist will complete and submit the Questionnaire within seven (7) days. This will be scored by the City of Phoenix's ITS Department and may be used to determine the responsibility of the Vendor.

Any questions regarding this process or the Questionnaire itself should be addressed only to the Procurement Officer associated with this Solicitation.

NOTES:

- 1) Please provide a response to all sections identified in each section below. Include completed responses to all of the required attachments and provide any additional documentation as requested by the City or additional information as deemed appropriate by the Offeror which demonstrates compliance. **DO NOT password protect any files or provide links for the City to download any portions of the submittals. The City will ONLY consider the information contained within the Offeror's submission.**

- 2) Excel documents must be returned both in Excel and PDF.
- 3) *Failure to provide the information requested may result in the Offer being deemed as non-responsive or may result in deduction of points for the relevant criteria identified above.*

For ease of evaluation, the City is requesting that Offerors' responses be submitted in the order indicated below and must contain the following:

SECTION 1 – TITLE PAGE

The Title page should include the RFP number and title, name and address of the Offeror(s), and the date of the proposal.

SECTION 2 – COVER LETTER

Attachment 1 – Offeror Introduction Overview (PDF)

Benefits Consulting and Actuarial Services

The cover letter shall provide a brief overview of the firm's history. Describe your organization, including such information as when it was organized, when it began operations, provide a description of all of the services provided by your firm and how many consecutive years the Offeror has been providing Benefits Consulting and Actuarial Services as described in this Solicitation and how many consecutive years providing Benefits Consulting and Actuarial Services to similar size clients.

Pharmacy Benefits Management Consulting Services

The cover letter shall provide a brief overview of the firm's history. Describe your organization, including such information as when it was organized, when it began operations, provide a description of all of the services provided by your firm and how many consecutive years the Offeror has been providing Pharmacy Benefits Management Consulting Services as described in this Solicitation and how many consecutive years providing Pharmacy Benefits Management Consulting Services to similar size clients.

Provide "an overview" of the services offered in your proposal. The detailed description of the offerings shall be included below, in Section 5 - Method of Approach.

1. Provide a single main contact name, title, address, phone number, and email address for all matters related to this RFP.
2. Provide the contact name, title, address, phone number and email address for the primary contact who will have day-to-day responsibilities for working with the City.
3. Provide the address of your firm's office that will provide Services to the City of Phoenix.

SECTION 3 – TABLE OF CONTENTS

The Table of Contents shall include references for all sections and sub-sections within the Offer. Please include the corresponding page numbers.

SECTION 4 – QUALIFICATIONS, EXPERIENCE AND REFERENCES **(Weight/Points: 325)**

Provide the required documentation to demonstrate the firm's compliance to the requirements outlined in this section. Evaluation of Qualifications, Experience and References will be based on the Offeror's demonstrated qualifications and experience in successfully completing similar projects to the satisfaction of their customers. Offeror must provide a narrative for each requirement and complete the Attachments with corresponding information applicable to this section. Offeror is encouraged to provide supplemental documentation (if applicable) to their narrative responses, provided that the information supplements clearly and concisely the response to the specific requirement.

In addition to these requirements, please complete the RFP Questionnaire (Attachment 1).

Minimum Qualifications

Demonstrate how Offeror complies with all of the requirements as listed in RFP Section I, paragraph 1.3 Minimum Qualifications. Provide a narrative and/or supporting documentation to demonstrate compliance of all items. Failure to demonstrate compliance to these items will disqualify your proposal from further evaluation.

- 2.1 Have been in operation for a minimum of seven (7) consecutive years' providing Benefits Consulting and Actuarial Services and/or Pharmacy Benefits Management Consulting Services as set forth in the Scope of Work.
- 2.2 Have a minimum of seven (7) consecutive years' experience providing all of the Services as listed in this Solicitation for private and public entities comparable in size to the City of Phoenix.

Firm Experience & Qualifications Narrative - Benefits Consulting and Actuarial Services

1. Describe your firm's experience providing Benefits Consulting and Actuarial Services including health care and dependent care as a benefit offered to employees comparable to the City of Phoenix.
2. Describe your firm's overall your experience providing Benefits Consulting and Actuarial Services to other clients of similar scope and comparable to the City of Phoenix. Indicate the number of employees for each client referenced. Government

agencies are preferred but not required.

3. The Offeror must confirm that the firm shall be lawfully authorized to conduct business in Arizona or must have no impediments to conducting business in Arizona.
4. Describe your firm's professional and qualified resources available for this project.
5. Demonstrate Offeror's capabilities, experience, and expertise on how you propose to manage the Benefits Consulting and Actuarial Services for the City in accordance with the scope of work requirements.
 - Provide a list of subcontractors which will be used to provide the Services outlined in the solicitation. Describe the Services which they will be providing.
6. Demonstrate that your firm is HIPAA certified and that protected health information is handled appropriately.
7. Provide a statement confirming your firm agrees to execute the Business Associate Agreement (BAA) (Exhibit C).

**Firm Experience & Qualifications Narrative -
Pharmacy Benefits Management Consulting Services**

1. Describe your firm's experience providing Pharmacy Benefits Management Services including health care and dependent care as a benefit offered to employees comparable to the City of Phoenix.
2. Describe your firm's overall your experience providing Pharmacy Benefits Management Consulting Services to other clients of similar scope and comparable to the City of Phoenix. Indicate the number of employees for each client referenced. Government agencies are preferred but not required.
3. The Offeror must confirm that the firm shall be lawfully authorized to conduct business in Arizona or must have no impediments to conducting business in Arizona.
4. Describe your firm's professional and qualified resources available for this project.
5. Demonstrate Offeror's capabilities, experience, and expertise on how you propose to manage the Pharmacy Benefits Management Consulting Services for the City in accordance with the scope of work requirements.
 - Provide a list of subcontractors which will be used to provide the Services outlined in the solicitation. Describe the Services which they will be providing.
6. Demonstrate that your firm is HIPAA certified and that protected health information is handled appropriately.
7. Provide a statement confirming your firm agrees to execute the Business Associate Agreement (BAA) (Exhibit C).

8. **Attachment 4 - Performance Bonding Letter (PDF)**

Submit a letter from a licensed bonding or insurance agency stating that the Offeror can qualify for and procure the performance bond and/or payment surety in accordance with RFP Section I, Paragraph 1.24 Statement of Bonding Ability.

References

The References information shall be included in RFP Section II Submittals, as Submittal G – Years in Business and References Form. The City reserves the right to contact these references and discuss the client’s level of satisfaction with the Offeror and its services.

Provide samples of client satisfaction surveys (**Attachment 6**).

Personnel Experience & Qualifications Narrative

Attachment 2 – Key Personnel Resumes (PDF)

Provide up to a one-page resume for each proposed key personnel (includes all positions identified in the Organizational chart) which will be providing Services covered in the scope of this Solicitation. Refer to Exhibit A – Scope of Work, paragraph 9 Account Management Team, for a listing of the minimum positions identified by the City for the Account Management Team.

Resumes shall reflect relevant experience and qualifications for the Services as outlined in this Solicitation. For each Key Personnel identified, provide the following:

- a) Name
- b) Length of employment with the company
- c) Proposed percentage of overall time to be dedicated to the resulting agreement
- d) Brief summary of each individual’s:
 1. Professional Experience
 2. Relevant Experience (with similar roles to the proposed key position)
- e) Education (training and education including institution, degree, major)
- f) Certifications (certifications relevant to the proposed key position, including type of certification)

Attachment 3 – Organizational Chart(s) (PDF)

Provide a detailed Organizational chart that demonstrates how the proposed account management team is structured. The chart shall include the team(s) who will be working on the City’s account. Please identify key personnel by name, title, location, and contract role(s). For each proposed team member, include proposed staffing for the City (role, % dedication to the Contract and number of FTEs, and start and end date) that you believe will be necessary to support each project team’s work.

- a) **Account Management Team**: Outline the proposed Account Management Team responsible for ensuring that all Contract requirements and service deliverables are met by the Contractor. The account management team shall be comprised of but not limited to highly qualified and appropriately credentialed technical staff in the areas of applicable benefits management consulting, brokerage services, applicable regulatory compliance, actuarial services, employee benefits

communication, and pharmacy benefits management consulting services. The account management team shall include an Executive Sponsor responsible for providing for the smooth operation of Contract deliverables, as well as problem resolution and addressing elevated client concerns.

- b) Implementation Team: Outline the proposed Implementation Team Members responsible for the implementation of this project and ongoing program improvements/changes going forward during this project phase. Include proposed staffing for the City (role, dedication, or number of FTEs, start and end dates for each member and % dedication).

Attachment 10 – Sample Annual Stewardship Report

Provide a recent annual stewardship report that demonstrates any of the following:

- a) Investment in employees through benefits offerings, training and development opportunities
- b) Creating a customer centric culture
- c) Practicing sustainability in business operations

SECTION 5 – METHOD OF APPROACH **(Weight/Points: 375)**

Evaluation of Method of Approach will be based on the Offeror's demonstrated ability to meet the City's project requirements, project implementation and the project schedule which demonstrates the ability to begin work quickly and ensure all Services will begin by November 1, 2025.

5.1 Narrative of City's project requirements and Offerings:

- 5.1.1 Provide a detailed narrative response to describe your ability to comply with the City's requirements identified in Exhibit A – Scope of Work and provide a detailed description which demonstrates your understanding of the requirements and describe the offered services to include how your firm will help the City develop effective employee benefits goals and strategies.
- 5.1.2 Provide a detailed narrative response to describe your approach to guidance on complex compliance issues and keeping up to date with all applicable rules and regulations.
- 5.1.3 Provide a detailed narrative response to describe your technological approach to Benefits Consulting and Actuarial Services to include employee benefit contract negotiating, request for proposal, request for quote, request for information processes (developing all applicable documents, i.e., scope of work, questionnaires, evaluating and producing executive summary of proposals, etc.), market benchmarking, regulatory compliance, required compliance notices and letters, required reporting deadline adherence, unique tools/processes that will assist the City in controlling increasing healthcare and prescription drug costs.
- 5.1.4 Provide a detailed narrative of your data analytics team to include if the team is in-house or sub-contracted.

5.1.5 Provide a detailed narrative response to describe your approach to ensure high-quality and competent client support.

5.1.6 Escalation Process; Provide a detailed narrative of how issues beyond the capabilities of the Account Management are handled (**Attachment 8**).

5.1.7 Project Schedule/Timeline approach

Provide a detailed project schedule that includes at a minimum: major milestones and timeline for each milestone, deliverables, project implementation, reporting, data migration (if applicable), and final acceptance.

Provide a detailed narrative of how your firm maintains client records in a secure Health Insurance Portability and Accountability Act (HIPAA) environment, to include when at rest and in transit, and accessibility.

Note: The project schedule will be finalized following contract award. The City reserves the right to adjust as deemed appropriate for a successful implementation.

Attachment 11 – Financial Ratings (See RFP Questionnaire, General Requirements tab) (PDF)

Attachment 5 – Implementation Plan (See Exhibit A, paragraph 7. Implementation) (PDF)

Provide a detailed description of the Project Implementation Plan to include a pre and post Implementation Plan. Describe all critical milestones and any and all proposed training plan. Clearly describe how you will ensure Services will begin timely for Plan Year effective January 1, 2026.

Attachment 7 – Sample Invoice (PDF)

Provide a sample invoice(s) of the services that will be performed in accordance to Scope of Work that reflect the pricing in Exhibit B – Fee Schedule.

SECTION 6 – CITY FORMS (Submittals RFP Section III)

Provide the completed City issued Submittal forms (E through J). All forms must be completed in its entirety and returned with the Offer.

SECTION 7 – ADDENDA (PDF)

Provide the signed Addenda with the Offeror. The Offeror must acknowledge receipt of any/all addenda by signing and returning with the offer. Failure to return signed Addenda may deem your Offer as non-responsive. See RFP Section 1.10.

SECTION 8 – RFP QUESTIONNAIRE (Excel and PDF)

Attachment 1 – RFP Questionnaire (Submit in Excel and PDF)

SECTION 9 – PRICING

Exhibit B - Fee Schedule (Submit in PDF)

Provide the completed Fee Schedule

SECTION 10 – EXCEPTION(S) (Excel & PDF)

This section only applies if the Offeror takes Exceptions. Refer to RFP Section 1.8 Exceptions.

Note: For the City's consideration of Exception(s), the preferred method is a Word document with the following columns:

- 1) RFP Section, Provision number and Title and page number
- 2) Copy of City's RFP provision
- 3) City's provision with proposed redlines/changes, and
- 4) An explanation/justification for requested change(s).

SECTION 11 – CONFIDENTIAL ATTACHMENTS

This section only applies if the Offeror identifies some of the Offeror's information as Confidential and/or Proprietary. All documents which the Offeror identifies as Confidential and/or Proprietary should be included in this section.



EMERGENCY 24-HOUR SERVICE CONTACT

(please complete and return with the submittal)

Contact Name: _____

Telephone Number: _____

Alternate Contact: _____

Telephone Number: _____

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER INELIGIBILITY
AND VOLUNTARY EXCLUSION**

(please sign and return with the submittal)

The prospective participant (Contractor for a federally funded project) certifies, by submission of this solicitation and certification, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Where the prospective participant is unable to certify to any of the statements in this certification, such participant shall attach an explanation to this solicitation.

THE PARTICIPANT (Contractor for a federally funded project), CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. 3801 ET SEQ. ARE APPLICABLE THERETO.

Authorized Official Name

Signature

Title of Authorized Official

Date

YEARS IN BUSINESS AND REFERENCES

(please complete and return with the submittal)

Offeror shall furnish the names and contact information for three clients for whom the Offeror is **furnishing** or has furnished Services similar to those described in this RFP, within the last seven years. Government references for similar services and similar size to the City of Phoenix are preferred, but not required. Do not list City of Phoenix employees or officials as references.

Name of Company:	
Name of Contact / Title:	
Email Address:	
Phone Number:	
PROJECT DETAILS:	Project title, contract number, project dates (start and end), organization size and description of services provided.

Name of Company:	
Name of Contact / Title:	
Email Address:	
Phone Number:	
PROJECT DETAILS:	Project title, contract number, project dates (start and end), organization size and description of services provided.

Name of Company:	
Name of Contact / Title:	
Email Address:	
Phone Number:	
PROJECT DETAILS:	Project title, contract number, project dates (start and end), organization size and description of services provided.

(additional copies of this page can be made as needed)

COSTS AND PAYMENTS

(please complete and return with the submittal)

PAYMENT TERMS & OPTIONS: Vendors must choose an option, if a box is not checked, the City **will default to 0% - net 45 days:**

____ Contractor offers a prompt payment discount of either _____% - 30 days or 0% – 45 days - to apply after receipt of invoice or final acceptance of the products (invoice approval), whichever date is later, starts the 30 days. If no prompt payment discount is offered, the default is 0%, net 45 days; effective after receipt of invoice or final acceptance of the products, whichever is later. **Payment terms offering a discount will not be considered in the price evaluation of your offer.**

____ Contractor may be paid immediately upon invoice approval, if enrollment is made to the Single Use Account (SUA) Program, administered by the City's servicing bank ("Bank"). By checking this box, the vendor accepts transaction costs charged by their merchant bank and agrees not to transfer to the City those extra charges. The City will not pay an increase in our services for the SUA charges; if an audit uncovers an upcharge for the SUA charges the vendor will owe the City all costs. The vendor may opt-out of the SUA program once, but then may not rejoin during the same contract term. **For more information about the SUA program or to enroll, send email to mailbox.sua@phoenix.gov.**

OFFER

(please complete, sign, and return with the submittal)

TO THE CITY OF PHOENIX - The Undersigned hereby offers and agrees to furnish the material and or service(s) in compliance with all terms, conditions, specifications, and addenda issued as a result of a solicitation.

Arizona Sales Tax No. _____
 Use Tax No. for Out-of-State Suppliers _____
 City of Phoenix Sales Tax No. _____
 Arizona Corporation Commission File No. _____

Taxpayer's Federal Identification No.: If recommended for contract award, Offeror agrees to provide its federal taxpayer identification number or as applicable its social security number to the City of Phoenix for the purposes of reporting to appropriate taxing authorities, monies paid by the City of Phoenix under the awarded contract. If the Offeror provides its social security number, the City will only share this number with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.

<p>Enter City's Registration System ID Number Located at City's eProcurement website (see SECTION 2 – INSTRUCTIONS - CITY'S REGISTRATION)</p>	
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Offeror has read, understands, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror certifies that the prices offered were independently developed without consultation with any other Offeror or potential Offerors.

 Authorized Signature

 Date

 Print Name and Title
(President, Manager, Member)

 Offeror Legal Name and Company Type
(LLC, Inc., Sole Proprietor)

Street Address: _____
 City, State, Zip Code: _____
 Telephone Number: _____
 Email Address: _____

CONFLICT OF INTEREST AND TRANSPARENCY FORM

(please complete, sign, and return with the submittal)

This form must be signed and submitted to the City and all questions must be answered (or N/A) or your Offer may be considered non-responsive.

1. Name of person submitting this disclosure form.

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First	MI	Last	Suffix
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2. Contract Information

Solicitation # or Name:

3. Name of individual(s) or entity(ies) seeking a contract with the City (i.e. parties to the Contract)

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4. List any individuals(s) or entity(ies) that are owners, partners, parent, sublessees, joint venture, or subsidiaries of the individual or entity listed in Question 3. Please include all Board members, executive committee members and officers for each entry. If not applicable, indicate N/A.

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5. List any individuals or entities that will be subcontractors on this contract or indicate N/A.

- Subcontractors may be retained, but not known as of the time of this submission.
- List of subcontracts, including the name of the owner(s) and business name:

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6. List any attorney, lobbyist, or consultant retained by any individuals listed in Questions 3, 4, or 5 to assist in the proposal or seeking the resulting contract. If none, indicate N/A.

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7. Disclosure of Conflict of Interest:**A. City Code Section 43-34**

Are you aware of any fact(s) with regard to this solicitation or resulting contract that would raise a “conflict of interest” issue under City Code Section 43-34?

“An elected City official or a City employee shall not represent any person or business for compensation before the City regarding any part of a procurement, including any resulting contract, if during the time the elected official is or was in office or the employee is or was employed by the City such elected official or employee played a material or significant role in the development of the solicitation, any other part of the procurement, or the contract award.”

- I am not aware of any conflict(s) of interest under City Code Section 43-34.
- I am aware of the following potential or actual conflict(s) of interest:

B. ARS Sections 38-501 et. Seq. & City Charter Chapter 11

State law and the Phoenix City Charter and Code prohibit public officers or employees, their close relatives, and any businesses they, or their relatives, own from (1) representing before the City any person or business for compensation, (2) doing business with the City by any means other than through a formal procurement, and (3) doing business with the City without disclosing that the person has an interest in the contract. This prohibition extends to subcontracts on City contracts and also applies to parent, subsidiary, or partner businesses owned by a public officer or employee. See A.R.S. Sections 38-501 through 38-511, for more information (City Charter, Chapter 11, applies the state conflict-of-interest law to City employees).

Please note that any contract in place at the time a person becomes a public officer or employee may remain in effect. But the contract may not be amended, extended, modified, or changed in any manner during the officer’s or employee’s city service without following city administrative regulations.

Are you aware of any fact(s) with regard to this contract that would raise a “conflict of interest” issue under A.R.S. Sections 38-501 through 38-511 (See Arizona Revised Statutes regarding conflict of interest at www.azleg.gov).

- I am not aware of any conflict(s) of interest under Arizona Revised Statutes Sections 38-501 through 38-511.
- I am aware of the following conflict(s) of interest:

8. Acknowledgements

A. Solicitation Transparency Policy – No Contact with City Officials or Staff During Evaluation

- I understand that a person or entity who seeks or applies for a city contract, or any other person acting on behalf of that person or entity, is prohibited from contacting city officials and employees regarding the contract after a solicitation has been posted.

- This “no-contact” provision only concludes when the contract is awarded at a City Council meeting. If contact is required with City official or employees, the contact will take place in accordance with procedures by the City. Violation of this prohibited contacts provision, set out in City Code Sections 2-190.4 and 43-36, by respondents, or their agents, will lead to **disqualification**.

B. Fraud Prevention and Reporting Policy

- I acknowledge that the City has a fraud prevention and reporting policy and takes fraud seriously. I will report fraud, suspicion of fraud, or any other inappropriate action to: telephone no. 602-261-8999 or 602-534-5500 (TDD); or aud.integrity.line@phoenix.gov.

The purpose of the fraud policy is to maintain the City's high ethical standards. The policy includes a way for our business partners to report wrongdoing or bad behavior. Suspected fraud should be reported immediately to the Phoenix Integrity Line. The City has adopted a zero-tolerance policy regarding fraud.

OATH

I affirm that the statements contained in this form, including any attachments, to the best of my knowledge and belief are true, correct, and complete.
 Should any of the answers to the above questions change during the course of the contract, particularly as it relates to any changes in ownership, applicant agrees to update this form with the new information within 30 days of such changes. Failure to do so may be deemed a breach of contract.

PRINT NAME

TITLE

SIGNATURE

DATE

COMPANY (CORPORATION, LLC, ETC.) NAME and DBA