

**Request for Proposals (RFP)
for**

**Non-Medicare Retiree Medical Health Plans
RFP HR 21-014**

Schedule of Events

ACTIVITY (All times are local Phoenix time)	DATE
Solicitation Issue Date	October 28, 2021
Pre-Proposal Meeting	November 9, 2021 1:00 p.m. via Cisco Webex
Submittal of Written Questions	November 12, 2021 due by 2:00 p.m.
Submittal of List of Exceptions by 2:00 pm	November 16, 2021
Responses to Written Questions	November 19, 2021
Email Procurement Officer indicating intent to submit an Offer	November 29, 2021 by 2:00 p.m.
Offer Submittal Due Date	December 3, 2021 by 2:00 p.m.
Short Listing and Offeror Interviews, if applicable	Week of January 24, 2022
Award Recommendation to Phoenix City Council	March 2022

Submit proposals and requests for alternate formats to:

Margie Vasquez, Procurement Officer
City of Phoenix Human Resources Department
251 W. Washington Street, 7th Floor
Phoenix, Arizona 85003
Telephone: (602) 206-5081 (7-1-1 Friendly)
Margie.Vasquez@phoenix.gov
Date posted on website (issue Date): October 28, 2021

This RFP does not commit the City to award any agreement.
All dates subject to change.



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1. DESCRIPTION – STATEMENT OF NEED:

- 1.1 The City of Phoenix invites sealed offers to provide Non-Medicare Retiree Medical and Vision Plans for a five-year period commencing on or about January 1, 2023 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 in paragraph 2, the Scope of Work in Exhibit A to the Professional Services Agreement attached in Section II and the additional specifications and provisions contained herein.
- 1.2 This Solicitation is available through Arizona Relay Service 7-1-1. Please call TTY 800-367-8939 for assistance.
- 1.3 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.
- 1.4 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.

2. MINIMUM QUALIFICATIONS:

Each Offeror must demonstrate in its proposal that it meets the minimum qualifications, or its proposal will be disqualified as non-responsive. The Offeror must:

- 2.1 have been in operation a minimum of ten (10) years.
- 2.2 have a minimum of ten (10) years’ experience providing all of the Medical and Vision Plan Services listed in this Solicitation, for private and public entities comparable in size to the City of Phoenix. (This information must be provided in Section III: Part 6, and Section IV: Attachment E, of this Solicitation.) In addition, the Offeror must possess the ability to perform the Scope of Work set forth in Section II, Exhibit A.
- 2.3 have an overall book of business providing the Services requested in this Solicitation to at least two thousand (2,000) members.
- 2.4 have no bankruptcy filings within the last five (5) years.
- 2.5 submit a letter from a bonding or insurance company stating that the Offer can qualify for and procure the performance bond and/or payment surety required Section I, Paragraph 24, Statement of Bonding Ability.
- 2.6 be lawfully authorized to conduct business in Arizona or must have no impediments to conducting business in Arizona.
- 2.7 agree that by executing the Submittals and submitting an Offer that terms outlined throughout this RFP process (within your response and any



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enhancements thereafter) must remain in place through negotiations and be part of the final contract unless specifically waived by the City in writing.

3. **AGREEMENT TERM AND CONTRACTUAL RELATIONSHIP:**

3.1 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 terms of the Agreement attached hereto. 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.

4. **PRE-PROPOSAL MEETING:**

Offerors may attend the pre-proposal meeting via Cisco Webex at the date and time listed on page one. Please register for this meeting by emailing the Procurement Officer listed on the front page.

Meeting number/access code/meeting information: 2466 787 0316

Meeting password: aCY3ArEmW44

Attend the meeting using one of the formats below:

- Join online using your Cisco Webex account
- Join online without a Cisco Webex account: globalpage-prod.webex.com/join
- Join by phone 1-415-655-0001 US Toll. When asked for Attendee Number, press #.
- Join from a video system or application
Dial 24667870316@cityofphoenix.webex.com
You can also dial 173.243.2.68 and enter your meeting number.
- Join using Microsoft Lync or Microsoft Skype for Business
Dial 24667870316.cityofphoenix@lync.webex.com

5. **SCOPE OF WORK AND SUPPLEMENTAL TERMS AND CONDITIONS:**

Contractor will provide Services that will be in accordance with the Scope of Work as set forth in Section II, *Exhibit A*, 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 Section II, *Exhibit E*.



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6. CITY'S VENDOR SELF-REGISTRATION AND NOTIFICATION:

Vendors must be registered in the City's eProcurement Self-Registration System at <https://www.phoenix.gov/financesite/Pages/EProc-help.aspx> in order to respond to Solicitations and access procurement information. The City may, at its sole discretion, reject any offer from a Offeror who has not registered in the City's eProcurement system.

7. PREPARATION OF OFFER:

7.1 All forms provided must be completed and submitted with your offer. The signed and completed Solicitation Disclosure form must be included or your offer may be deemed non-responsive.

7.2 It is permissible to copy Submittal forms if necessary. Erasures, interlineations, or other modifications of your 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.

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

7.4 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:

7.4.1. Consider applicable laws and/or economic conditions that may affect cost, progress, performance, or furnishing of the products or services.

7.4.2. Study and carefully correlate Offeror's knowledge and observations with the Solicitation and other related data.

7.4.3. Promptly notify the City of all conflicts, errors, ambiguities, or discrepancies which Offeror has discovered in or between the Solicitation and such other related documents.

7.5 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.

8. EXCEPTIONS:

8.1 If an Offeror has any exceptions to any terms, conditions or material requirements of this Solicitation including without limitation to the Professional Services Agreement, the Scope of Work and attachment documents, the Offeror must include a list of all exceptions to the



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requirements of the Solicitation, if any, stated on a separate page labeled “Exceptions Statement” to Margie.Vasquez@phoenix.gov by November 16, 2021 by 2:00 pm Arizona time. Offeror must identify the reason for the requested change, provide alternate language and provide an explanation. If Offeror’s Submittal does not include a separate Exceptions Statement identifying all specific exceptions, the exceptions will be deemed waived by the Offeror.

- 8.2** 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 submitted by the Offeror.

9. INQUIRIES:

- 9.1** All questions that arise relating to this Solicitation should be directed to the Procurement Officer on the Solicitation cover page.
- 9.2** To be considered, written inquiries must be received at the address on the cover page by the submittal time. Written inquiries may be emailed to the address on the cover page. Inquiries received will then be answered in an addendum.
- 9.3** 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 the closing date and time for the submission of offers. All questions concerning or issues related to this Solicitation must be presented in writing.

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 in regard to the offering instructions, plans, drawings, specifications, or contract documents. Any changes to the plans, drawings and specifications will be in the form of an addendum. The Offeror must acknowledge receipt of any/all addendum by signing and returning the addenda document with the offer submittal.

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,



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state or local laws at the time of submittal.

The City will not enter into contracts with a business entity that has not granted authority to transact business, or is not in good standing, in the State of Arizona by the Arizona Corporation Commission.

12. CERTIFICATION:

By signature in the Offer section of the Affidavit page, 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.

13. SUBMISSION OF OFFER:

13.1 The City of Phoenix will ONLY accept Submittals electronically for this RFP process. Offerors may not submit hardcopies of any Offer to this Solicitation.

13.2 To submit Offers electronically, Offerors must send an email to the Procurement Officer by the date stated on the Schedule of Events indicating the Offeror's intent to submit an offer. The Procurement Officer will send an invitation to the Offeror which will include submittal instructions and a link to upload the Offeror's proposal response. Offers must be able to be downloaded by the Department on or prior to the exact time and date indicated in the Schedule of Events on the cover page. Late offers will not be considered. The prevailing clock will be the Department clock.

13.3 Please submit the items as defined in Section III – Evaluation Requirements, Section IV - Submittals, and any relevant Addenda. **Do not submit a copy of the entire Solicitation document.** This Offer will remain in effect for a period of 180 calendar days from the bid opening date and is irrevocable unless it is in the City's best interest to do so.

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. Facsimiles, telegraphic or mailgram withdrawals will not be considered. Withdrawals may not be made after the proposal due date.



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15. OFFER RESULTS:

Offers will be opened on the Offer due date and time 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.

16. PRE-AWARD QUALIFICATIONS:

- 16.1 Upon notification of an award, but before finalization of the award, the Offeror will have ten (10) 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.
- 16.2 Upon notification of an award, but before the finalization of the award, the Offeror will have ten (10) business days to submit the bonding requirements as identified in Section I, paragraph 23.
- 16.3 If the requirements of paragraphs 16.1 and 16.2 are not met, the City at its option may deem the Offeror's Offer non-responsive and award the contract to another Offeror.

17. AWARD OF CONTRACT:

- 17.1 Unless otherwise indicated, award(s) will be made to the most responsive, responsible Offeror(s) who are regularly established in the Services contained in this Solicitation and who have demonstrated the ability to perform the required Services in an acceptable manner. Factors that will be considered by the City include:
 - Technical capability of the Offeror to accomplish the Scope of Work required in the Solicitation. This includes performance history on past and current government or industrial contracts; and,
 - Demonstrated availability of the necessary manpower (both supervisory and operational personnel) and necessary equipment to accomplish the scope of work in the Solicitation; and,
 - Safety record; and,
 - Vendor history of performance and termination for convenience or cause.
- 17.2 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.



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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.

19. SOLICITATION TRANSPARENCY POLICY:

19.1 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 Agreement(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 who is not involved in the selection process.

19.2 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.

19.3 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.

19.4 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.

19.5 “To discuss” means any contact by the OFFEROR, regardless of whether




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the City responds to the contact. Offerors that violate this policy shall be disqualified until Agreement(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.

20. PROTEST PROCESS:

- 20.1 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.
- 20.2 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.
- 20.3 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.
- 20.4 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 to award the contract(s) to an Offeror on the City's website. 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.
- 20.5 All protests will be in writing, filed with the Procurement Officer identified in the Solicitation, and include the following:
 - Identification of the Solicitation number;
 - The name, address and telephone number of the protester
 - A detailed statement describing the legal and factual grounds for the protest, including copies of relevant documents;
 - The form of relief requested; and
 - The signature of the protester or its authorized representative.
- 20.6 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

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regulations and any protests or appeals not submitted within the time requirements will not be considered.

21. PUBLIC RECORD:

All Offers submitted in response to this invitation 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 an 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.

22. 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 bond and/or provide an Irrevocable Standby Letter of Credit as required in this Solicitation. Submittals received without the required statement of ability to secure a performance bond 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.

23. PERFORMANCE BOND:

A performance surety in the amount of 10% of the total contract amount shall be provided by the Contractor within (10) days after notice of award. 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



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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.

24. 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.

25. 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 Offeror 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.

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.

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.

28. DETERMINING RESPONSIVENESS AND RESPONSIBILITY:

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

28.2 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 (as the case may be) will render an Offer



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- nonresponsive.
- 28.3 Exceptions, conditions, reservations, or understandings are presumed to be unacceptable, and an Offer that includes unacceptable exceptions, conditions, reservations, or understandings may be rejected as nonresponsive. Alternatively, the City in its sole discretion may instruct in writing that any Offeror remove the conditions, exceptions, reservations or understandings. If the Offeror fails to do so in writing, the City may determine the Offer to be nonresponsive.
- 28.4 Responsibility: To obtain true economy, the City must conduct Solicitations to minimize the possibility of a subsequent default by the contractor, late deliveries, or other unsatisfactory performance that may result in additional administrative costs. It is important that the Offeror be a responsible contractor. Responsibility includes the Offeror's integrity, skill, capacity, experience, and facilities for conducting the work to be performed.
- 28.5 The Procurement Officer, in consultation with legal counsel, will review each Offer to determine if the Offeror is responsible. The City's determination as to whether an Offeror is responsible will be based on the information furnished by the Offeror, interviews (if any), any information at the City's request, information in any best and final offer, and information received from Offeror's references, including information about Offeror's past history, terminations for convenience or cause, contract breach lawsuits or notices of claim and any other sources the City deems appropriate. Award of the Contract resulting from the Solicitation will not be made until any necessary investigation, which each Offeror agrees to permit by submitting its Offer, is made by the City as it deems necessary. A review of responsibility may occur up to contract award.
- 28.6 The Offeror's unreasonable failure to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such Offeror.
- 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.
- 30. OFFERS NOT WITHIN THE COMPETITIVE RANGE:**
The City may notify Offerors of Offers that the City determined are not in the Competitive Range.



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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.

31.1 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).

31.2 If an Offer in the Competitive Range contains conditions, exceptions, reservations or understandings to or about any Contract or Solicitation 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.

31.3 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.

32. BEST AND FINAL OFFERS (BAFO):

32.1 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.

32.2 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



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final rankings.

- 32.3 The Evaluation Panel will recommend the Offer that is the best value and most advantageous to the City based on the evaluation criteria.
- 32.4 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.



**SECTION II – PROFESSIONAL SERVICES
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SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

**NON-MEDICARE RETIREE MEDICAL HEALTH PLANS
PROFESSIONAL SERVICES CONSULTING AGREEMENT**

AGREEMENT NO. _____

Margie Vasquez, Procurement Officer
City of Phoenix Human Resources Department
251 W Washington Street, 7th Floor
Phoenix, Arizona 85003
Telephone: (602) 206-5081
Margie.Vasquez@phoenix.gov



**SECTION II – PROFESSIONAL SERVICES
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**SECTION II – PROFESSIONAL SERVICES
CONSULTING AGREEMENT**

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PROFESSIONAL SERVICES CONSULTING AGREEMENT

BETWEEN

THE CITY OF PHOENIX AND

LEGAL NAME OF CONTRACTOR

This **AGREEMENT** is made and entered into this **1st Day of January, 2023**, (“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 Legal name of contractor, (hereinafter referred to as “Contractor”).

RECITALS

1. The City Manager of the City of Phoenix, Arizona, is authorized by the provisions of the City Charter to execute agreements for professional services.
2. The City desires to obtain the Services that are specifically set forth in this Agreement.
3. The City procured these professional Services in accordance with the Phoenix City Code and Administrative Regulation 3.10.
4. Contractor possesses the skills and expertise necessary to provide such services as desired by the City.
5. This Agreement is authorized by the City Council (Ordinance Number and Agenda Number if applicable) Date.

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

1. TERM OF AGREEMENT:

- 1.1 This Agreement begins on the Effective Date in the above introductory paragraph, and upon approval by the City, for a period of five (5) years.
- 1.2 This Agreement will terminate upon the earliest occurrence of any of the following:
 - 1.2.1 reaching the end of the term exercised as set forth in 1.1;
 - 1.2.2 completing the services set forth in the Scope of Work attached as *EXHIBIT A – SCOPE OF WORK* (the “Services”);
 - 1.2.3 payment of the maximum compensation under Paragraph 2 of this Agreement; or
 - 1.2.4 termination pursuant to the provisions of this Agreement.



**SECTION II – PROFESSIONAL SERVICES
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2. PAYMENT:

- 2.1.** The total amount to be remitted by the City to Contractor for all Services satisfactorily performed under this Agreement will not exceed an aggregate amount of \$ (Enter amount) for the term of the agreement including reasonable and necessary travel 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.
- 2.2.** 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.
- 2.3.** Invoices will be submitted to: City of Phoenix Human Resources Department, Benefits Division, Deputy Human Resources Director, 251 W Washington St 7th Floor, Phoenix, AZ 85003.

Invoices will be submitted to:

Email Invoices to: Benefits.Questions@phoenix.gov
Paula.Whisel@phoenix.gov

OR Mail Invoices to:
City of Phoenix-Human Resources Department
251 West Washington Street, 7th Floor
Phoenix, AZ 85003-2295

3. PERFORMANCE BOND:

A performance surety in the amount of 10% of the total contract amount shall be provided by the Contractor within (10) days after notice of award. The City of Phoenix will not issue a written purchase order or give notice to proceed in any



**SECTION II – PROFESSIONAL SERVICES
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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.

4. SCOPE OF WORK AND SUPPLEMENTAL TERMS AND CONDITIONS:

Contractor will provide Services that will be in accordance with the Scope of Work as set forth in *EXHIBIT A – SCOPE OF WORK*, 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 *EXHIBIT E*. Contractor will provide monthly and quarterly reports to the Staff and respective Trustees according to a mutually agreed-upon schedule.

5. EXHIBIT C - INDEMNIFICATION & INSURANCE REQUIREMENTS - See EXHIBIT C.

6. 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.

7. INDEPENDENT CONTRACTOR STATUS; EMPLOYMENT DISCLAIMER.

7.1 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



SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

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interested in the results obtained under this Agreement; the manner, means and mode of completing the same are under the sole control of Contractor.

- 7.2 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.

8. **LEGAL WORKER REQUIREMENTS:**

The City is prohibited by Arizona Revised Statutes § 41-4401 from awarding an agreement to any Contractor who fails, or whose subcontractors fail, to comply with Arizona Revised Statutes § 23-214(A). Therefore, Contractor agrees that:

- 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 Arizona Revised Statutes § 23-214, subsection A.
- A breach of warranty herein will be deemed a material breach of the Agreement and is subject to penalties up to and including termination of the Agreement.
- The City retains the legal right to inspect the papers of the Contractor or subcontractor employee(s) who work(s) on this Agreement to ensure that Contractor or subcontractor is complying with the warranty herein.

9. **CONFIDENTIALITY AND DATA SECURITY**

9.1 All data, regardless of form, including originals, images and reproductions, prepared by, obtained by, or transmitted to Contractor in connection with this Agreement is confidential, proprietary information owned by the City. Except as specifically provided in this Agreement, the Contractor shall not disclose data generated in the performance of the service to any third person without the prior written consent of the City Manager or his/her designee.

9.2 Personal identifying information, financial account information, protected health information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, Contractor must encrypt and/or password-protect electronic files. This includes data saved to laptop computers, computerized devices, handheld devices, networking devices,



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- removable storage devices, or other electronic media, as well as data in transit, such as during email or file transfer.
- 9.3** When personal identifying information, financial account information, protected health information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. Contractor must properly dispose of such information by taking reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal. This includes implementing and monitoring compliance with policies and procedures that require the redaction, destruction, erasure, or other disposal of paper documents and electronic media containing personal identifying information, financial account information, protected health information, or restricted City information so that these types of information cannot practicably be read or reconstructed. Contractor will provide the City with its information security policies and procedures regarding the redaction, destruction, erasure, or other disposal of documents and information.
- 9.4** In the event that data collected or obtained by the Contractor in connection with this Agreement is suspected to have been compromised, Contractor shall notify the contracting City department immediately. Contractor agrees to reimburse the City for any costs incurred by the City to investigate and respond to potential breaches of this data, including, where applicable, the cost of notifying individuals who may be impacted by the breach, attorneys' fees, and for any monetary damages or penalties the City is assessed. In case of a breach or critical breach of the City's information, it will be the City, not the Contractor, that will inform any and all individuals affected by any such breach. Only upon prior written consent of the City, or at the specific direction of the City, will the Contractor notify individuals affected by a breach or critical breach of the City's information.
- 9.5** Contractor agrees that the City may assess or test the security of any applications, web services, or computerized systems created or provided by the Contractor that process, store, or transmit City information. If the City finds vulnerabilities that are rated medium or more critical by the Common Vulnerability Scoring System (CVSS) in these applications, web services, or computerized systems, the Contractor agrees to remediate the vulnerability at no cost to the City and within an agreed-upon timeframe not to exceed 90 days. To clarify, the Contractor must remediate found vulnerabilities in computerized systems they provide; Contractor is not liable for remediating any vulnerability found in the City's network or computing infrastructure used to support the applications, web services, or systems created or provided by the Contractor.



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- 9.6** Contractor agrees to abide by all current applicable legal and industry data security and privacy requirements. These include, but are not limited to, Arizona Revised Statutes §44-7501 — Notification of breach of security system; Arizona Revised Statutes §44-7601 — Discarding and disposing of records containing personal identifying information; Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rules; Health Information Technology for Economic and Clinical Health (HITECH) Act, and Payment Card Industry Data Security Standards.
- 9.7** Contractor agrees to demonstrate that they have adequate controls and safeguards when they host or process personal identifying information, financial account information, protected health information, or restricted City information. This may be accomplished through a third-party audit utilizing a widely recognized auditing standard, such as Statement on Standards for Attestation Engagements (SSAE) No. 18, or through earning industry certification, such as ISO/IEC 27001.
- 9.8** By signing and entering this Agreement the Contractor specifically acknowledges that it is responsible for the security of cardholder data that Contractor possesses or otherwise stores, processes or transmits on behalf of the City. Additionally, you must provide to the City a copy of your written Notice to customers that you are responsible for the security of cardholder data that you obtain and otherwise store, process or transmit.
- 9.9** Contractor agrees to comply with all City information security and technology policies, standards, and procedures when accessing City networks and computerized systems whether onsite or remotely.
- 9.10** Contractor agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Contractor. It is further agreed that 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.
- 9.11** The obligations of Contractor under this Section shall survive the termination of this Agreement.
- 10. CONTACTS WITH THIRD PARTIES:**
- 10.1** 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



SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

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obligations of Contractor and its subcontractors under this Section will survive the termination of this Agreement.

- 10.2** 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.

11. SBE/ DBE UTILIZATION:

The City extends to each individual, firm, vendor, supplier, contractor and subcontractor an equal economic opportunity to compete for City business and strongly encourages voluntary utilization of small and/or disadvantaged businesses to reflect both the industry and community ethnic composition. The use of such businesses is encouraged whenever practical.

12. AUDIT/RECORDS:

12.1 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 six years following termination of the Agreement.

12.2 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.

13. COMPLIANCE WITH LAWS:

Contractor will comply with all existing and subsequently enacted federal, state and local laws, ordinances, codes, and regulations that are, or become applicable to this Agreement. If a subsequently enacted law imposes substantial additional costs on Contractor, a request for an amendment may be submitted pursuant to this Agreement.

14. 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



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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.

15. NO ORAL ALTERATIONS:

No alteration or variation of the terms of this Agreement will be binding on the parties herein unless such alteration or variation is in writing and signed by each of the parties to this Agreement. No oral understanding or agreement not incorporated in this Agreement will be binding on any of the parties herein.

16. NOTICES:

16.1 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:

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

16.2 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.



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16.3 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.

17. 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.

18. 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.

19. 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.

20. TERMINATION OR SUSPENSION OF SERVICES:

20.1 City's Right to Terminate:

The City reserves the right to terminate this Agreement without cause, or to abandon the Services, or any part of the Services not then completed, by notifying Contractor in writing. 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.



SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

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- 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 Contractor in terminating the work, including demobilization of field service. No payment will be made for loss of anticipated profits or unperformed services.

21. FINAL PAYMENT:

21.1 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.

21.2 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.

22. PROFESSIONAL COMPETENCY:

22.1 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.

22.2 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



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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.

23. 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.

24. 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").

25. DOCUMENTATION:

25.1 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.

25.2 FORMAT AND QUALITY: All documents prepared by Contractor will be prepared in a format and at a quality approved by the City.



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- 25.3 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.
- 25.4 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.
- 26. 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.
- 27. CONFLICTS OF INTEREST:**
- 27.1 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.
- 27.2 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.
- 27.3 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.



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27.4 This Agreement is subject to the requirements of Arizona Revised Statutes §38-511.

28. PUBLIC RECORDS:

28.1 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.

28.2 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.

28.3 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.

29. CLAIMS OR DEMANDS AGAINST THE CITY:

29.1 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.



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29.2 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).

30. 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.

31. CONTINUATION DURING DISPUTES:

31.1 Contractor agrees as a condition of this Agreement that in the event of any dispute between the parties, provided no Notice of Termination has been given by the City, and if it is feasible under the terms of this Agreement each party will continue to perform the obligations not related to the dispute required of it during the resolution of such dispute, unless enjoined or prohibited by a court of competent jurisdiction.

31.2 Failure or delay by either party to exercise any right, power or privilege specified in or appurtenant to this Agreement will not be deemed a waiver.

32. THIRD PARTY BENEFICIARY CLAUSE:

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.

33. EQUAL EMPLOYMENT OPPORTUNITY AND PAY:

33.1 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.

33.2 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,



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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.

- 33.3 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.
- 33.4 **DOCUMENTATION:** Suppliers and lessees may be required to provide additional documentation to the equal opportunity department affirming that a nondiscriminatory policy is being utilized.
- 33.5 **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



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authorized to conduct on-site compliance reviews of selected firms, which may include an audit of personnel and payroll records, if necessary.

34. **CONTRACT INTERPRETATION:**

34.1 **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.

34.2 **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:

34.2.1 Professional Services Agreement Standard Terms and Conditions

34.2.2 Exhibit E Supplemental Terms and Conditions

34.2.3 Exhibit C and D Insurance and Indemnification Terms and Insurance Certificate

34.2.4 Exhibit A and B Statement of Scope of Work and Fee Schedule

34.3 **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.

34.4 **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.

35. **MISCELLANEOUS:**

35.1 **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 Services, City retirement or City



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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.

- 35.2 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.
- 35.3 FACSIMILE OR ELECTRONIC SIGNATURES.** 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.
- 35.4 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.
- 36. NO ISRAEL BOYCOTT:**
By entering into this Agreement, the Contractor certifies that they are not currently engaged in, and agrees for the duration of the Agreement to not engage in, a boycott of goods or services from Israel.



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37. APPROVALS

IN WITNESS WHEREOF, the parties herein have caused this Agreement to be executed, effective as of the date in the first paragraph (the “Effective Date”);

CITY OF PHOENIX, a municipal corporation

JEFF BARTON, City Manager

By: _____

Name:

Title: Human Resources Director

ATTEST:

City Clerk

Date

APPROVED AS TO FORM,
CRIS MEYER, City Attorney

By: _____

Name: _____

Title: _____

If your company is a corporation:

Name of company Corporation
a State corporation

By: _____

Name



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Title, (President and CEO, etc.)

If your company is a Limited Liability with Individual Members:

Name of company, LLC,

a State limited liability company

By: _____

Name

Member

By: _____

Name

Member

If your company is a Limited Liability with Individual Manager:

Name of company, LLC,

a State limited liability company

By: _____

Name

Manager

If your company is a Limited Liability with the Member or Manager is a Corporation:



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Name of company, LLC,

a State limited liability company

Its Manager (Member)

By: _____

Name

President

If your company is a Limited Liability with the Member or Manager is a General Partnership:

Name of company, LLC,

a State limited liability company

Its Manager (Member)

By: _____

Name

an Arizona general partnership,

Its Manager or Managing General Partner



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Exhibit A: Scope of Work

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EXHIBIT A - SCOPE OF WORK

1. **INTRODUCTION AND BACKGROUND**

- 1.1 The City of Phoenix (hereinafter referred to as “Phoenix” or the “City”) is responsible for administering the Benefit Options Plan (hereinafter the “Contract” or “Health Plan”) for City Eligible Retirees and their eligible dependents. The City currently provides four (4) self-funded medical plan options for all Eligible Retirees.
- 1.2 The City of Phoenix is seeking sustainable and affordable solutions to meet the needs of the non-Medicare eligible retirees, whether it matches the current plan(s) or provides an alternative set of plan options or range of plans that meet this need. The effective date will commence January 1, 2023 for a five-year period.
- 1.3 The City employs a workforce of approximately 13,000 full time, benefit-eligible employees and has approximately 10,000 eligible Retirees (and eligible survivors). The City provides benefits to approximately 40,000 members consisting of employees, Eligible Retirees and eligible dependents including qualified domestic partners of same or opposite gender.
- 1.4 Through this Solicitation, the City is requesting offers to provide medical administration, medical networks, and medical management services. If awarded through this contract, any of the services may be discontinued in a future year or carved out (e.g. Disease Management) to another vendor in order to best serve Eligible Retirees and their eligible dependents (hereinafter, “Insureds”). The City is seeking a Contractor (hereinafter “the Contractor”) that will collaborate directly with the City and other City-contracted vendors when applicable or upon the request of the City for the duration of the Contract.
- 1.5 The City will contract separately for pharmacy benefit management (PBM) services.
- 1.6 The City may contract separately for the administration of the Health Savings Account (HSA) services.
- 1.7 Contractor shall provide all functional services, as defined in this Solicitation.



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1.8 The following are plans currently offered to non-Medicare eligible retirees. Enrollment in the non-Medicare Eligible Retiree 2021 health plans is as follows as of August 1, 2021. The detailed census has been provided as an attachment to this Solicitation (*Attachment A – Non-Medicare Eligible Retiree Population Census 2021*). This census includes all non-Medicare Eligible Retirees enrolled in coverage

2021 Non-Medicare Eligible Retiree Enrolled Subscriber Count by Self-Insured Plan and Coverage Tier

Eligible Retiree Plan	Single	Eligible Retiree + 1	Family	Grand Total
Navigate HMO	80	17	4	101
Choice PPO	537	130	42	709
Navigate HDHP	46	8	0	54
Choice HSA	193	75	18	286
Grand Total	856	230	64	1,150

- 1.9 In Plan Year 2022, the City will be offering 4 (four) self-funded types of plans:
 - 1.9.1 Health Maintenance Organization (Navigate HMO)
 - 1.9.2 Preferred Provider Organization (Choice Plus PPO)
 - 1.9.3 High Deductible Health Plan with Health Savings Account (Choice HSA)
 - 1.9.4 Catastrophic Plan
- 1.10 In Plan Year 2022, the City Plans will have tiered premium rates:
 - 1.10.1 Eligible Retiree,
 - 1.10.2 Eligible Retiree plus one
 - 1.10.3 Eligible Retiree and family
- 1.11 The City will award the Contract for Plan Year 2023 with sufficient time to implement the Contract prior to Open Enrollment in October 2022 and Contract start date of January 1, 2023.

Plan Year

- 1.11.1 The medical plan year starts on January 1 and ends on December 31.
- 1.11.2 Open Enrollment begins annually in October.
- 1.12 The City’s Eligible Retiree health plan design decisions are strongly influenced by the Health Care Task Force (HCTF) which consists of a representative from each bargaining union, Eligible Retiree and management representatives; and the Health Care Benefits Trust Board (HCBTB), a group of appointed citizens and one representative of COPCU (City of Phoenix Coalition of Unions). The City reserves the right to modify



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the plan year, plan design and open enrollment periods.

- 1.13 The City cannot provide enrollment census for ~~in~~ Plan Year 2022 because the open enrollment for Plan Year 2022 has not yet concluded.
- 1.14 Summary plan information is being made available for City sponsored 2022 Eligible Retiree plans as a separate attachment in this Solicitation (see *Attachment B: 2022 Plan Designs*). Please use the 2022 plan designs as the basis for your response to this Solicitation.
- 1.15 The current Eligible Retiree and employer premium contribution schedules are available on the “Rates” tab in the related Attachment (see *Attachment F: 2022 Non-Medicare Eligible Retiree Medical Rates*).

2. DEFINITIONS

- 2.1 **Designated Teams** - means persons trained on the City’s benefits and assigned by the Contractor to service the City account. Persons assigned to perform Implementation and/or Account Management Services.
- 2.2 **Effective Date** – means the first day of the month following the date of retirement of an Eligible Retiree.
- 2.3 **Eligible Retiree** – means a former active City employee under the age of 65, or over 65 but not eligible for Medicare, who retired from the City of Phoenix and within 45 days of their last day paid began receiving a monthly pension from either the City of Phoenix Employee’s Retirement System (COPERS) or the Public Safety Personnel Retirement System (PSPRS).
- 2.4 **Eligible Dependents** includes the following persons:
 - 2.4.1 A legally married spouse, regardless of gender; not covered by Medicare
 - 2.4.2 a Qualified Domestic Partner, regardless of gender; not covered by Medicare
 - 2.4.3 children to age 26, including a biological child; an adopted child or a child placed for adoption; a stepchild while the Eligible Retiree is married to or has an active Qualified Domestic Partnership with the child’s parent; and children for whom the Eligible Retiree has legal guardianship or legal custody; and
 - 2.4.4 children age 26 and older provided the Eligible Retiree and child had existing coverage prior to retirement and the child has a long-term or



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permanent disability that makes the child incapable of self-sustaining employment.

- 2.5 **18 month run-out** – Any claim paid outside of the eighteen (18) month period following the Termination of the Contract and processed based on a per claim basis.
- 2.6 **Billed Amount** – means the Total Claim minus duplicate, ineligible, or zero payment claims.
- 2.7 **Contract Discount**- The difference between the Billed Amount and the Re-priced amount is the amount of the contract discount.
- 2.8 **Disease Management** – means management of Diabetes, Asthma, Congestive Heart Failure, Coronary Artery Disease, Chronic Obstructive Pulmonary Disease, Pregnancy, and Musculoskeletal Disorders. Refer to Section 5L of the Scope of Work for more details.
- 2.9 **Musculoskeletal Disorders** – or (MSDs) are injuries or pain in the human musculoskeletal system, including the joint, ligaments, muscles, nerves, tendons, and structures that support limbs, neck and back.
- 2.10 **Re-priced Amount** – means the Allowed Amount per claim or the total claim amount allowed by Contractor for payment by CPT, revenue code, or diagnosis-related group (DRG).
- 2.11 **Subcontractor or Assignee**– means any vendor or group of individuals who are not employed by the Contractor but perform services on behalf of the Contractor for the City.

3. ACRONYMS

- 3.1 ACA – Affordable Care Act
- 3.2 ACO – Accountable Care Organization
- 3.3 ASO – Administrative Services Only
- 3.4 ASRS – Arizona State Retirement System
- 3.5 BAFO – Best and Final Offer
- 3.6 COB – Coordination of Benefits
- 3.7 COBRA – Consolidated Omnibus Budget Reconciliation Act



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- 3.8 COPERS – City of Phoenix Employees Retirement System
- 3.9 COPCU – City of Phoenix Coalition of Unions
- 3.10 CPT – Current Procedural Terminology
- 3.11 DM – Disease Management
- 3.12 DRG – Diagnosis-related group
- 3.13 EOB – Explanation of Benefits
- 3.14 FMLA – Family Medical Leave Act
- 3.15 FSA – Flexible Spending Account
- 3.16 HCBTB – Health Care Benefits Trust Board
- 3.17 HCTF – Health Care Task Force
- 3.18 HMO – Health Maintenance Organization
- 3.19 HSA – Health Savings Account
- 3.20 MSD – Musculoskeletal Disorder
- 3.21 NCQA – National Committee for Quality Assurance
- 3.22 PBM – Pharmacy Benefit Manager
- 3.23 PCMH – Patient-Centered Medical Home
- 3.24 PRPM – Per (Eligible) Retiree per month
- 3.25 PEPM – Per Employee per month refers to PRPM
- 3.26 PPACA – Patient Protection and Affordable Care Act
- 3.27 PPO – Preferred Provider Organization
- 3.28 PSPRS – Public Safety Personnel Retirement System
- 3.29 SSAE – Statements on Standards for Attestation Engagement
- 3.30 URAC – Utilization Review Accreditation Commission



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3.31 USERRA – Uniformed Services Employment and Reemployment Rights Act

4. GOALS AND OBJECTIVES

4.1 The City intends to use a group non-Medicare Eligible Retiree medical paid ASO model for group health coverage which best supports the achievement of the following objectives:

4..1.1 Provide a menu of medical coverage products that have plan design attributes that promote wellness, high-quality of care, are cost effective, will provide network accessibility for their diverse membership, and provide a strong customer service focus.

4..1.2 Optimize patient care and health outcomes through best-in-class medical management and value-based provider reimbursement and network management.

4..1.3 Manage benefit costs to market cost and budget levels.

4..1.4 Provide nimble and flexible administration of the medical plan to meet the needs of City members.

4..1.5 Achieve lower premiums while maintaining or expanding benefit offerings for Eligible Retirees.

4..1.6 Improve and utilize benefit and claims data capabilities, analytics, and transparency to mitigate rising health care and benefit costs.

4..1.7 Achieve performance guarantees, service level agreements, and minimum requirements that reflect current industry standards and benefit administration best practices.

4..1.8 Improve the overall health and experience of the City's ~~employee and~~ Eligible Retiree populations.

4.2 The City currently provides health plan coverage for non-Medicare Eligible Retirees. This Solicitation seeks pricing and services that best **suits this group** and achieves economies of scale. The City seeks creative and innovative solutions for cost management and broad access for its Eligible non-Medicare Retiree population. Contractors shall offer a choice of plans, national access, competitive pricing, comprehensive benefits, and excellent customer service.

4.3 The City strives to provide Eligible non-Medicare Retirees and their Eligible Dependents with outstanding health, vision, and other healthcare benefits. The City aims to administer these quality health benefits in a sustainable manner while enhancing the well-being of Eligible Retirees, and their



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Eligible Dependents, and adhering to the highest standards of customer service.

4.4 The City will continue to use a self-funded model for group health insurance in order to accomplish the following goals:

4..4.1 Offer broad and cost-efficient provider network options to all participants, including those who reside outside of the City and outside the State of Arizona. Provider network options may vary depending on the type of health plan selected by the Eligible Retiree (i.e. HMO, PPO, Catastrophic Plan).

4..4.2 Offer increased efficacy of patient care and health outcomes through “best practices” medical management, improved provider credentialing and monitoring, as well as increased member utilization treatment support and transparency tools (optional).

4..4.3 Collaborate with Contractors to provide care in the most efficient settings available. This includes utilizing preferred/tiered provider networks, capitation of services, accountable care organizations (ACOs), patient centered medical homes (PCMHs), and other programs and approaches that incorporate value-based provider payment methodologies.

4..4.4 Continue to provide members with access to high-quality health care. While it is recognized that provider access cannot be uniform across the City (or nationally), it will continue to be a primary objective for the City’s members to have access and choice in quality providers. Contractor shall agree to minimum access standards and agree to manage network(s) to improve access, quality of care, member health and overall costs to the City and the membership.

4..4.5 Maintain flexibility over plan design from year to year as well as the services required to introduce new products as deemed appropriate by the City.

4..4.6 Appropriately manage health care expenditures consistently across the City membership.

Maintain control and access to claims and utilization data in order to make appropriate program decisions. Collaborate with other vendors to improve data integrity, transparency, and the stratification of data to drive targeted membership into health improvement programs.



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5. SCOPE OF SERVICES / GENERAL REQUIREMENTS

- 5.1 Contractor shall provide the benefits and services that are: (1) required under this RFP; (2) proposed by Contractor and accepted by the City; and (3) otherwise required under the Contract between the Contractor and the City.
- 5.2 Contractor shall provide the awarded services as specified within this Solicitation from the effective date of the plan year. At this time, the plan year for non-Medicare Eligible Retiree coverage begins annually on January 1, with the open enrollment period scheduled during the previous October. The City reserves the right to change these dates with a sixty (60) calendar day notice to the Contractor.
- 5.3 At the request of the City, Contractor shall collaborate with other the City vendors; to resolve network (medical and/or pharmacy), contract, or clinical issues (medical and/or pharmacy).
- 5.4 Contractor shall establish written policies and procedures, including coverage, rules, practice guidelines, that will allow for decisions, policies, and procedures to be appropriately administered for the health plan (and as stated in the Summary Plan Description), and to continue during implementation and throughout the Contract term as required by the City. This shall be provided as part of the base administrative fees with no additional cost to the Contractor shall establish written policies and procedures to appropriately administer and track coverage exceptions when approved by the City.
- 5.5 The Contractor shall disclose to the City all Subcontractors and assignees used to provide services requested in relation to this Solicitation.
- 5.6 The Contractor shall allow the City to participate in any quality assurance processes for any and all Subcontractors.
- 5.7 The Contractor shall immediately, upon any oral or written notification to the Contractor, report to the City any potential litigation relating to issues involving Contractor, the City, and/or any Subcontractor as it pertains to any services provided under this Contract.
- 5.8 The City reserves the right to consult freely with other City departments or any other agency or regulatory instrumentality of the City with respect to regulatory compliance of the Contractor.



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- 5.9 Contractor shall provide all benefits and services stipulated in the Summary Plan Description and in accordance with City policies and procedures set forth within this Contract and/or adopted during implementation. Contractor shall assist the City, as requested, in revisions to the Summary Plan Description.
- 5.10 Contractor shall administer any City changes to the Health Plan's design, including the addition of benefits as stipulated in the current Summary Plan Description or any future Summary Plan Description including but not limited to: network models, specific benefit changes to deductibles, copays, coinsurance annual out-of-pocket limits, etc. Parties shall execute an Amendment reflecting any changes in rate or plan design.
- 5.11 The Contractor must cover all benefits from the effective date of the Contract such that no Eligible Retiree enrolled on December 31, 2022 will suffer a loss of coverage by virtue of a change in Contractors on January 1, 2023. No Eligible Dependent shall lose benefits because of transition from the incumbent Contractor to the Contractor.
- 5.12 The following plans and benefit services are outside of the Scope of Work:
- 5.12.1 Stop loss coverage for the entire program
 - 5.12.2 PBM services
 - 5.12.3 Vision benefits aside from the core vision benefits defined in section 5O

5A. CUSTOMER SERVICE AND ENROLLMENT PROCESS

- 5A.1 Contractor shall provide customer service support to facilitate and oversee medical and medical management services including, but not limited to, claims, pre-certification/prior authorization, network access, benefits and coverage, eligibility, provider inquiries, and appeals, disease management, case management and wellness/lifestyle education programs.
- 5A.2 Contractor shall have a call center with knowledgeable staff available to answer inquiries from Eligible Retiree plan members regarding: (1) the benefit options offered by the City; (2) City's benefit plans, forms and procedures; (3) enrollment status; (4) premium costs; (5) claims and claims procedures; (6) COBRA information; (7) other matters pertaining to the benefit plans provided under the contract. The call center must record and retain all calls for a minimum of one year from the date of the call.
- 5A.3 Contractor shall have its customer call center and website fully operational by/before Open Enrollment Period for Eligible Retirees in October 2022. Customer service representatives must be fully trained on the City benefits



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prior to the annual open enrollment.

5A.3.1 The customer service team shall have electronic access to eligibility, claims, claims history, and medical management information files.

5A.3.2 Contractor shall assist during annual Open Enrollment for Eligible Retirees.

5A.3.3 Contractor shall provide sufficient and properly trained staff for Open Enrollment meetings and other events.

5A.3.4 Contractor shall make available representatives to coordinate with City staff during the initial and future Open Enrollment periods and participation in multiple group information and planning meetings.

5A.4 Contractor shall provide training to all identified the City personnel, including benefits liaisons, and Eligible Retiree liaisons prior to open enrollment meetings when required by the City.

5A.5 Contractor shall review and comment on program and member materials for accuracy and detail of applicable plans including, but not limited to:

5A.5.1 The review of all draft open enrollment plan materials

5A.5.2 The review of active, Eligible Retiree, and COBRA enrollment guidelines

5A.5.3 The review of Summary Plan Descriptions (SPDs)

5A.5.4 The review of summaries of benefits and coverage (SBCs)

5A.6 All collateral Open Enrollment and communication materials shall be reviewed and approved by the City prior to distribution to eligible retirees.

5A.7 The annual open enrollment period shall be determined by the City. During open enrollment, individuals shall be allowed to join the plan, change coverage, or to add/delete eligible dependents. Open enrollment election changes are effective on the first day of each plan year unless, under special circumstances, or otherwise decided by the City.

5B. MEMBER SERVICES

5B.1 Contractor shall provide a fully-operational, toll-free line that is answered by a live person Monday through Friday (7:00 am to 6:00 pm) Arizona Time (Arizona does not participate in Daylight Saving Time), excluding City observed holidays (<https://www.phoenix.gov/calendar/holidays>) The toll-free line will include alternative language options (or access to language



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translation services) to meet the Plan’s requirement under the ACA to provide culturally and linguistically appropriate notices. The toll-free line will include oral language services that include answering questions in at least the following non-English language(s): Spanish. Calls outside of these hours shall be handled by voice mailbox or equivalent system, available twenty-four (24) hours a day, seven (7) days a week, and three hundred sixty-five (365) days a year. Responses to messages shall be returned by a knowledgeable staff member by the end of the following business day. This toll-free line shall be included as part of the base administration fees and at no additional cost to the City.

- 5B.2 Contractor shall ensure that the City and its members who are deaf or hearing impaired have access to communication services that enable them to use the phone lines. This shall be done as part of the base administrative fees at no additional cost to the City.
- 5B.3 Contractor shall provide an escalation process to respond to member service issues within one (1) business day for issues that cannot be resolved at the customer service level.
- 5B.4 Contractor shall make and accept “warm transfers” to and from the City’s medical management/medical network (as applicable) and the pharmacy benefit management Contractors’ call centers at no additional cost to the City.

5C. CLAIMS ADMINISTRATION

- 5C.1 Contractor shall negotiate rates with non-contracted providers in instances when non-contracted services are required and approved. Additionally, when deemed necessary by the City, Contractor shall seek a single case rate agreement with any non-contracted provider designated by the City.
- 5C.2 Contractor shall agree to accept and accurately process claims for any eligible member including Eligible Retirees, Eligible Dependents, and any other member who is eligible to join the Health Plan as stipulated by the City. The City shall be the final decisive authority on all special, unanticipated, unusual, or new enrollment determinations when new legislation or policy changes occur throughout the plan year.
- 5C.3 Contractor shall process all allowable out-of-network claims at either network contracted rates or non-network negotiated rates but not to exceed 120% of what Medicare would pay that provider, in that market, for that service.
- 5C.4 Contractor shall process only covered benefits as stipulated in the Summary



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Plan Description when adjudicating out-of-network claims and coordinating as a secondary payer. All other benefits shall be denied.

- 5C.5 The City accordingly delegates to the Contractor the discretionary authority necessary to fulfill its fiduciary role and has conformed applicable plan documents, including the Summary Plan Description, to reflect this delegation. As the network and claims administrator and/or medical manager, if applicable, the Contractor has authority and discretion to determine whether submitted services/costs are eligible for benefits and to apply the provisions of the Health Plan (with the exception of participant eligibility provisions which are determined by the City or its delegate).
- 5C.6 Refunds of overpayments are not to be contingent upon recouping provider overpayments “pursue and pay.” The Contractor will make the plan/member whole.
- 5C.7 Contractor shall apply only paid, reversed, and adjusted claims to the benefit accumulators.
- 5C.8 Contractor shall provide medical records, as required by the City, to the member or other Contractors including, but not limited, to contracted pharmacy, medical management and wellness vendor(s). Contractor shall procure additional documentation from providers, such as interim bills or detailed summary of charges, when required by City vendors at no additional cost to the City.
- 5C.9 Contractor is responsible to document and process all claims according to specific procedures and parameters identified from the medical management vendor that are related to prior authorization, discharge planning, and other facility admissions, including but not limited to any appropriate clinical information necessary to provide accurate claim payment.
- 5C.10 Contractor shall provide professional medical/clinical review of claims that require medical necessity, or any other reviews as requested by the City, internal or external auditor prior to adjudication.
- 5C.11 Contractor shall, at minimum, provide system claim edits that trigger review for the following:
- 5C.11.1 Total billed charges that are lesser than total allowable payment
 - 5C.11.2 Potential duplicate charges
 - 5C.11.3 Work-related, auto accident, or other accident injuries



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- 5C.11.4 Provider licensing and credentialing for performance of the type of services billed
 - 5C.11.5 Cross references for providers with multiple locations to include National Provider Identifier (NPI) number and tax identification numbers
 - 5C.11.6 Potential third-party payer
 - 5C.11.7 Overpayment/underpayment
 - 5C.11.8 Manual claim processing
 - 5C.11.9 Pended claims
 - 5C.11.10 Unbundled procedure coding and/or up-coding
 - 5C.11.11 Billing for inappropriate care for stated diagnosis(es), age, or sex
 - 5C.11.12 Billing for non-covered drugs
 - 5C.11.13 Over-utilization
 - 5C.11.14 Member eligibility
 - 5C.11.15 Unnecessary services (e.g., office visits, tests, prescriptions, treatments, and other medically unnecessary services that are intended to increase reimbursement)
 - 5C.11.16 Other criteria required for medical management triggers as requested by the City
 - 5C.11.17 High dollar claims, threshold determined by the City
 - 5C.11.18 Missing prior authorization for services requiring such
- 5C.12 Contractor shall have processes in place to adjudicate international claims as outlined in the Summary Plan Description including computing currency conversion and translation to English.
- 5C.13 Contractor shall provide the City with a minimum of twelve (12) months advanced notice of any claim system conversion or change that may disrupt the current processes.
- 5C.14 Contractor must adjudicate Health Plan claims and appeals in accordance with ACA requirements as a non-grandfathered plan, including but not limited to claim processing timing, content of written communication related to claims, claim appeals, and External Review when applicable.
- 5C.15 The City may require inclusion of an out-of-network provider not included in the Contractor network. The Contractor shall process any out-of-network covered claim(s), as defined by the Plan and as directed by the City (i.e.



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special provider or group of providers, a change resulting from new legislation or policy changes, including, but not limited, to eligibility rules or established providers).

5C.16 Contractor shall make any decisions on claims in compliance with any federal and state laws, internal claims and appeals and external review processes.

5C.17 Contractor shall recognize any provider contracts that the City enters into directly and shall administer the Plan accordingly, providing equal provider services and education to all provider(s).

5C.18 All services provided under this Contract shall be quality services, meeting or exceeding the City-approved industry standards. When services do not meet industry standards, or when standards are inappropriate, undesirable, and/or of poor quality (as identified by the City) the Contractor shall take immediate, corrective action and provide to the City a written action plan that clearly outlines the corrective steps to be taken and the time frames for their completion. The resources needed to correct services that do not meet industry and the City quality standards shall be provided at no additional cost to the City.

5C.19 The Contractor shall take immediate corrective action and provide a written corrective action plan within fourteen (14) calendar days, as requested by the City, should the City identify any deficiencies in the performance of the Contract, including missed performance guarantees or audit findings. No fees shall be charged in the recovery or reimbursement of any funds identified in the audit finding. The corrective action plan shall include, at a minimum:

5C.19.1 Reference to the specific error or finding and a summary of the overall impact of the error, whether financial or to member(s)

5C.19.2 Causal factor(s)

5C.19.3 Name and title of the person accountable for implementing and overseeing the corrective action plan

5C.19.4 Corrective action items including:

5C.19.4.1 Specific deliverables including, but not limited to, claim impact reports, reprocessed claim report, and training documents

5C.19.4.2 The anticipated completion date(s)

5C.19.4.3 The reason the corrective action is not necessary, if applicable

5C.19.4.4 Disclosure of metrics used to measure the success of each deliverable

5C.19.4.5 Member notification process, if applicable



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5C.19.4.6 Notification and supporting documentation of completion of issue resolution

5C.20 The Contractor shall provide resources to respond within thirty (30) business days to all the City inquiries related to quality assurance, corrective actions, deficiencies, and/or inefficiencies in operations at no additional cost to the City.

5C.21 Contractor shall provide to the City annual quality management initiatives including, but not limited to, process improvements, customer service, and operational standards. Annual quality management initiatives shall be provided during implementation and each year at Contract renewal, along with the results from the prior year's initiatives.

5C.22 Administrative Fees shall be quoted on an incurred basis, absorbing the processing fees for the first eighteen (18) months following termination of the claims incurred but not paid as of the termination date.

5D. ELIGIBILITY & DATA INTEGRATION

5D.1 Eligibility shall conform to federal, state and local rules, regulations and laws, including, but not limited to 26 U.S. Code 125, the Internal Revenue Code of 1986, the Patient Protection and Affordable Care Act (PPACA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Family Medical Leave Act (FMLA), Medicare, Medicaid, and the Uniformed Services Employment and Reemployment Rights Act (USERRA). The City shall be the final authority in deciding eligibility of participants.

5D.2 Eligibility of City Eligible Retirees and eligible dependents for enrollment in and coverage by City sponsored self-funded non-Medicare retiree plans shall be determined by the City. Contractor shall be bound by the City's determinations regarding eligibility of City Eligible Retirees and Eligible Dependents.

5D.3 Contractor shall accept enrollment, qualified life event changes, and cancellation dates as stated in the City's transmissions, reports, or files. Contractor shall accept enrollment eligibility dates.

5D.4 Contractor shall check the eligibility of claimants against the eligibility files that will be supplied electronically by the City that shows new enrollments, cancellations, terminations, and other changes applicable to City self-funded non-Medicare Retiree plans before authorizing benefits. Contractor shall process such enrollments, cancellations, terminations and changes in a timely manner.



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- 5D.5 The City shall provide Contractor with a weekly eligibility file in an electronic format (*see Attachment I: Eligibility File Layout*). The City may determine it is beneficial to change the format in the future and reserves the right to do so at no charge to the City.
- 5D.6 Contractor shall accept the City's HIPAA compliant, weekly electronic data transmissions as the official membership eligibility/enrolment records, subject to adjustments as authorized by the City.
- 5D.7 The City shall conduct initial and ongoing enrollment of participants and their dependents. Eligible Retirees can enroll at any time during the year.
- 5D.8 Contractor shall process the transaction file noting member enrollment changes (additions, deletions, and changes of address, employment, etc.) and the full file showing all members that are eligible for benefits.
- 5D.9 Between the dates that the City makes the electronic data transmissions, the City may request the Contractor perform new enrollments or other changes to enrollment, including accepting and processing manual enrollments in order for an enrollment change to be expedited. Contractor shall accept such requests and perform the requested enrolments or other changes in a timely manner. New enrollments and other changes shall be performed no later than 48 hours after receipt of the City's request.
- 5D.10 Contractor agrees to incur all expenses of any modifications that are necessary to its systems in order to process the information provided by the City and its approved vendors. The City will not make any modifications to its current system or file content or structure to accommodate the Contractor.
- 5D.11 Contractor shall have and maintain HIPAA compliant hardware, software, and systems that are capable of retrieving or receiving electronic data transmission form the City regarding enrollments, changes to enrollments, premiums and other matter related to the contract.
- 5D.12 Contractor shall accept data transmissions from designated the City vendors including, but not limited to, wellness vendors, health risk assessment vendors, wellness program, incentive program administrators, and pharmacies. Contractor shall not charge additional fees to establish the interface or IT services for the initial set-up, or to accept changes to the file layout during the term(s) identified during implementation
- 5D.13 Contractor shall verify qualifying permanent disabilities for a dependent or dependent child in accordance with Social Security Administration



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guidelines. The Contractor shall verify disability status based upon the guidelines and frequency stipulated by the City during implementation and for the full term(s) of this Contract.

5D.14 Contractor shall be responsible to coordinate enrollment.

5E. CLAIMS PROCESSING / COORDINATION OF BENEFITS AND CREDITS AND ALLOWANCES

5E.1 Contractor will not require the City to provide an advance deposit. However, the City provides access to an IMPREST account in an amount sufficient to satisfy weekly claims payment. See Section 14 Cost/Billing below.

5E.2 The Contractor shall not charge additional fees or have any limitations, unless specifically approved by the City, for any of the following claims not paid or fully adjudicated and paid, coordination of benefit payments, audited claims, reissued checks or drafts, claims spanning policy effective or renewal dates, subrogation claims, audit recovery claims, Medicare Reclamation claims; and/or overpayments.

5E.3 The City reserves the right to offset any premiums, fees, or other remittances due to Contractor in order to collect overpayments resulting from incorrect calculations, eligibility adjustments, incorrectly paid claims, or other errors or adjustments identified by the City internal audit, operational review, financial analysis, external audit, or other means. If no premiums, fees or other remittances are due the City, the Contractor shall remit to the City any performance penalties assessed, any overpayments resulting from incorrect calculations, eligibility adjustments, incorrectly paid claims, or other errors or adjustments within thirty (30) calendar days after identification and communication of such claim to the Contractor.

5E.4 The Contractor shall be responsible for Coordination of Benefits, Third Party Payment and Recovery

5E.5 Contractor shall maintain up-to-date coordination of benefits (COB) information as well as provide, at no cost to the City, the collection of COB information and the audit of COB dependents at a minimum of twice per year. The Contractor shall verify COB status based on the guidelines and frequency stipulated by the City during implementation and for the full term(s) of this Contract.

5E.6 Contractor shall establish a process to respond to Medicare Secondary Payer letters. Medicare Secondary Payer letters shall be resolved within the time period specified in the demand letter. Any penalties and/or interest



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applied resulting from an untimely response will be at the expense of the Contractor unless caused by the City.

- 5E.7 Contractor shall submit to a Medicare intermediary those claims that are appropriate for reimbursement and shall pay the “gaps” as specified within the Summary Plan Description.
- 5E.8 Contractor shall provide coordination of benefits (COB) on a pursue-and-pay basis for those claims that the City requests to be researched prior to payment.
- 5E.9 Contractor shall establish a process for overpayment recoveries over the minimum threshold of fifty dollars (\$50.00) to include, at a minimum, identification, notification, investigation, and collection. Contractor shall attempt overpayment recoveries when identified through the normal course of business.
- 5E.10 Contractor shall reimburse the City for overpayments resulting from incorrect calculations, eligibility errors, incorrectly paid claims, system and/or programing errors or other errors or adjustments made by the Contractor that are identified by the City through internal or contracted audit, operational review, financial analysis, or other means, unless caused by the City, regardless of whether or not the Contractor is able to recover the overpayment. The City reserves the right to direct the Contractor to not recover overpayments if it is probable that the recovery would have a Health Plan member impact.
- 5E.11 Contractor shall provide to the City any recovery monies within thirty (30) calendar days from the date of the recovery, including any interest that has been included in the recovery.
- 5E.12 The minimum dollar overpayment recovery threshold is fifty dollars (\$50.00). The City may revise this threshold as it deems appropriate. All overpayments should go through initial recovery effort; this threshold only applies to follow-up procedures.
- 5E.13 Credits and Allowances
- 5E.13.1 Wellness Fund. Contractor agrees to provide the City with a distinct competitive annual wellness fund that can be used for a variety of wellness program needs during the term of the contract. This should be separate and apart from any proposed implementation credits offered by Contractor. Contractor agrees that all unused annual wellness funds rollover to the following calendar year.



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- 5E.13.2 Communication Fund. Contractor agrees to provide the City with a distinct competitive annual communication fund that can be used for electronic, print, and group communications for or Eligible Retiree communication needs. This should be separate and apart from any proposed implementation credits offered by Contractor. Contractor agrees that all unused annual communication funds will rollover to the following calendar year.
- 5E.13.3 Travel and Education Fund. Contractor agrees to provide the City with a distinct travel fund for periodic vendor site visits and a competitive annual training and education fund that can be used by Benefits & Wellness Division staff, Health Care Task Force members, and/or Health Care Benefits Trust Board members for ongoing training, education, and certification. This should be separate and apart from any proposed implementation credits. Contractor agrees that all annual training and education unused funds will rollover to the following calendar year.
- 5E.13.4 The City retains full discretion over the use of funds created in paragraph 5E.13.1 - 5E.13.3.

5F. TECHNOLOGY

5F.1 Employer support

5F.1.1 Contractor shall enable the City's selected staff members, through a reasonably thorough, functional, and secure website, to perform standard operating procedures such as administrative communication, review of and interaction with banking activity, review and download of claim data, and so on. This site shall be subject to requirements as stated in Sections 13 (Reporting) and 14 (Data and Security) of the scope of work.

5F.1.2 Access to the City's data via any and all Contractor tools shall be determined by the City alone and may be granted or removed at any time subject to the discretion of the designated City benefit liaison(s) or HCBTB. Contractor agrees to grant/rescind user access within one (1) day of receipt of notice to grant/rescind access from the designated City benefit liaison(s) or HCBTB.

5F.2 Provider support

5F.2.1 Contractor shall enable qualified providers, through a reasonably thorough, functional, and secure website, to perform standard



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operating procedures such as administrative communication, review of eligibility, review and download of patient medical history and lab results, claim submission, and so on. This site shall be subject to requirements as stated in section 14 (Data and Security) of the scope of work.

5F.3 Member support

5F.3.1 Secure Member Portal - Contractor shall enable members, through a reasonably thorough, functional and secure member portal access to online resources for personalized health and financial information. The secure member portal capability shall allow the member to perform standard functions such as accessing Explanation of Benefits (EOB), request new ID card, change of address, review of covered members and plan provisions, network provider search, claims information review, and so on. This site shall be subject to requirements as stated in Section 14 (Data and Security) of the scope of work.

5F.3.2 Contractor agrees to support a mobile application that is secure, provides relevant member history, allows members to look up network providers, verify coverage and cost, and access a digital ID card.

5G. AUDITS

5G.1 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.

5G.2 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:

5G.2.1 Member eligibility, including documentation

5G.2.2 Member access to providers

5G.2.3 Staffing of the Contractor's customer service department

5G.2.4 Contractor's network adequacy

5G.2.5 Claims administration in terms of processing accuracy, financial accuracy, and timeliness



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- 5G.2.6 Appropriate application of coordination of benefits and deductibles (Plan and Medicare)
 - 5G.2.7 Member appeals and grievances, including tracking, responsiveness, and timeliness
 - 5G.2.8 Quality assurance program
 - 5G.2.9 Fraud, waste, and abuse detection, and preventative activities
 - 5G.2.10 Performance guarantees as measurable element of Contractor's service or operations
 - 5G.2.11 Reporting, both internal and external reports with substance and timeliness
 - 5G.2.12 Subrogation
 - 5G.2.13 Medicare replacement and reclamation
 - 5G.2.14 Claim overpayments/under payments
 - 5G.2.15 Plan allowances and exclusions
 - 5G.2.16 Operational review
 - 5G.2.17 Compliance with regulatory guidelines, industry, and operating standards
 - 5G.2.18 Plan implementation to include all stated implementation phases and claim payment testing
 - 5G.2.19 Exception based audits, claims or operational
 - 5G.2.20 Review of SSAE 18 (SOC) external evaluations
- 5G.3 Contractor and its Subcontractors shall cooperate fully with the City or the City-selected auditors in any requested review of documents, records, process reports, policies, procedures, and/or other directives relating to the administration of the financial, operational, or performance provisions of this Contract and shall waive any fees associated with obtaining access to the City's data and/or records.
- 5G.4 Contractor and its Subcontractors shall produce a legible copy of any and all records in electronic and/or paper format upon request by the City. This shall be delivered to the City within fourteen (14) calendar days (or other agreed upon time period) at no additional expense to the City. All records shall be subject to inspection and audit by the City at reasonable times.
- 5G.5 The City or a City designated independent third party, under the terms of a signed confidentiality and non-disclosure agreement, shall perform audits. The designated auditor shall cooperate under a confidentiality agreement



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covering all external parties as well as other divisions of its firm.

- 5G.6 The City may conduct these audits at any time during the Contract term upon fourteen (14) calendar days advanced written notice to Contractor. Contractor shall not limit the dates of service or paid dates of Plan paid claims to be audited.
- 5G.7 The City shall not be responsible for any Contractor expenses related to an operational or financial audit, including the provision of records.
- 5G.8 Contractor shall complete a Statement on Standards for Attestation Engagements (SSAE 18) Audit annually and send a report to the City within thirty (30) calendar days of report's completion at no cost to the City. If the period covered is different from the City's fiscal year (July 1 – June 30), Contractor shall provide by December 15th of each year, a bridge letter to cover the portion of the City fiscal year not included in the SSAE 18 Audit.
- 5G.9 Contractor shall provide the City with access to the adjudication screens of Contractor's claims adjudication system for verification of applicable pricing when needed.

5H. NETWORK AND PROVIDER MANAGEMENT

- 5H.1 The Contractor shall require contracted healthcare providers meet quality of care guidelines by following national evidence-based medical standards and practices.
- 5H.2 The Contractor shall maintain adequate numbers of credentialed primary care and specialty providers, and medical facilities to provide healthcare services to plan members within defined geographic areas to assure that covered members will have access to necessary care.
- 5H.3 The City reserves the right to directly contract with various types of providers at any time.
- 5H.4 Contractor shall make available access to providers nationwide through their own network, wrap networks, letters of agreement or other means.
- 5H.5 Contractor shall conduct an annual provider satisfaction survey at its own expense during the plan year. Such survey shall be for the purpose of assessing provider satisfaction with the Contractor. The provider survey tool and questionnaire shall be pre-approved by the City and meet the City's requirements.
- 5H.6 Contractor shall update the online provider directory every seventy-two (72)



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hours or three (3) calendar days for any changes reported from the provider.

- 5H.7 Contractor shall accept and review provider nominations on behalf of the City or its Plan members through single-case agreements.
- 5H.8 Contractor agrees to maintain an adequate provider network to provide Eligible non-Medicare plan enrollees with access to quality patient care through participating health care professionals, If a contracted Medical Network provider experiences a significant reduction in providers or facilities to the extent they may no longer be able to perform to the requirements of this Contract and meet the performance guarantees, the City shall be notified in writing at least ninety (90) calendar days in advance and:
- 5H.8.1 The City shall determine from the facts and circumstances what would constitute a significant change. At the City's option, members participating in such a plan may be offered an opportunity to dis-enroll and/or enroll with another medical network; and
- 5H.9 Contractor shall allow immediate changes to the Health Plan when in-network providers are approved by the City.
- 5H.10 Contractor shall include in its provider contracts guidelines for appointment wait times and emergency appointment availability, where appropriate.
- 5H.11 Contractor shall adopt and disseminate practice guidelines that consider the needs of enrolled members and are:
- 5H.11.1 Based on reasonable medical evidence or a consensus of health care professionals in the particular field;
- 5H.11.2 Developed and/or adopted in consultation with contracting health care professionals;
- 5H.11.3 Reviewed and updated periodically within timeframes determined appropriate by the Contractor and approved by the City; and
- 5H.11.4 Applied consistently to all members covered under the Health Plan.
- 5H.12 Contractor shall assure accurate and appropriate decisions regarding utilization management, member and provider education, coverage of services, provision of services, and all other areas to which the guidelines are applicable. Contractor shall be consistent as it applies these decisions to all members covered under the Health Plan.



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- 5H.12.1 Contractor shall establish clear data exchange between itself and other appropriate the City vendors (as determined by the City) to assure accurate and consistent information is communicated to all providers as necessary.
- 5H.13 Contractor shall allow City to customize medical management (prior authorizations, utilization review, utilization management, case management), and wellness by outside vendors.
- 5H.14 Contractor shall provide monitoring and evaluation of all types of provider performance.
- 5H.15 Contractor shall provide a network that includes a provider profiling program.
- 5H.16 Contractor shall provide a National Provider Identifier and provider tax identification numbers as requested by the City and as allowed under federal and the City privacy rules.
- 5H.17 Contractor shall offer to the network of providers both toll-free telephone support and field service support. The Contractor shall resolve provider issues that relate to the City's members in a timely fashion.
- 5H.18 Contractor shall have a process to recover all monies from providers (overpayments, duplicates, errors, etc.) that are due to the Plan.
- 5H.19 Contractor shall assist members in disputes between provider contract and claims administration.
- 5H.20 All provider fee schedules shall be prospective on the effective date..
- 5H.21 Contractor shall provide notice to the City of any network provider (any individual entity, person, or other provider of medical service) change or potential change affecting at a minimum five percent (5%) or one hundred (100) enrolled members (whichever is less) in Arizona or other coverage areas within five (5) business days of initial notice by the provider.
- 5H.22 Contractor shall link processes for all providers outside of Arizona with Arizona infrastructure for common delivery of Plan requirements for those members living outside of Arizona and/or receiving care outside of Arizona as directed by the Plan provisions.
- 5H.23 Contractor shall have written quality standards for provider credentialing that follows NCQA, URAC, The Joint Commission, or other federally or industry qualified standards (includes access, wait times, etc.).
- 5H.24 Contractor shall have a physician performance profiling program.
- 5H.25 Contractor shall monitor and evaluate physician performance for:
- 5H.25.1 Cost/episode of care



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- 5H.25.2 Clinical outcome
- 5H.25.3 Functional outcome
- 5H.25.4 Patient satisfaction

5H.26 Contractor shall take responsibility for all subcontracted credentialing (i.e., by medical groups, etc.)

5H.27 Contractor shall provide a member website to review provider information including but not limited to: review of contracting status, licensing, specialty designation, education and background, acceptance of new patients, address, phone number, fax number, and the ability to obtain general plan information as necessary and as may be directed by the City. The Contractor shall provide appropriate levels of access to the City, as allowed under the City and federal privacy regulations.

5I. SUBROGATION

- 5I.1 Every medical plan shall subrogate claim costs payable by auto insurance, property insurance, and other third parties according to the City's policies and requirements. This includes periodic collections review meetings and pre-settlement approval requirements.
- 5I.2 Contractor shall provide subrogation services to include at a minimum identification, investigation, and recovery of claims. The City may carve-out these services to another third-party vendor at any time. Contractor shall pursue subrogation of all claims.
- 5I.3 Contractor shall utilize ICD-10-CM V, W, X, and Y diagnosis codes or any other mutually agreed upon standard to identify any potential subrogation claims.
- 5I.4 Contractor shall provide a settlement authority form prior to settling cases with a reduction over thirty-seven and one-half percent (37.5%) of subrogation interest for the City's approval.
- 5I.5 Contractor shall provide full transparency of all cases and reports, via website, at regular intervals for the City to access and view open cases along the continuum of the subrogation process.
- 5I.6 Contractor shall provide subrogation attorney support as part of its subrogation services.



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5I.7 Contractor shall pay all monies to the City within thirty (30) calendar days of receipt.

5J. UTILIZATION MANAGEMENT

5J.1 Utilization review process may include ambulatory review, prospective review, second opinions, concurrent review, case management, discharge planning, retrospective review or similar programs (“Utilization Review”). After completion of Utilization Review, Contractor shall notify City of any Plan changes or process improvements that would increase efficiency or lower costs.

5J.2 Contractor shall assure medical necessity, appropriateness, and efficiency of the use of health care services, procedures, and facilities according to evidence-based criteria or guidelines, and under the provisions of the applicable health benefits plan.

5J.3 Contractor shall provide support and expertise provide experienced personnel necessary to implement and maintain a thorough utilization management program.

5J.4 Retrospective reviews shall be performed for services including, but not limited to:

5J.4.1 Those provided to members who are retroactively eligible.

5J.4.2 Those provided to profiled members and providers.

5J.4.3 All transplant services.

5J.4.4 Identified hospital admissions, levels of care provided, services rendered, and lengths-of-stay in conjunction with the admission criteria.

5J.4.5 Provide review of urgent and/or emergency admissions on a retrospective basis, when necessary, in order to determine medical necessity and recommended program administration, Plan provisions, and/or process improvements to increase utilization efficiencies.

5J.5 Contractor shall complete an annual evaluation of the UM plan. Contractor shall provide the City with an annual UM program description redlined to reflect all changes.

5J.6 There shall be nothing structured in the administration of the medical management services so as to deny, limit, or discontinue any authorization of services.

5J.7 Contractor shall not prohibit providers from advocating on behalf of



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members within the utilization management process.

- 5J.8 Contractor shall adhere to the prior authorization requirements outlined in the Summary Plan Description.
- 5J.9 All of Contractor's utilization review policies, and procedures shall:
- 5J.9.1 Reflect current standards of medical practice
 - 5J.9.2 Allow for the consistent application of review criteria
 - 5J.9.3 Provide a process and criteria for initial authorization/denial of services and/or requests for continuation of services
 - 5J.9.4 Incorporate clinical peer-to-peer review
 - 5J.9.5 Incorporate medical director clinical review processes for denials based on medical appropriateness and/or medical necessity
 - 5J.9.6 Incorporate clinical review processes by the same provider type or specialty
 - 5J.9.7 Provide a process for denial and appeal of pre- or post-payment authorization requests and coordination of any and all information required by the claims administrator to ultimately make claim determinations
 - 5J.9.8 Provide a process for communication to the claims administrator the result of pre- or post-payment authorization reviews (approvals or denials) in sufficient detail in order to make claims determinations
 - 5J.9.9 Provide a process for retrospective reviews of services requiring authorization wherein an authorization was not requested prior to the procedure/admission
- 5J.10 Contractor shall be responsible for verifying that each patient admitted to a facility is discharged in a timely manner assuring that continued stay is approved only for medically necessary days of confinement, or that when an extended stay is requested such additional days of stay are medically necessary. In cases where covered post-admission services are required in lieu of an extended admission, the Contractor shall work with the discharge planning department of the respective facility to ensure that such services are obtained in a timely and cost-effective manner, using network providers when possible and within the covered benefits of the member's plan.
- 5J.11 Prior authorization records shall be transmitted to the City at no additional cost.



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- 5J.12 Prior approval for any service, treatment, or procedure does not guarantee payment by the City. Reimbursement shall be based on the member's eligibility on the date of service whether the service submitted is a covered benefit of the member's Plan, the accuracy of the claim information received compared to the determination rendered by the utilization management program's review (e.g. UM approved lumbar laminectomy but claims was submitted billing for a lumbar fusion).
- 5J.13 Contractor shall perform concurrent review at the onset of, and throughout the duration of, every acute inpatient hospitalization (both in-network and non-network) to assess the appropriateness of the proposed services, the level of care, and the quality of care according to professionally recognized standards of care. Concurrent review should validate the medical necessity of continued stay and should identify opportunities for proactive interventions such as discharge planning and/or referrals to specialty programs like case and disease management. Contractor's concurrent review shall comply with Newborns' and Mothers Health Protection Act law.
- 5J.14 For patients located in a non-network facility, Contractor shall assure patient/family understand the financial expense of non-network facility and upon patient approval, work to facilitate prompt transfer of the patient to a qualified network provider/facility location.
- 5J.15 Contractor shall manage lengths of stay and provide the required reporting for all non-network admissions.
- 5J.16 When the Contractor is notified of an inpatient admission to a non-network facility, the Contractor is required to begin negotiations within twenty-four (24) hours of admission notification along with following the City and/or third-party administrator's requirements.
- 5J.17 Using the information obtained during the prior authorization review process, the Contractor to identify patients appropriate for and in need of further case management and route such information to the appropriate case management staff.
- 5J.18 Contractor shall perform retrospective medical reviews of specified claims, as appropriate or as requested by the City, to verify the appropriateness and effectiveness of service utilization.



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5K. CASE MANAGEMENT

- 5K.1 Contractor shall perform case management on appropriately selected Plan participants to assure that: first, the physician's proposed treatment plan is necessary, appropriate and efficient, next, that there is an assessment as to whether in-network providers are being arranged/used to deliver the care, and finally assure the patient and/or their family/caregivers are knowledgeable about the recommended treatment plan and that they have the tools and understanding to maximize the success of that treatment plan in order to achieve the patient's maximum health status and prevent future unplanned health care.
- 5K.2 Case management staff shall identify and coordinate resources that can facilitate accomplishment of the patient's treatment plan in the most cost-effective manner, select alternate less expensive treatment options as appropriate (such as home care, hospice, skilled nursing facility), and facilitate communication among professionals so that quality care can be delivered effectively and efficiently (in a manner that would not have occurred had the Contractor's case manager not been involved). Case managers should include prevention, continuity of care, and coordination of care tailored to the unique needs of the patient.
- 5K.3 Contractor is expected to initiate case management for, at minimum, for the following types of individuals: individuals with any hospital readmission within a twelve (12) month period, individuals with chronic conditions that have developed complications and/or comorbidities and/or have complex treatment plans, catastrophic injury, infectious diseases/AIDS, burns, terminal illness, transplants, gene therapy, major surgery, end stage renal disease/dialysis, long term care placement, high risk pregnancies, premature newborns, and neonatal complications, two or more ER visits in a twelve (12) month period.
- 5K.4 By timely identifying patients with potentially high cost and/or catastrophic illnesses, promptly contacting patients and their health care providers, and then actively and efficiently coordinating their care, the Contractor's case manager is expected to help reduce the Plan's health care expenses, minimize the participant's use of non-network providers, reduce ER visits and hospital admissions/readmissions, and improve the efficiency and effectiveness of the medical care the plan participant receives.
- 5K.5 Contractor shall provide the support and expertise necessary to encourage members to increase compliance with evidence-based medicine and treatment guidelines for the conditions identified in the case management programs.



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- 5K.6 Contractor shall provide a medical and care management system designed to help individual plan members secure the most appropriate level of care consistent with their health status. Contractor shall provide a system for reviewing the appropriateness of hospital inpatient care, skilled nursing, inpatient rehabilitative care, and other levels of care as necessary. Contractor shall have in place an effective process that identifies and manages those members in need of inpatient care and in need of transition to a lower level of care or to home.
- 5K.7 Contractor shall maintain a case management program for Health Plan members that use procedures and criteria to prospectively and retrospectively identify members who would benefit from case management services. The management process shall be capable of identifying the patient's health status through risk stratification, so patients receive the level of management appropriate to their condition. Case management should include a continuum of services to meet the needs of the patient. This continuum of care shall span wellness/health promotion through catastrophic case management and include screening for depression and integration with behavioral health programs.
- 5K.8 Contractor shall be responsible for completing an assessment of any patient where case management potential has been indicated through any of the following sources:
- 5K.8.1 All hospital admissions
 - 5K.8.2 A prior authorization in which a high-dollar procedure is called for
 - 5K.8.3 A prior authorization in which a "ICD trigger" diagnosis or trigger event is indicated, and the Contractor may reference the trigger diagnosis list jointly developed by SIIA (Self Insurance Institute of America) and SPBA (Society of Professional Benefit Administrators) as the minimum diagnoses requiring review for case management
 - 5K.8.4 A referral from the City
 - 5K.8.5 Cases listed on the large claim report from the medical plan claims administrator
 - 5K.8.6 A referral from the physician health care provider/facility
 - 5K.8.7 A referral from a disease management counselor, whether or not the Contractor is providing disease management services



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- 5K.8.8 A referral from the City Wellness vendors (including but not limited to employee assistance program, health risk assessment, or screening vendors)
- 5K.9 Contractor shall use clinical practice guidelines, protocols, or pathways incorporating national criteria and local physician input as appropriate. Contractor shall also develop specialty care and outpatient case management/care management protocols and workflows when appropriate.
- 5K.10 Contractor shall allow a third-party auditor to review the Contractor's methodologies for determining clinical and financial outcomes for case management.
- 5K.11 Transplant network services shall be included in the case management services provided by the Contractor. The City reserves the right to explore and/or engage alternate vendors for transplant network services/management in the future
- 5K.12 For any identified case management reviews for potential transplant conditions, the Contractor shall review all available options, including network and non-network locations and those offered via other the City-contracted entities, which may provide services and make the most cost-effective determination balanced with the highest quality clinical outcome.
- 5K.13 All case management activity shall be documented, to include test results, medications, current and past diagnosis, mental health status, ADLs, psychosocial needs patient status/activity. Nursing care plans should be specific and measurable to the patient's plan of care. This should include a clear explanation of any intervention taken by the case manager and its resulting financial impact. Should services be pursued that fall outside of the coverage outlined in the Summary Plan Description, those services shall be clearly outlined and a financial analysis completed utilizing a plan authorization form that justifies the use of the alternative services, for the City approval before discussing with the patient, family and health care providers.
- 5K.14 Contractor's case managers shall have access to and utilize all medical and pharmacy claims information, including Contractor's internal claims and external claims provided by the City or other contracted vendors.
- 5K.15 Contractor shall offer comprehensive case management services for the high-risk patients including telephonic outreach/counseling, monitoring, and self-care education.
- 5K.16 Contractor shall provide, or contract to provide, testing and monitoring equipment as well as supplies for various conditions under management.
- 5K.17 Contractor shall offer the City a case management program for high-risk



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maternity members, including identification of those members with such risks as well as education, monitoring, and counseling for such members.

- 5K.18 Contractor shall offer the City a case management program for the management of oncology, ESRD, and low back pain management.
- 5K.19 Contractor shall offer the City a case management program for the management of members with mental health and/or substance abuse issues, including the ability to integrate with the City's Employee Assistance Program. For behavioral health condition case management Contractor must assure compliance with Mental Health Parity and Addiction Equity Act (MHPAEA) especially as it relates to non-quantitative treatment limitations (NQTL). Contractor must also be able support the City's program in the event the Plan opts-out of MHPAEA compliance.
- 5K.20 The City may request that the Contractor manage additional conditions and/or areas of high utilization identified by the City throughout the duration of the Contract.
- 5K.21 Contract shall provide transition of care coverage as outlined in the Summary Plan Description.
- 5K.22 Contractor shall provide a transition of care process for transferring members who are currently engaged in case management services with a different Contractor. The transition of care process shall include, but not be limited to:
- 5K.22.1 Involving the patient and the family
 - 5K.22.2 Working collaboratively with the current case manager
 - 5K.22.3 Working with the network manager to extend a contract to the patient's service provider if not already part of the existing network
- 5K.23 Contractor shall assign at least two (2) individuals to facilitate and affect prompt resolution of case management and transition of care issues. Contractor shall assign additional individuals upon request by the City.
- 5K.24 Contractor shall negotiate the pricing and delivery of all required benefits and services provided out-of-network for both emergency and non-emergency services that a member does not have access to as stipulated in the Summary Plan Description.
- 5K.25 In the event of a dispute, the medical director shall resolve differences with the medical director of the current case management contract.
- 5K.26 Contractor shall work with the City to facilitate the transfer of any patient information that may be required.
- 5K.27 Contractor shall manage lengths of stay and provide the required reporting



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for all non-network admissions. When the Contractor is notified of an inpatient admission to a non-network facility, the Contractor is required to begin negotiations within twenty-four (24) hours of notification along with following the City and/or third-party administrator's requirements.

5K.28 Contractor will include a transplant network and medical management services and keep the City advised on the number and amount of potential transplants and transplant services.

5K.29 All of Contractor's medical management practices, policies, and procedures shall:

5K.29.1 Reflect current standards of medical practice

5K.29.2 Allow for the consistent application of review criteria

5K.29.3 Provide a process and criteria for initial authorization/denial of services and/or requests for continuation of services

5K.29.4 Incorporate clinical peer-to-peer review

5K.29.5 Incorporate medical director clinical review processes for denials based on medical appropriateness and/or medical necessity

5K.29.6 Incorporate clinical review processes by the same provider type or specialty

5K.29.7 Provide a process for denial and appeal of pre- or post-payment authorization requests and coordination of any and all information required by the claims administrator to ultimately make claim determinations

5K.29.8 Provide a process for communication to the claims administrator the result of pre- or post-payment authorization reviews (approvals or denials) in sufficient detail in order to make claims determinations

5K.29.9 Provide a process for retrospective reviews of services requiring authorization wherein an authorization was not requested prior to the procedure/admission

5L. DISEASE MANAGEMENT

5L.1 Contractor shall provide a comprehensive Disease Management program (using an opt out model) that continues or enhances current programs includes at least the following:

5L.1.1 Utilization of data mining and predictive modeling services to identify patients who have the highest risk for future medical and pharmaceutical costs, and those who are non-compliant with



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medication designed to treat their disease, preventive care and/or standards of care for their disease. This shall include medical claims, prescription drug claims under the medical plan, clinical health assessments, utilization reviews and active case management cases

- 5L.1.2 Provide program communication, outreach and promotion to increase awareness and participation in accordance with best practices and approved clinical guidelines appropriated to the disease and level of severity
- 5L.1.3 Establish criteria and procedures for enrollment and disenrollment of members in the disease management program
- 5L.1.4 Enrollment of eligible members
- 5L.1.5 Provide health assessment and risk stratification
- 5L.1.6 Use evidence-based medicine, clinical criteria, and documented treatment plans for those individuals who participate in any of the programs
- 5L.1.7 Establish a written procedure for each area of the disease management program
- 5L.1.8 Provide members, beneficiaries, providers, and/or the City written patient education
- 5L.1.9 Provide the City measurable outcomes
- 5L.1.10 Suggest quality assurance improvement to obtain clinical and financial improvements.
- 5L.1.11 Contractor shall assist in the retrospective review of medical and pharmaceutical claims with questionable medical necessity using appropriate clinicians for the review.
- 5L.1.12 Contractor shall provide the expertise necessary to support the City and to encourage members to increase compliance with evidence-based medicine and treatment guidelines for the conditions included in the disease management programs.
- 5L.2 Contractor shall provide a multi-disciplinary Disease Management team that includes nurses, a social worker, a pharmacist, a medical director, a behavioral health medical director, educators, nutritionists and/or dieticians, and physical therapists and/or exercise physiologists to assist in educating members in all areas of self-management and health promotion.
- 5L.3 Contractor shall be solely responsible for the provision and costs of supplies, equipment, and resource materials to support all Disease Management programs, including materials used at educational training sessions and health fairs.



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5L.4 Call centers shall be staffed with medical personnel licensed, trained, credentialed, and experienced in the delivery of disease management services. Staffing levels shall be sufficient to complete the contractual responsibilities.

5M. NURSE LINE

5M.1 Contractor shall provide a team of nurses who are licensed, credentialed, and trained to provide appropriate medical advice by phone based on their understanding of the member’s condition. These nurses shall be made available to the City’s members through a fully operational, toll-free line, with a maximum wait time of five (5) minutes from the time the request for contact is received from the member to the time contact is made between nurse and member.

5M.2 These nurses shall be trained and equipped with resources to properly refer members to appropriate in-network providers, when necessary.

5M.3 Nurses shall be trained on and maintain compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and its subsequent amendments and changes.

5N. OVERALL WELLNESS

5N.1 The City supports planning and implementation of wellness activities for its Eligible Retirees throughout the plan year. Such activities may include, but are not limited to, wellness fairs, health promotion classes and or health challenges. Contractor shall provide benefit and program materials and handouts. Other activities may be requested for development, to align with improvement plans and strategic planning documents.

5O. VISION

5O.1 The City defines core vision benefits as routine vision exams, limited to one exam every year without consideration of medical necessity. Vision services resulting from a medical surgical procedure may also be covered.

5O.2 The City retains the right to change benefit plan designs.

But as of 2022, core vision benefits include the following, by plan:

5O.2.1 Navigate HMO

5O.2.1.1 Tier 1 Network benefit: \$25 vision exam copay

5O.2.1.2 Out-of-network benefit: Not covered



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- 50.2.2 Choice Plus PPO
 - 50.2.2.1 Tier 1 Network benefit: \$25 vision exam copay
 - 50.2.2.2 Tier 2 Network benefit: \$25 vision exam copay
 - 50.2.2.3 Out-of-network benefit: Plan pays 60% after deductible

- 50.2.3 Choice HSA
 - 50.2.3.1 Tier 1 Network benefit: Plan pays 90% after deductible
 - 50.2.3.2 Tier 2 Network benefit: Plan pays 90% after deductible
 - 50.2.3.3 Out-of-network benefit: Not covered

- 50.2.4 Catastrophic Plan
 - 50.2.4.1 Tier 1 Network benefit: \$40 vision exam copay
 - 50.2.4.2 Out-of-network benefit: Not covered

50.3 Contractor shall implement and maintain core vision benefits according to the current benefit designs or such benefit designs subsequently adopted by the City.

6. PERFORMANCE GUARANTEES

- 6.1 Contractor shall offer competitive implementation performance guarantees as well as aggregate performance guarantees consistent with Exhibit G.

- 6.2 Contractor shall place annual fees at risk for failing to maintain the performance guarantees in accordance with Exhibit G. Performance fees at risk will be calculated at the same frequency with which performance guarantees are reported. At no time will quarterly or monthly measurements be re-averaged to alter results.

- 6.3 The City reserves the right to allocate the percent of the fees at risk for each performance guarantee. Additionally, the City requires the ability to re-allocate the amount at risk for each performance standard on an annual basis.

- 6.4 The City may request the inclusion of additional performance measurements annually. Any additional performance measurements shall be mutually agreed upon through a written Contract amendment.



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- 6.5 Contractor shall measure all performance standards and provide to the City any supporting reports as the City-specific. Reports shall show actual results for the current period versus: (1) prior period(s); and (2) the guaranteed standard. The City shall not be responsible for requesting reports.
- 6.6 The City reserves the right to offset any premiums, fees, or other remittances due to Contractor in order to collect performance penalties reported by the Contractor or identified by the City internal audit, external audit, operational review, financial analysis, or other means. If no premiums, fees, or other remittances are due to the City, Contractor shall remit to the City any performance penalties within thirty (30) calendar days after identification and communication of such claim to Contractor.

7. **IMPLEMENTATION**

- 7.1 Contractor shall begin the implementation process within ten (10) business days of Contract award. The Contractor shall submit an implementation plan that shall include a detailed transition of care plan for members with open prior authorization who are actively enrolled in case management and/or disease management. Implementation process shall begin within (5) business days of City's review and approval of implementation and transition plan. The City may request changes to the implementation plan at its discretion. The Implementation Plan commencement date shall commence no later than May 2022, or date requested by the City (if different).
- 7.2 Contractor agrees to provide the City with a distinct, competitive implementation allowance for the City to utilize to offset expenses related to implementation, including consulting fees and IT fees, as deemed appropriate by the City, not to expire during the contract term. Eligible expenses will also include, but will not be limited to those for, pre-/post-implementation audits and reviews, communications, and education (including fulfillment), and programming and systems updates.
- 7.3 Contractor agrees to provide funding to accommodate a pre- or post-implementation audit to verify readiness to administer the City's program. The pre-implementation audit must be completed before the program effective date and the post-implementation audit will be conducted at a mutually agreed upon timeframe post effective date. The review will be conducted by an audit firm selected by the City and would include test claims developed independently by the audit firm to represent the City's requirements.



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- 7.4 Contractor agrees to provide a designated implementation manager and support team (not part of the regular account management team) that will be assigned to lead and coordinate the implementation activities with the City of Phoenix. Contractor agrees the implementation manager shall not be managing more than 3 implementations in total while leading the implementation for the City.
- 7.5 Contractor shall provide a team of individuals dedicated to implementing the provisions of this Contract upon award. The implementation team shall include, but not be limited to programmers, data analysts, a project manager, an account manager, a network contracting manager, an audit/quality assurance lead, enrollment specialists, and claims and member services staff.
- 7.6 Contractor shall facilitate and accept the transfer of at least twenty-four (24) of the previous months of medical and pharmacy claims history, utilization management, disease management, and case management data in the required format, as applicable and at no additional cost to the City.
- 7.7 Contractor shall perform comprehensive systems testing and quality assurance audits with results reported to the City prior to the effective date of the 2023 Plan Year as part of the base administrative fees with no additional charge to the City. Systems testing should include, but not be limited to, the following elements:
- 7.7.1 Deductible and co-payment/co-insurance application
 - 7.7.2 Plan accumulators
 - 7.7.3 Benefit limitations
 - 7.7.4 Benefit exclusions
 - 7.7.5 Coordination of benefits including Medicare
 - 7.7.6 Benefits requiring pre-certification/prior authorization
 - 7.7.7 Claim system edits and coding
 - 7.7.8 Out of network claim identification and processing
 - 7.7.9 Approved plan authorizations
 - 7.7.10 Eligibility file maintenance including disabled dependent verification



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- 7.7.11 Appeal processes, administrative and clinical
- 7.7.12 Reporting
- 7.7.13 Billing process
- 7.7.14 Other items as identified during the implementation process
- 7.7.15 Website
- 7.7.16 Call Center
- 7.7.17 Data exchanges with other City vendors
- 7.7.18 Banking and billing
- 7.8 Contractor shall provide an administrative manual for the program that provides the information necessary for the City team members to operate the program. The manual shall be provided at the time of implementation and shall be updated on an ongoing basis by the account management team and/or by the City. This manual shall be provided as part of the base administrative fees and with no additional cost to the City.
- 7.9 The manual shall be in a mutually agreed upon format and include, but not be limited to, the following information:
 - 7.9.1 Account management structure and contact information
 - 7.9.2 A process for handling questions and the escalation process
 - 7.9.3 Eligibility file layout and exchanges
 - 7.9.4 Claim file extract and exchanges
 - 7.9.5 The billing and payment process
 - 7.9.6 System testing and documentation
 - 7.9.7 A catalog for all member communication
 - 7.9.8 Eligibility processes and time frames
 - 7.9.9 ID card process (how to order them via online, fax, or phone and the corresponding time frames to each)
 - 7.9.10 Processes for obtaining pre-certification/prior authorization



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- 7.9.11 Appeal processes, forms, and applicable letters
 - 7.9.12 Coordination of benefit process
 - 7.9.13 Medicare reclamation process
 - 7.9.14 Subrogation process
 - 7.9.15 Description of implemented disease management, case management, and clinical programs, including an overview of the program, the process, and how members are impacted
 - 7.9.16 Claims payment process including, but not limited to, auto adjudicated and manually processed claims
- 7.10 The designated implementation manager shall continue to support the City through completion of the implementation process and for a minimum of forty-five (45) calendar days after the implementation effective date of January 1, 2023. Such support includes but is not limited to: weekly calls with the City and the designated account management team, maintenance of issue tracking logs, and issue resolution. This support must be provided as part of the base administrative fees with no additional cost to the City.
- 7.11 Contractor shall fund the cost of a pre-implementation on-site visit of the Contractor's facility for the City implementation team. The on-site visit will include, but not be limited to a walk-through of the office, a review of systems, a review of the claims process, and a review of medical management functions as applicable to the Plan.
- 7.12 Contractor shall be required to begin services prior to the plan year effective date in order to prepare for the program (e.g., implementation, open enrollment).

8. PLAN MEMBER COMMUNICATION MATERIALS, ADVERTISEMENTS, AND MARKETING MATERIALS

- 8.1 All communication materials to members shall be sent using First Class mail at no additional cost to the City unless another class is required or authorized by the City.
- 8.2 Contractor shall co-brand any communication material with the City logo or other logo determined by the City as part of the base administrative fees and at no additional cost to the City.



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- 8.3 Contractor shall include a toll-free telephone number on the website and on all communication material.
- 8.4 Contractor shall provide a web portal for members that meet information requirements as allowed under the City and federal privacy regulations.
- 8.5 Contractor shall prepare, design, produce, and mail all announcements, letters, notices, brochures forms, and other supplies and services.at no additional cost to the City.
- 8.6 Contractor shall submit copies of all Plan member communication materials and promotional materials to the City. The City reserves the right to review the content of any communication and to make revisions. All such materials shall be approved in writing by the City prior to use in promoting the applicable program to eligible enrollees. Materials include, but are not limited to: customized member communication materials during the transition and implementation activities, network election changes, notification letters, error/correction letters, appeal letters, newsletters, and/or any material distributed to the City Health Plan members, as well as
- 8.6.1 Summary Plan Description.
- 8.6.2 All communications materials, advertisements, and marketing materials
- 8.6.3 Instructions for claims processing that are clear and complete.
- 8.7 Contractor shall provide, at no additional cost to the City, the City-approved identification cards (if required for claims processing) within ten (10) business days of receipt of eligibility data confirmation from the City. Each subscriber shall receive one (1) identification card for individual coverage and a minimum of two (2) cards for family coverage.
- 8.8 Contractor shall provide a temporary ID card that is available online and accepted by all network providers in cases where immediate enrollment is required by the City.
- 8.9 Contractor shall facilitate links between the City websites, other contracted vendors' websites, and Contractor's website as part of the base administrative fees and at no additional cost to the City.
- 8.10 Contractor shall have available the following online tools and services, at no additional cost to the City. These tools and services shall be updated at least quarterly, to ensure the accuracy of the information for members and providers as applicable:



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- 8.10.1 Benefit information including, but not limited to: Summary Plan Descriptions, summary of benefits and coverage, transition of care, deductibles, co-payment, and coinsurance
- 8.10.2 Access to claim history including explanation of benefits
- 8.10.3 Provider search tool
- 8.10.4 Health care cost estimation tool
- 8.10.5 Decision support tool
- 8.10.6 Downloadable claim forms
- 8.10.7 Disease management programs
- 8.10.8 Health and wellness tools

9. ACCOUNT MANAGEMENT TEAM

- 9.1 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.
- 9.2 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:
 - 9.2.1 Account Manager – shall be the single, day-to-day contact for the City with the primary responsibilities of responding to all issues, coordinating the efforts of the Contractor’s staff to resolve issues, and overseeing all aspects of project management including, but not limited to the initial implementation and ongoing new program facilitation. The Account Manager shall have a minimum of two (2) years of experience with the Contractor’s organization or a similar industry. If possible, Account Manager shall also be a local resident of Arizona.
 - 9.2.2 Implementation Manager – Responsible for development and execution of implementation plan. Coordinates with the City, internal and other external resources. The Implementation Manager shall represent the sole, consistent point of contact to the City during the implementation process. Three (3) years of experience as an Implementation Manager and experience with groups of 20,000



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members and larger are also required.

- 9.2.3 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.
- 9.2.4 Medical Director – shall be responsible for providing analysis, assessment, and recommendations to the City based on the City’s medical trend and utilization in order to improve the Health Plan performance. The Medical Director shall participate in the City medical director meetings and shall provide clinical recommendations to support quality improvement programs, wellness initiatives, and plan design changes.
- 9.2.5 Medical/Provider Network Leader – shall be responsible for collaborating with the City on issues related to the network, Health Plan management, provider relations, or provider contract and medical management vendor.
- 9.2.6 IT System Manager – shall be a day-to-day contact who will have the primary responsibility of responding to and resolving all IT-related issues that arise for the duration of the Contract.
- 9.2.7 Enrollment/Eligibility Lead – shall be a day-to-day contact with the primary responsibility of responding to all issues related to billing, enrollment, termination, and eligibility. The Enrollment/Eligibility Lead will be responsible for resolving all such issues that surface during implementation, open enrollment, and all ongoing service.
- 9.2.8 Member Services Manager –The Contractor shall provide a minimum of one Member Services Manager who is responsible for all customer service functions and reporting. The Member Services Manager shall be intimately familiar with the City’s Health Plans in order to serve the City members. Three (3) years of experience as a Member Services Manager and experience with groups of 20,000 members and larger are also required.
- 9.2.9 Data Analytics Manager – shall be responsible for providing analysis, assessment, and recommendations to the City based on the City’s medical trend and utilization in order to improve the Health Plan performance. The Data Analytics Manager shall participate in the City data analytics manager meetings and shall provide recommendations to support quality improvement programs, wellness initiatives, and plan design changes.



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- 9.3 Contractor shall provide to the City's administration at least thirty (30) calendar days advanced notice of any planned change to the primary account manager.
- 9.4 Contractor shall provide to the City's administration the right to interview and agree to the intended replacement of the primary account manager. The City shall approve of all proposed replacements before hire is finalized.
- 9.5 Contractor shall provide to the City an escalation process to assist in matters which are unable to be resolved at the account team level.
- 9.6 Contractor shall provide the City with access to an electronic tracking and resolution log of all open and closed the City issues in the required format.
- 9.7 Contractor shall provide to the City documentation of a process for prompt issue resolution in the event of a failure to perform a required service.
- 9.7 Contractor shall attend weekly account management calls as requested by the City.
- 9.8 The core members of the account management team: medical director, account manager, member services manager, network manager, data analytics manager, IT system manager, and executive sponsor shall meet on-site with the City representatives quarterly within fifty-five (55) calendar days after the close of each quarter.
- 9.9 The City shall conduct a member satisfaction survey for all Contractors as it relates to medical and medical management services under this Contract. The survey shall be conducted annually during the plan year. The City shall provide Contractor with a copy of the survey instrument for its review. Such surveys shall be for the purpose of assessing member and provider satisfaction with services performed by Contractor.
- 9.10 Contractor shall conduct an annual account management satisfaction survey/score card. The survey and scoring methodology shall be mutually agreed upon by the City and the Contractor during implementation.
- 9.11 The City may make public the results of the aforementioned surveys for distribution among Health Plan members, the legislature, and/or the media if requested.
- 9.12 The Contractor shall ensure that staff is appropriately trained on the City plans and that quality assurance and financial accuracy procedures are in place so that procedures are applied consistently, fairly, and accurately.



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- 9.13 Contractor agrees to participate in vendor summit discussions to identify opportunities to enhance the member experience.
- 9.14 Contractor agrees that the City of Phoenix has the right to review, meet with and approve changes to the account team assigned to service City of Phoenix, and agrees not to change the assigned account team without prior consent from the City.
- 9.15 Contractor agrees to participate in regular Account Team meetings with City of Phoenix management as frequently as on a weekly basis immediately following implementation and on a monthly basis after implementation is fully achieved.
- 9.16 Contractor agrees that designated account representatives shall be available to answer questions from the City's Benefits Staff, Consultants, or with the HealthCare Benefits Trust Board, Contractor agrees to provide the City with open enrollment readiness support each contract year. Such support shall include training customer service staff on changes, implementing plan design changes, accurate set up of open enrollment website, including pricing, plan design, network and providing accurate member communications. Review and testing for accuracy will occur and results will be reviewed with the City.
- 9.17 Contractor agrees City of Phoenix may assess a penalty if the account team performance (as rated by members of City of Phoenix's benefits management team), does not meet City expectations. All members of the Contractor's account management team will be reviewed as part of this guarantee measurement. Account management team performance measures will include but will not be limited to timely and complete communication with Benefits Division management, member satisfaction, and serving as the primary liaison to the Benefits Division staff.

10. TRANSITION OF CARE REQUIREMENTS AND CONTRACT TERMINATION

- 10.1 Transitional care shall be a covered benefit under the City's Health Plan as outlined in the Summary Plan Description. The Contractor shall provide any necessary information including records, data, or documentation related to transition of care both when a member moves from one Contractor's plan to another, and upon termination of this Contract award.
- 10.2 The Contractor shall consider the transition of care as part of its concurrent review/discharge planning procedures and shall meet the guidelines established by an appropriate medical management Contractor.



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- 10.3 The Contractor shall provide transitioning members a transition of care form.
- 10.4 Contractor shall provide member assistance to those with health transitional care issues.
- 10.5 Contractor shall furnish to the City the name, title, and phone number of two (2) individuals who will coordinate and assure prompt resolution of transitional issues. The City shall be notified and provided corrected contact information within twenty-four (24) continuous hours of any changes.
- 10.6 Contractor shall provide a report to the City of all members who have been identified through external or internal notifications for transition of care needs. The report shall include, but not be limited to, identification dates, status of outreach efforts by Contractor, transition of care status, removal from transition of care reporting, as well as any other information requested by the City.
- 10.7 Contractor shall provide any communications, resources, data, and/or file transfers upon completion of any Contract term to support a successful transition to a new Contractor, if required, at no additional cost to the City.
- 10.8 Upon completion of the Contract term, Contractor must provide claims data to the succeeding Contractor and to the City, as directed at no additional charge to the City. Contractor must provide files, including but not limited to, historical paid claims, open prior authorizations, case management, and disease management cases. These files shall be delivered to the aforementioned parties in a HIPAA-compliant format within thirty (30) calendar days of the request.
- 10.9 Upon termination of the Contract, the Contractor shall provide the same reporting and claims processing services, including the use of the City's custom system edits, for the claims incurred prior to the termination date and processed after the termination date. The run-out provisions will continue from the date of termination for eighteen (18) consecutive months.
- 10.10 Contractor will be required to pay any claims that were not paid by the previous Contractor after twelve (12) months from the end of the previous contract.
- 10.11 Contractor shall assist in transition of care and/or in the medical management process by working with the facility's social worker/discharge planner to evaluate the member's needs and possible alternatives, assisting the member in completion of paperwork necessary for qualifying for the City,



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federal, or other programs, as well as assisting the City, and/or its other Contractors with the negotiation of out-of-network providers, when necessary.

11. **REPORTING**

- 11.1 Contractor shall collect and report statistics and/or summaries on a monthly, quarterly, and annual basis as specified by the City. If the reports do not adequately meet the City requirements, Contractor shall customize the reports to the City's specifications as part of the base administrative fees and at no additional cost to the City. The City's requirements may change from time to time during the life of the Contract.
- 11.2 Contractor shall provide comprehensive and meaningful reporting across the Plan, including summary analysis and consultative proposed action items to address any identified concerns.
- 11.3 Contractor shall provide real-time access to claims reports and utilization data for review and program decisions identified by provider type, claim type, claim size, member status, age band, gender, department, zip code, etc.
- 11.4 Contractor shall agree to all required electronic file feed(s) in the designated format at the designated cadence as required by the City. This includes agreement to provide necessary file feeds to a data warehouse vendor, if applicable. The City may determine that it is beneficial to change a file format in the future and reserves the right to change the format at no additional cost to the City.
- 11.5 Contractor shall submit required, City-specific reports to the City daily, weekly, or within thirty (30) calendar days of the end of the month for monthly reports, within forty-five (45) calendar days of the end of the quarter for quarterly reports, and within ninety (90) calendar days of the end of the Plan year for annual reports.
- 11.6 The City will specify the reporting formats, file specifications, and frequency of written or electronic reports required from the Contractor to the City or from the City to the Contractor during implementation. Additional fees shall not be charged to the City related to the Contractor's standard reports or the designing and developing of required regular or ad-hoc reporting.
- 11.7 Contractor shall submit data electronically via a secured website and



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by hard copy as requested and according to agreed-upon standards.

- 11.8 Contractor shall provide ten (10) user IDs to access the web-enabled online reporting tools as part of the base administrative fees with no additional charge to the City (including designees).
- 11.9 Contractor shall offer comprehensive on-site or web-based training for the online reporting tool as part of the base administrative fees and with no additional cost to the City (including designees).
- 11.10 Contractor shall provide the required monthly claim electronic data file no later than ten (10) business days following the end of the month. The month shall close on the last business day of each month. Contractor shall populate all claim fields with the data specified in the electronic claims file layout and use the claim file field naming conventions as identified in the document. Contractor shall not withhold any claim data fields requested.
- 11.11 Contractor shall provide claims data to the City's wellness vendor on a bi-weekly basis to support wellness program goals and incentives.
- 11.12 Contractor agrees to share claims data on a regularly scheduled basis with a third-party price/quality transparency firm to incentivize the City's members to use cost effective facilities and providers.

12. ADDITIONAL DATA AND SECURITY

- 12.1 Contractor agrees to partner 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, or consultants to integrate, transfer, or house data as required and approved by the City.
- 12.2 Contractor agrees to accept weekly eligibility files from the City at no cost to the City in adherence to the City's Security and EDI Protocols. The City uses Oracle's PeopleSoft for pension payroll processing. Receipt of a weekly discrepancy report from the selected vendor.
 - 12.2.1 Integrate using the City's EDI file layout.
 - 12.2.2 Post the electronic eligibility file feed within one (1) business day of receipt.
 - 12.2.3 Encrypt all data storage and back up media.
 - 12.2.4 Use secure and encrypted FTP, SFTP, HTTPS, and VPN methods of 12.2.1 data transmission as a means of sending



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- and receiving files between City approved parties.
- 12.2.5 Use secure site to send and receive emails from administrative staff.
- 12.2.6 Contractor owns a debit card adjudications system rather than a third-party system.
- 12.3 Contractor shall provide technical assistance to the City and/or its contracted vendors as it relates to organizing, supplying, processing, or reporting the data.
- 12.4 Contractor shall provide all necessary codes, definitions, and data sets or subsets, or other information the City requires within sixty (60) calendar days of the City's request. Contractor shall provide data dictionaries in industry standard format, including crosswalks. This data shall be maintained for no less than seven (7) years from termination of the Contract and shall be provided to the City at the termination of the Contract.
- 12.5 The Contractor shall maintain the data and shall make it readily available to the City for no less than seven (7) years from termination of the Contract, and access by the City shall be allowed indefinitely or until such time as the City approves otherwise.
- 12.6 Contractor shall conduct reconciliation on each data feed and work with the appropriate vendors to keep the data accurate and consistent among all parties as part of the base administrative fees and at no additional cost to the City.
- 12.7 Contractor shall provide the City or its designee all required electronic file feeds as requested by the City. Contractor shall not charge programming fees associated with data file transfers in current data file compliant formats. This data shall be made available through the City's File Transfer Protocol (FTP).
- 12.8 Contractor shall establish TLS connections with the City as part of the base administrative fees and at no additional cost to the City.
- 12.9 Contractor shall revise any data feeds according to any new file specifications requested and at no additional charge to the City.
- 12.10 Contractor shall work with any of its internal systems, subcontractors' systems, or with the City's contracted vendors to identify opportunities to improve operational efficiencies and program efficacies.



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- 12.11 Contractor shall provide information related to the processing of all claims in the claim electronic data file layout format specified by the City. Contractor shall agree that any and all data will be available to the City or its designee, and Contractor shall provide such data and regular reporting intervals in a pre-approved format, as well as Ad-Hoc basis as requested at no additional cost to the City.
- 12.12 Upon identification and determination of system problems, programming problems, or transfer problems, the Contractor shall notify the City of the issue immediately. The Contractor shall make every effort necessary to correct such problem as soon as possible including, but not limited to, working nights, weekends, and holidays, to minimize any negative impact to, Eligible Retirees, or eligible dependents and to maintain continual operations of the Health Plan at no additional charge to the City.
- 12.13 The City shall develop, and the Contractor shall use the City's six-digit Employee Identification Numbers (EINs) in a format and style developed by the City to enroll and identify all City of Phoenix Eligible Retirees and their Eligible Dependents. Alternative identification numbers will not be accepted. This service shall be included as part of the base administration fees and at no additional cost to the City.
- 12.14 Contractor shall provide and be able to receive eligibility files from any vendor contracted with the City who requires such files. These files shall be in a standard 834 format (or modified format) as agreed upon between the City and the Contractor to meet specific file layout requirements of the City at no additional cost to the City.
- 12.15 Contractor shall notify the City via e-mail within one (1) business day, should they uncover any eligibility discrepancies within the file transfer (i.e., errors, duplicates, etc.)
- 12.16 Contractor shall establish appropriate FTP site(s) to exchange eligibility and pharmacy claims data daily between itself and the selected PBM vendor at no additional cost to the City.
- 12.17 Contractor shall agree to communicate through HIPAA-compliant electronic sites to exchange data between itself and any other required vendor as requested by the City and at no additional cost.
- 12.18 Contractor shall load and reconcile daily and monthly eligibility files or other files within one (1) business day of receipt.



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12.19 Contractor shall make all data available to the City via the SFTP site established during implementation. In addition, all schemata and file definitions shall be made available to the City upon request.

13. APPEALS AND DISPUTES

- 13.1 Once the Contractor has completed its utilization review and appeals process, the City shall be solely responsible for any and all complaints, issues, disputes, and appeals related to its Health Plan enrollment, member eligibility, pension deduction issues, direct-pay premium issues, and retirement check issues related to payment of the premium.
- 13.2 Disputes shall be resolved within seven (7) calendar days after the complaint is filed.
- 13.3 Contractor shall provide all requested information to the City and other contracting entities to assist in the completion of the member appeals process.

14. COST / BILLING

- 14.1 Contractor will allow the City to self-bill for administrative service fees on a monthly basis in accordance with Standard Terms and Conditions, paragraph 2.
- 14.2 Medical Administration/Network Contractor shall not “float” any City monies for more than seven (7) business days.
- 14.3 Medical Administration/Network Contractor shall use an “imprest balance” funding arrangement or an alternate methodology that is more advantageous to the City’s cash flow for claims funding. The City shall approve the initial imprest balance amount and any future changes to it.
- 14.4 If Contractor uses an alternative funding arrangement, the Contractor may be required to provide escheatment services, as determined by the City.
- 14.5 All claims’ payments shall be passed on to the provider without any discounts, holdbacks or any other amount retained by the vendor.
- 14.6 Medical Administration/Network Contractor shall submit a claims invoice on a weekly basis, or pursuant to another timeframe mutually agreed upon by the City. The weekly invoice must include an invoice number. The invoice number must be attached (or cross-referenced)



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to each claim in the monthly claim electronic data file submitted to the City. Any additional fees, taxes or surcharges that are not considered a claim must be delineated separately with a detailed description of such fees or surcharges.

- 14.7 Contractor shall submit a claim register that is in a format approved by the City and that totals to and supports the weekly claims invoice. The claims register must contain, at a minimum, enough information that will readily link all charges to the monthly claim electronic data file submitted to the City.
- 14.8 The City reserves the right to perform periodic checks/reconciliation of, claim electronic data file, claims invoices and claims register against the monthly claim electronic data file.
- 14.9 Contractor shall accept the City's eligibility reporting for all payments of administrative fees. The Contractor shall allow retrospective adjustments as reported by the City.
- 14.10 Contractor shall allow for retroactive eligibility adjustments, as reported by the City, for up to twelve (12) months. The City reserves the right to make retroactive adjustments to the eligibility reporting for all administrative fees.
- 14.11 Contractor shall accept the City's eligibility reporting for all payments of administrative fees.
- 14.12 The City shall remit the amount due to the Contractor by way of Automated Clearing House (ACH) or similar electronic means, except as may be mutually agreed to in writing by the City and the Contractor. The City shall remit any monthly premiums and/or administrative fees in arrears to the Contractor fifty-five (55) calendar days from the first of day of the month of coverage with no interest charge. The Contractor shall agree to the most preferred method of billing as determined during implementation of this Contract and approved by the City. This is subject to a third-party review at the City's discretion.
- 14.13 Discrepancies of administrative fees resulting in variances of less than five percent (5%) will be accepted by the Contractor without dispute. Failure to provide written notice of a disputed discrepancy within the payment time frame referenced above fifty-five (55) calendar days shall be considered the Contractor's acceptance of the City's calculations, records, and payments. Contractor will not



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assess late fees, penalties, interest, or other charges on disputed amounts for up to sixty (60) calendar days while the dispute is being resolved. This is subject to a third-party review at the City's discretion.

- 14.14 Unless otherwise agreed to in writing by the City and Contractor, the City shall remit payments by way of Automated Clearinghouse (ACH) or similar electronic means.
- 14.15 Contractor shall submit, in writing, any change in remittance request at least ten (10) business days in advance of the implementation of the requested change.
- 14.16 The City reserves the right to offset any premiums, fees, or other remittances due to Contractor in order to collect overpayments resulting from incorrect calculations, eligibility adjustments, incorrectly paid claims, or other errors or adjustments identified by the City internal audit, operational review, financial analysis, external audit, or other means. If no premiums, fees, or other remittances are due to the Contractor, Contractor shall remit to the City, any overpayments resulting from incorrect calculation, eligibility adjustment, incorrectly paid claim, or other errors or adjustments within thirty (30) calendar days after identification and communication of such claim to Contractor. The City reserves the right to specify the method of payment of such amount.

15. ATTACHMENTS WHICH APPLY TO THE SCOPE OF WORK

Attachment A – Non-Medicare Eligible Retiree Population Census 2021

Attachment B – 2022 Plan Designs

Attachment C – Disruption Template

Attachment D – Repricing Template

Attachment E – Eligible Retiree Medical RFP Questionnaire

Attachment F – 2022 Non-Medicare Eligible Retiree Medical Rate Exhibit

Attachment G – Eligible Retiree Medical RFP Financial Template

Attachment H – Provider Access Reference

Attachment I – Eligibility File Layout (Example Form)

Attachment J – City's Cloud Computing Standard



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EXHIBIT B – FEE SCHEDULE

Most Favored Nations: If the Contractor enters (or has previously entered) any written agreement that has the effect of establishing Fee Schedule benefitting another Client with a similarly sized and risked employee pool in a manner more favorable in any material respect to Fee Schedule set forth herein, the Contractor shall furnish to the City as soon as reasonably practicable, a compendium containing the more favorable Fee Schedule (an “Election Notice”). The City may elect to receive the more favorable Fee Schedule set forth in such Election Notice that are reasonably applicable to the City upon written notice to the Contractor within thirty (30) days of receipt of a copy of such Election Notice.

Contractor’s Fee Schedule to be inserted upon award.



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EXHIBIT C - INDEMNIFICATION & INSURANCE REQUIREMENTS

1. DEFENSE & INDEMNIFICATION:

Contractor (“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 subcontracts (“Indemnitor’s Agents”) arising out of or in connection with this Contract. This defense and indemnity obligation includes holding Indemnitee harmless for any Losses or other amount 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 as 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 agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to any 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. CONTRACTOR’S INSURANCE:

Contractor and subcontracts must procure insurance against claims that may arise from or relate to performance of the work hereunder by Contractor and its agents, representatives, employees and subcontracts. Contractor and subcontracts 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 Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontracts and Contractor may purchase additional insurance as they determine necessary.



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2.1 SCOPE AND LIMITS OF INSURANCE: Contractor 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.

2.1.1 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	\$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 Contractor 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 Contractor.
- The Contractor’s insurance coverage must be primary and non-contributory with respect to any insurance or self-insurance carried by the City.

2.1.2 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
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- 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 Contractor, relating to this Contract.



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- City of Phoenix is an additional insured to the full limits of liability purchased by the Contractor.
- The Contractor’s insurance coverage must be primary and non-contributory with respect to any insurance or self-insurance carried by the City.

2.1.3 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 contractor or subcontract is exempt under A.R.S. §23-902(E), **AND** when such contractor or subcontract executes the appropriate sole proprietor waiver form.

2.1.4 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.
- 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.

2.2 NOTICE OF CANCELLATION: For each insurance policy required by the insurance provisions of this Contract, the Contractor 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 **Margie Vasquez, Human Resources Department, 251 W Washington Street, 7th Floor, Phoenix, AZ 85003.**

2.3 ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly



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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 Contractor from potential insurer insolvency.

- 2.4 VERIFICATION OF COVERAGE:** Contractor 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 **Margie Vasquez, Human Resources Department, 251 W Washington Street, 7th Floor, Phoenix, AZ 85003**. 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.**

- 2.5 SUBCONTRACTS:** Contractor’s certificates shall include all subcontracts as additional insureds under its policies **OR** Contractor shall be responsible for ensuring and verifying that all subcontracts 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 Contractor that its subcontracts have insurance coverage. All subcontracts 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 Contractor may, on behalf of its subcontracts, waive a specific type of coverage or limit of liability where appropriate to the type of work being performed under the subcontract. Contractor assumes liability for all subcontracts with respect to this Contract.
- 2.6 APPROVAL:** Any modification or variation from the insurance coverages and conditions in this Contract must be documented by an executed contract amendment.



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EXHIBIT D - CONTRACTOR'S INSURANCE CERTIFICATE

Contractor's Insurance Certificate

(Note: This requirement only applies to the successful Offeror – do not submit a copy with your offer)



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EXHIBIT E - SUPPLEMENTAL TERMS AND CONDITIONS

1. NON-ASSIGNABILITY:

- 1.1 This Agreement is in the nature of a personal services agreement and Contractor shall have no power to assign its rights and obligations under this Agreement without the prior written consent of the City. Any attempt to assign without such prior written consent shall be void.
- 1.2 The Contractor shall assign experienced personnel capable of and devoted to the successful accomplishment of the services outlined in this solicitation and resulting contract. These specific individuals shall be assigned as key positions.
- 1.3 The resulting contract is predicated, in part and among other considerations, on the utilization of the specific individual(s) and/or personnel qualification(s) identified and/or described in the Contractor's Offer. Therefore, no substitution of such specified individuals and/or personnel shall be made without prior written approval of the City.
- 1.4 Key personnel changes: Proposed substitution of personnel under this contract shall be of equal experience and/or shall exceed the current incumbent's experience and qualifications.
 - 1.4.1 Resume: Provide a resume of the proposed personnel. Include relevant experience and qualifications specific to the services outlined in this solicitation and resulting contract.
 - 1.4.2 Organization chart: Provide a revised organizational chart to the City.
- 1.5 **Notice to City:** The City requires an advance notice of fourteen (14) calendar days for all key personnel changes. For immediate staff changes where this timeframe is not possible, the Contractor shall notify the City of staff changes immediately, or not to exceed forty-eight (48) hours of the Contractor being notified by their staff.
- 1.6 **City's Review:** The City will review the proposed staff member's resume and determine if the experience and qualifications is equal to and/or exceeds. The City will provide a written response within ten (10) business days to the Contractor indicating acceptance or declining the proposed personnel. The City is the sole decision-maker of replacement personnel assigned to the resulting contract.
- 1.7 The City's approval of a personnel substitution shall not be construed as an acceptance of the substitution's performance potential. The Contractor shall bear all transitional expenses incurred for any costs associated with

	SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT	CITY OF PHOENIX
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removing or replacing Key Personnel who are performing work under the contract.

2. 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.

3. PRICE:

The initial rates shall be guaranteed for three years, from January 1, 2023 through December 31, 2025.

Thereafter, the Contractor shall provide final renewal rates to the City at least 180 calendar days prior to the contract anniversary date to the Procurement Officer. Price increase requests shall be accompanied with written documentation to support the increase, applicable change in law, etc. Price decrease requests do not require supporting documentation and are allowed at any time during the contract term.

The City will be the sole judge in determining the allowable increase amount. Price increases agreed to by any staff are invalid. The Contractor acknowledges and agrees to repay all monies paid because of a requested price increase unless the increase was specifically approved, in writing, by the Human Resources Director.



SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

CITY OF PHOENIX

4. 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.

4.1 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.

4.2 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.

4.3 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.

4.4 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.

5. BACKGROUND SCREENING – MAXIMUM RISK:

5.1 The current risk level and background screening required for this agreement is **MAXIMUM RISK.**

5.2 Maximum Risk Level: A maximum risk background screening will be performed every five years when the Contract Worker's work assignment will:



SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

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- work directly with vulnerable adults or children, (under age 18); or
- any responsibility for the receipt of payment of City funds or control of inventories, assets, or records that are at risk of misappropriation; or
- unescorted access to:
 - City data centers, money rooms, high-value equipment rooms; or
 - unescorted access to private residences; or
 - access to critical infrastructure sites/facilities; or
 - direct or remote access to Criminal Justice Information Systems (CJIS) infrastructure.

5.3 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.

5.4 Contractor Certification; City Approval of Maximum Risk Background Screening: Unless otherwise provided for in the Scope of Work, Contractor will be responsible for:

- determining whether Contract Worker(s) are disqualified from performing work for the City for maximum risk level background checks; and,
- submitting pass/fail results to the City for approval; and,
- reviewing the results of the background check every three to five years, dependent on scope; and,
- to engage in whatever due diligence is necessary to make the decision on whether to disqualify a Contract Worker; and,
- Submitting the list of qualified Contract Workers to the contracting department; and,
- 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.
- 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.



SECTION II – PROFESSIONAL SERVICES CONSULTING AGREEMENT

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- 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.
- The City final documented decision will be an “approve” or “deny” for identified Contract Workers.
- 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.
- 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.
- 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.

5.5 The background checks will be conducted prior to any employee entering to work and will be based upon information provided to the Police Department including, but not limited to: name, address, date and place of birth, social security number, INS number if applicable, and a copy of a valid photo identification. The information will be provided to the Human Resources Department at least five business days (excluding weekends and holidays) in advance of the need for access. The form will be provided by Human Resources Department. A designated Human Resources Department representative will conduct the security check.

The City may, at any time, in its sole discretion, refuse to allow an employee access to an area for any of the following reasons, but not limited to:

- Conviction of a felony.
- Conviction of a misdemeanor (not including traffic or parking violation).
- Any outstanding warrants (including traffic and parking violations).
- A person currently on parole or probation.
- A person currently involved in an investigation.



**SECTION II – PROFESSIONAL SERVICES
CONSULTING AGREEMENT**

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6. 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 of the State of Arizona.

A current listing of eligible entities may be found at [S.A.V.E. | Maricopa County, AZ](#) and then click on Contracts, “S.A.V.E.” listing and “ICPA”. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City shall not be responsible for any disputes arising out of transactions made by other public entities who utilize this Agreement.



SECTION III – EVALUATION REQUIREMENTS

1. 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	250 POINTS
Method of Approach including Member Access	450 POINTS
Pricing	300 POINTS
TOTAL AVAILABLE POINTS:	1,000 Maximum

NOTE: Please provide a response to all sections identified in the Evaluation Requirements Section. 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.

Failure to provide the information may result in deduction of possible points awarded for each 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:

PART 1 – TITLE PAGE

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

PART 2 – COVER LETTER

The cover letter will provide a brief history of the Offeror and its organization(s). An officer authorized to bind the Offeror to the terms and condition of this RFP must sign the cover letter transmitting the proposal. This letter will also contain statements confirming inclusion of all proposal submittal requirements.

PART 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.



Some of the information requested in Attachments A through I may correlate with requirements in this section. To ensure full compliance please complete the attachments and provide the required information in both sections.

PART 4 – QUALIFICATIONS, EXPERIENCE AND REFERENCES (NARRATIVE)

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 attachments to their narrative responses, provided that the supplements clearly and concisely clarify response to the specific requirement.

Qualifications and Experience Narrative

1. Overall project experience with other clients of similar scope and size.
2. Demonstrate the firm’s experience with implementation and coordination of similar projects (Government agencies preferred but not required).
3. Describe firm’s resources available for the project.
4. Experience in training staff (following Implementation and during the contract term.)
5. Demonstrate the firm’s capabilities, experience and expertise to manage the Health Plan for the City in accordance with the provisions and requirements set forth herein.
 - 5.1 Provide a list of subcontractors which will be used to provide the services outlined in the solicitation and describe the services which they will be providing.
6. Provide information demonstrating expertise necessary to implement and maintain a thorough utilization management program.
7. Describe firm’s compliance with the following:
 - 7.1 The firm shall have Medical Administration/Networks accreditation from the Utilization Review Accreditation Commission (URAC), the National Committee for Quality Assurance (NCQA), or another nationally recognized accreditation organization for the offered Health Plan in at least one of the following areas:
 - Claims Processing, Health Call Center, Health Content Provider, Health Network, Health Website, HIPAA Privacy and Security, Provider Credentialing, Transition of Care Designation
 - 7.2 The firm shall have Medical Management accreditation from the Utilization Review Accreditation Commission (URAC), the National Committee for Quality Assurance (NCQA), or another nationally recognized accreditation organization for the offered Health Plan in at least one of the following areas:



SECTION III – EVALUATION REQUIREMENTS

CITY OF PHOENIX

- Utilization Management, Case Management, Disease Management, Wellness and Lifestyle Education Program

8. **Minimum Qualifications**

Demonstrate how your firm complies with all of the requirements as listed in Section I, paragraph 2 Minimum Qualifications (2.1 through 2.7). Provide a narrative and/or supporting documentation to demonstrate compliance of all items. Failure to demonstrate compliance with these items will disqualify your proposal from further evaluation.

Offeror's points of contacts

The letter will indicate the principal or officer of the prime Offeror who will be the City's primary point of contact during negotiation. This individual must have the authority to negotiate all aspects of the Scope of Work, Requirements and Requirements Priorities and Services and provision on behalf of the Offer. Additionally, provide a designated legal contact to the City for contract negotiations who can commit to meeting with the City as requested.

9. Principal or Officer's Contact Information

- a. Name
- b. Title
- c. Telephone Number(s)
- d. Email Address
- e. Mailing Address

10. Legal Contact Information

- a. Name
- b. Title
- c. Telephone Number(s)
- d. Email Address
- e. Mailing Address

11. **Organizational Charts and Resumes**

Your response must include the following information:

11.1 **Implementation Team**

- a. **Organizational Chart** - 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 start and end dates for each member and % dedication.
- b. **Resumes** – Up to one page resume for each proposed professional Staff (includes all positions identified in the Organizational chart). Resumes shall reflect relevant experience and qualifications for the services as outlined in this Solicitation.



- c. Propose recommended staffing for the City (role, % dedication or number of FTEs, and start and end date) that you believe will be necessary to support your project team’s work.

11.2 Account Management Team

- a. **Organizational Chart** – Outline the proposed Account Management Team. At a minimum, incorporate the positions listed in Attachment E (Retiree Medical RFP Questionnaire), General Requirements Tab, item 13 under “Professional Staffing – Benefits Administration”. Include proposed start and end dates for each member and % dedication.
- b. **Resumes** – Up to one page resume for each proposed professional Staff (includes all positions identified in the Organizational chart). Resumes shall reflect relevant experience and qualifications for the services as outlined in this Solicitation.
- c. Propose recommended staffing for the City (role, % dedication or number of FTEs, and start and end date) that you believe will be necessary to support your project team’s work.

11.3 Customer Service Unit(s) Team(s)

- a. **Organizational Chart** – Outline the proposed Customer Service Unit(s) Team(s). Refer to Attachment E (Retiree Medical RFP Questionnaire), Customer Service Tab, item 2. Include proposed start and end dates for each member and % dedication.
- b. Propose recommended staffing for the City (role, % dedication or number of FTEs, and start and end date) that you believe will be necessary to support your project team’s work.

11.4 Claims Service Unit(s) Team(s)

- a. **Organizational Chart** – Outline the proposed Claims Service Unit(s) Team(s). Refer to Attachment E (Retiree Medical RFP Questionnaire), Claims Administration Tab, item 7. Include proposed start and end dates for each member and % dedication.
- b. Propose recommended staffing for the City (role, % dedication or number of FTEs, and start and end date) that you believe will be necessary to support your project team’s work.

12. References

The References information shall be included in RFP Section IV – Submittals. The City reserves the right to contact these references and discuss the client’s level of satisfaction with the Offeror and its solution(s).



PART 5 - METHOD OF APPROACH INCLUDING MEMBER ACCESS
(NARRATIVE)

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 January 1, 2023.

The Offeror must address the following:

1. City’s project requirements:
 - 1.1 Provide a narrative response to describe your ability to comply with the City’s requirements in Exhibit A: Scope of Work and provide a detailed description which demonstrates your understanding of the requirements and describe the Offeror’s services offered.
 - 1.2 Describe if re-credentialing of providers is done in house or subcontracted. Indicate how often are providers re-credentialed.
 - 1.3 Provide a copy of the written utilization management (UM) plan, including flows, identification criteria/methodology, staffing, and quality management.
2. Project Implementation Plan:

Provide a detailed description of the Project Implementation Plan to include description of 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, 2023.
3. Project Schedule:
 - a. Provide a detailed project schedule with includes at a minimum: major milestones, deliverables, project implementation, reporting, data migration (if applicable), and final acceptance.

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

MEMBER ACCESS

5. Please see Attachment H - Provider Access Reference file.
 - a. Use instructions and enrollment by ZIP code within provided reference file to develop a network access report (also known as a Geo Access Report). Attach resulting exhibits within your proposal.
 - b. For this access report, please use the standards as defined in the Instructions tab of the provided reference file.
6. Please see Attachment C – Disruption Template file.
 - a. Use instructions within the spreadsheet for additional information.



- b. Define whether each provider within is “In Preferred/Tier 1 Network”, “In Non-Preferred/BROAD Network”, “Out of Network”, or “In Wrap Network”;
- c. Indicate whether or not each provider is in the NARROW network.

PART 6 – EVALUATION PRICING

1. Please see Attachment D – Repricing Template file.
 - Use instructions and within the spreadsheet for additional information.
 - For each claim within, provide estimated allowed claim amounts (prior to member cost share) based on contracts with providers that are currently secured (and enforced in 2021), as well as contracts that are currently secured for 2023.
 - enrollment by ZIP code within provided reference file to develop a network access report (also known as a Geo Access Report). Attach resulting exhibits within your proposal response.
2. Please see Attachment G - Retiree Medical RFP Financial Template.
 - Complete each worksheet in full as applicable.



SECTION IV – SUBMITTALS

CITY OF PHOENIX

SECTION IV – SUBMITTALS

AFFIDAVIT

1. 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 and on the terms and conditions set forth in the proposal submitted by the Offeror.
2. 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 Agreement.
 - 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 180 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.



SECTION IV – SUBMITTALS

CITY OF PHOENIX

- 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.

3. EXCEPTIONS:

Submission of all Exceptions due by November 16, 2021.

Offerors must agree in the entirety to all items outlined in the Solicitation document. All deviations must be noted per the requirements as identified in Section I, Paragraph 8 Exceptions.

4. COPIES:

4.1 The City of Phoenix will accept submittals electronically ONLY for this RFP process. No hardcopies will be accepted.

4.2 To submit proposals electronically, offerors must send an email to the Procurement Officer by the date stated on the Schedule of Events indicating the offeror's intent to submit a proposal. The Procurement Officer will send an invitation to the offeror which will include submittal instructions and a link to upload the Offeror's proposal response. Offers must be able to be downloaded by the Department on or prior to the exact time and date indicated in the Schedule of Events on the cover page. Late offers will not be considered. The prevailing clock will be the Department clock.

4.3 OFFER SUBMITTAL FORMAT

4.3..1 This Offer will remain in effect for a period of 180 calendar days from the bid opening date and is irrevocable unless it is in the City's best interest to do so.

4.3..2 Do not submit a copy of the entire Solicitation document.

Submit the offer in the following order and containing the following information:

4.3..3 Please submit the responses to Section III - Evaluation Requirements, Parts 1 through 6.

4.3..4 Section IV – Submittals: Fully complete and return these pages with your Offer.

4.3..5 Section V – Excel Attachments

The following completed Excel spreadsheet Attachments must be



SECTION IV – SUBMITTALS

CITY OF PHOENIX

returned with your Offer:

- i. Attachment C: Disruption Template
- ii. Attachment D: Repricing Template
- iii. Attachment E: Retiree Medical RFP Questionnaire
- iv. Attachment G: Retiree Medical RFP Financial Template
- v. Attachment H: Geo Access Report (Offeror's Network Access Report)

4.3..6 Signed Addenda (if applicable), signed and all pages submitted

4.3..7 Other Documentation

- This would include other documentation required in the Attachments.
- Supporting documentation not already included in the Evaluation Requirements (Section III) or Submittal (Section IV).

5. COST AND PAYMENTS:

5.1 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.**



SECTION IV – SUBMITTALS

CITY OF PHOENIX

6. REFERENCES:

Offeror shall furnish the names and contact information for 3 clients for whom the Offeror is **furnishing** or has furnished services similar to those described in this RFP within the last seven (7) years. Offerors with fewer than three (3) government references may substitute two (2) large-scale corporate references for each missing government reference. *Do not list City of Phoenix employees or officials as references.*

Entity Name	
Entity Contact Name & Title	
Mailing Address (include City, State, Zip Code)	
Phone Number	
Email	
Description of Services: (Project Title, Project Dates, Organization Size):	

Entity Name	
Entity Contact Name & Title	
Mailing Address (include City, State, Zip Code)	
Phone Number	
Email	
Description of Services: (Project Title, Project Dates, Organization Size):	



SECTION IV – SUBMITTALS

CITY OF PHOENIX

6. REFERENCES (Cont'd)

(Additional copies of this page may be made as needed)

Entity Name	
Entity Contact Name & Title	
Mailing Address (include City, State, Zip Code)	
Phone Number	
Email	
Description of Services: (Project Title, Project Dates, Organization Size):	

Entity Name	
Entity Contact Name & Title	
Mailing Address (include City, State, Zip Code)	
Phone Number	
Email	
Description of Services: (Project Title, Project Dates, Organization Size):	



SECTION IV – SUBMITTALS

CITY OF PHOENIX

7. SIGNATURE(s)

By executing below, the Offeror avows the statements and information provided herein are true, correct and complete and that the signatory executed below is authorized to execute this Affidavit on behalf of the Offeror.

Offeror's Contracting Entity (Legal Name¹): _____

¹The successful Offeror must be authorized to transact business in Arizona and be in good standing prior to contract award.

Printed Name of Authorized Representative*: _____

Title: _____

Business Mailing Address: _____

Telephone and Email Address: _____

Signature: _____

**Proposal must be signed by an individual authorized to contractually bind the Offer.*



SECTION IV – SUBMITTALS

CITY OF PHOENIX

SOLICITATION DISCLOSURE

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.

First	MI	Last	Suffix
-------	----	------	--------

2. Contract Information

Solicitation # or Name: **RFP HR 21-014 Non-Medicare Retiree Medical Health Plans**

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

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.

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:

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.



SECTION IV – SUBMITTALS

CITY OF PHOENIX

7. Disclosure of conflict of interest:

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:

8. Notice Regarding Prohibited Interest in Contracts

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:



SECTION IV – SUBMITTALS

CITY OF PHOENIX

9. Acknowledgements

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**.

10. 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