

CITY OF TUCSON

REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER: 161428
PROPOSAL DUE DATE: JANURARY 7, 2016, AT 4:00 P.M. LOCAL AZ TIME
PROPOSAL SUBMITTAL LOCATION: Department of Procurement
255 W. Alameda, 6th Floor, Tucson, AZ 85701

MATERIAL OR SERVICE: VOLUNTARY SUPPLEMENTAL INSURANCE
BENEIFITS

PRE-PROPOSAL CONFERENCE DATE: DECEMBER 16, 2015
TIME: 9:00 A.M., LOCAL AZ TIME
LOCATION: CITY HALL, ATTORNEY CONFERENCE ROOM
255 W. ALAMEDA, 7TH FLOOR, TUCSON, AZ 85701

CONTRACT OFFICER: JENN MYERS
TELEPHONE NUMBER: (520) 837-4137
Jenn.Myers@tucsonaz.gov

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: <http://www.tucsonprocurement.com/> by selecting the Bid Opportunities link and the associated solicitation number. The City does not mail out Notices of available solicitations via the U.S. Postal Service. Email notifications are sent to those interested offerors who are registered with us and who have selected email as their preferred delivery method. To register, please visit www.tucsonprocurement.com, click on Vendors, then click on Vendor Registration. To update an existing record, click on Vendors, click on What's New?, and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

******ALERT******

Effective July 1, 2014, the City of Tucson's Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Program has moved to the Department of Procurement and has become the Business Enterprise and Compliance Program. To contact them, please call (520) 837-4000 or visit the website at http://www.tucsonprocurement.com/Bidders_Page.aspx and click on SBE or DBE.

JM/cq

PUBLISH DATE: DECEMBER 10, 2015

INTRODUCTION

The City of Tucson is soliciting proposals for voluntary supplemental insurance benefits to offer to employees and their dependents. A variety of voluntary insurance benefits are currently offered. These supplemental insurance benefits include disability insurance income, accident insurance, cancer and critical illness insurance, universal and whole life insurance, non-fatal gunshot and hospital insurance. The employee pays 100% of the premium for these coverages. Since July 1, 2010 all new policies or changes to policies under these programs are offered on an after-tax basis. Policies that were written pre-tax prior to July 1, 2010 are grandfathered as pre-tax; however, no new pre-tax policies are being written, and if the City were to select a new vendor, all policies would be written post-tax.

Benefits are offered during open enrollment, which has historically occurred annually during May and/or June for a July 1st effective date. Agents must meet with employees during this time at different locations around the City. It is the vendor's responsibility to organize all open enrollment meetings at department locations directly with the various City departments without assistance from the City of Tucson Insurance Benefits Office staff. City-wide open enrollment meetings will be organized by City of Tucson Insurance Benefits Office staff, and vendor attendance is mandatory at these meetings.

BACKGROUND

The City of Tucson currently offers benefits to approximately 4,300 active employees. Eligibility information is outlined in the Insurance Handbook at www.tucsonaz.gov/enroll. The City's general services include, but are not limited to, police and fire services, parks and recreation, street maintenance, transportation, environmental services, water and a broad range of administrative, para-professional and professional municipal governmental activities and services.

Current Enrollment and premium data:

Product	Number of Policies	Annual Premium
Accident	1,149	\$457,203
Disability	1,243	\$847,668
Whole Life	61	\$33,170
Universal Life	452	\$170,156
Cancer	440	\$207,639
Critical Illness	416	\$102,188
Hospital Confinement	368	\$102,295
Non-Fatal Gun Shot Policy	81	\$972
Total	4,210	\$1,921,291

If this RFP is awarded to a firm other than the current provider, the City will require employees to convert their policies and direct pay to the current provider should they wish to continue coverage with that provider. Premium payments to the current provider would cease to be payroll deducted.

Employee Benefits For Plan Year 07/01/15 - 06/30/16

For informational purposes, the City of Tucson currently offers the following benefits outside the scope of this RFP for the plan year beginning 7/1/2015. The City reserves the right to change benefits for any plan year.

Medical Insurance – The City of Tucson offers one HMO plan and two high deductible health plans (one with Health Reimbursement Arrangement [HRA] and one with Health Savings Account [HSA]) to active employees. Eligible retirees may choose between the HMO and HRA plans. The HRA and HSA Choice Fund OAP plans are high deductible health plans offering access to a broad national network of doctors and other health care providers. Prescription drug coverage is included in all plans. For active employees, the City currently pays the majority of the employee premium and of the dependent coverage premium. Rates are posted at www.tucsonaz.gov/enroll. The City offers a medical opt-out incentive of \$36.92 biweekly to those employees who obtain medical coverage through sources other than the City and who provide proof of that coverage to the City.

Dental Insurance – Dental offerings include one pre-paid plan and one PPO plan; enrollment is optional.

Flexible spending accounts – As part of the City of Tucson Section 125 plan, employees are allowed to set aside pre-tax dollars to pay for qualified medical and/or dental expenses not covered by the medical or dental plan. It can also be used for eligible dependent care expenses for children or dependent adults.

Long term disability – Long term disability insurance is available to active employees and provided through Metropolitan Life Insurance Company. The City of Tucson provides a 60% of the first *\$6,667 of income benefit with a maximum payment of \$4,000 per month for up to five years after meeting the elimination period of 180 days. *The five year coverage period varies if disability begins after age 61. An LTD buy-up option exists that increases the monthly maximum benefit to \$6,000 and reduces the elimination period from 180 to 90 days. All accumulated leave time must be exhausted before LTD benefits will be paid.

Pension – All City employees, except public safety employees, participate in a defined benefit pension plan qualified under IRS Code Section 401(a), administered by the City of Tucson Supplemental Retirement System and participate in the Social Security System. Public Safety employees participate in the State of Arizona Public Safety Personal Retirement System and do not participate in the Social Security System.

Deferred Compensation Program – The City provides all employees the ability to voluntarily participate in a section 457 deferred Compensation Savings program. This tax deferred savings program is available to all employees through the Retirement Board's contract with ICMA Retirement Corporation. In addition, sworn Public Safety Fire employees may participate in the Nationwide Retirement solutions program.

Paid Sick Leave -- 13 days annual accrual; no maximum limit; partial payment for unused sick leave at retirement.

Paid Vacation Leave -- 13 to 20 days annual accrual based on length of service; maximum accrual 36 days.

Life Insurance -- The City provides a term policy equal to the employee's annual salary (maximum \$50,000) at no expense to the employee. Supplemental employee coverage is available at employee expense up to 6 times the employee salary (maximum of \$300,000). The City provides each dependent over 6 months of age covered by City of Tucson's medical insurance with \$5,000 of term life insurance. Employees can, at their expense, also purchase life insurance on their spouse in amounts of \$7,500, \$15,000 or \$22,500.

SCOPE OF WORK

Optional voluntary individual 100% employee paid benefits should complement and enhance the current benefit package for employees. All offered coverages must be portable and comply with all Federal and State regulations, including USERRA, HIPAA and ACA.

The Contractor will be required to coordinate open enrollment efforts with other benefits providers to minimize the required number of appointments/meeting times per employee.

Currently City of Tucson employees are offered the following supplemental 100% employee paid insurance plans and it is the intention of the City to continue offering these same products. The Contractor should provide at a minimum the policies listed below:

- Accident
- Cancer
- Specified Event/Critical Illness
- Life Insurance, Universal and Whole Base Plans with Term Riders for Dependents
- Disability
- Hospital Confinement
- Non-Fatal Gunshot Policy

Copies of the Policies are listed and provided as Attachments to this RFP. Other policies may be offered throughout the term of this contract, at the sole discretion of the City.

Scope Requirements

A. General

1. At a minimum, the proposed plan designs and policies must match the existing plan designs and policies offered in **Attachments A (A1-A19)**. If there are any deviations in your plan designs or policies they must be listed on the Deviations Form **Attachment B**.
2. Rate Sheets must be provided to validate the employee/dependent rates being charged. The products are offered on a post-tax basis only.
3. Upon completion of the award, the Contractor shall provide to the City communications and data support within a specified time-frame designated by the City during implementation for a successful transition to the new Contractor.
4. The Contractor shall provide accurate employee certificates and/or coverage details for all contracted plans within 30 days following the effective date.
5. The City reserves the right to add or delete any of the products offered by the Contractor during the contract term or renewable term(s).
6. The Contractor shall notify the City within 30 days of the date for any filed rate changes with the State of Arizona that would impact any of the City enrollees in any product.
7. Commissions are currently paid to Segal Consulting and disclosed by Segal to the City on a Monthly Invoice. Commissions on all products shall be continued as long as they do not impact the rate to the employee and are to be paid on these products; however, they must be disclosed to the City and noted on each pricing schedule.
8. The Contractor shall agree to sign the City's Business Associate Agreement, included as **Attachment C**.
9. Any and all deviations to standard terms, special terms and conditions as well as the specified scope of services must be clearly identified in Attachment B - Deviations.
10. The Offeror shall provide with this proposal actual policy language for each product being proposed. Should additional agreements between the City and the Contractor be required, a sample agreement must be included with their submission and edited for language as required within this RFP. These

samples should contain the following language: "To the extent there is an inconsistency between the contract and the Request for Proposal (RFP) between the parties, the RFP will govern."

B. Data and Reporting

11. The Contractor shall agree to work with the City's enrollment or payroll system to exchange eligibility on an electronic file and to feed enrollment data biweekly to be reflected by the City's enrollment system at no cost to the City.
12. The Contractor shall agree that all data will be available to the City and shall provide such data in regular reporting intervals, as well as on an ad hoc basis, as requested by the City, at no additional cost.
13. The Contractor shall provide enrollment and premium changes to the City bi-weekly and shall reconcile premiums and enrollment data received biweekly.

C. Administration

14. The Contractor shall provide all required services to all eligible members as determined by the City. Participation is voluntary and the Contractor shall not invoke any pre-existing limitations, other than those stipulated on each product price sheet, and shall not invoke any minimum participation requirements unless stated on each product price sheet.
15. The Contractor shall provide all benefits and services as stipulated in the Policy Certificate and in accordance with the current policies and procedures.
16. All current policies and procedures not documented within this RFP or its Attachments will be established during implementation in writing by the Contractor and modified to current or improved policies and procedures to the satisfaction and approval of the City's implementation team.
17. The Contractor shall certify that all services provided as part of this contract will be in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its subsequent amendments and changes. Any violations shall be reported immediately to the City in writing. The Contractor will notify the City of any and all actions taken as a result of any violation.
18. The Contractor shall provide quality services, meeting or exceeding the City-approved industry standards as specified in the performance guarantee section of this RFP. The Contractor shall take immediate corrective action and provide a written plan, as requested by the City, should the City identify any issue related to poor quality or lack of responsiveness uncovered in any audit conducted, either internally or externally, of the Contractor's required processes or procedures. This action plan shall clearly outline the corrective steps and timeframes for completion when services do not meet industry standards to include standards that are inappropriate, undesirable, and/or of poor quality, as identified by the City. Any additional resources required to support corrective actions shall be provided at no additional cost to the City. Corrective measures taken to ensure the City quality standards, reporting standards or performance standards will be provided at no additional cost to the City through fees or hidden charges.
19. The Contractor shall provide training to all identified City personnel prior to open enrollment meetings.
20. The Contractor shall provide staffing, as appropriate, to perform administrative work as determined by the City.
21. The Contractor shall provide resources to respond timely (as agreed to in implementation) to all inquiries related to quality assurance, corrective actions, deficiencies and/or inefficiencies in operations. The Contractor shall absorb all programming costs associated with data file transfers in current data file compliant formats.
22. The Contractor shall provide the necessary staff for plan transitions, annual open enrollment(s), and/or any special open enrollments that the City deems necessary to administer the plan.

D. Implementation

23. The 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, project manager, account manager, enrollment specialists, and claims and member service staff.

24. The Contractor shall perform comprehensive system testing and quality assurance checks prior to the implementation date of July 1, 2016. The Contractor shall report the results to the City. These checks shall be provided at no cost to the City.
25. The Contractor shall provide by the end of the implementation process, an administrative manual in a mutually agreed upon format. The administrative manual shall include policies and procedures identified as required in the plan description as well as any plan operations required to effectively administer the plan. The administration manual shall be updated as needed by the Contractor's account management team and as agreed to by the City throughout the term of the contract. The administrative manual shall be provided at no cost to the City.
26. The Contractor shall ensure the customer call center is available 45 days before the implementation date for members transitioning from the current contractor, as well as for potential new members to call with questions about the City's program.

E. Claims Administration

27. The Contractor shall provide the City with a minimum of 12 months advance notice of any claim system conversion or change that may disrupt the current processes.

F. Account Management and Member Service

28. Contractor shall respond to account issues and member service issues within one to two business days at minimum with a plan to resolve the issue within a specified timeframe established to do so.
29. Contractor shall provide documentation of a process for prompt issue resolution and maintain an issue log.
30. Contractor shall provide a dedicated fully-operational toll-free telephone line that is answered by a live person Monday through Friday during standard Arizona business hours. Calls outside of these hours shall be handled by voice mailbox or an equivalent system, and calls shall be returned by a knowledgeable staff member by the end of the following business day.
31. The Contractor shall ensure that members with limited English proficiency, Spanish-speaking, and those that are deaf or hearing impaired have access to communication services that enable them to utilize the phone lines.
32. The Contractor shall provide an escalation process to assist in matters which cannot be resolved at the customer service unit level.
33. Contractor shall provide a dedicated team of professionals who will be responsible to see that all contract requirements and service deliverables are met by the Contractor.
34. Contractor shall provide an account management team that is experienced in providing services for similar entities, trained in the City's plan issues, is accessible to the City geographically, and with sufficient capacity and authority to respond to the City's issues in a timely manner.
35. The Contractor shall provide the City access to an electronic tracking and resolution log of all open and closed City issues, in the required format agreed upon during implementation.
36. The Contractor shall attend in person quarterly and annual on-site program reviews, with weekly telephone calls, as requested by the City's benefits office.

G. Appeals and Disputes

37. Contractor shall adhere to appeals and dispute processes as developed and directed by the City and stipulated in the subscriber's certificate section relating to the written appeals process, including meeting timeframes and reporting on all levels of appeals with responses and results. Also, processes shall be kept current and made available at any interval requested by the City.
38. Contractor shall maintain procedures for responding to appeals and disputes as well as reporting the responses and results to the City.

H. Eligibility

39. The City will provide the Contractor with an eligibility file annually at open enrollment in an electric format containing sufficient information for the Contractor to validate eligibility. The City will distribute information about the voluntary benefits to new hires, and the Contractor shall verify eligibility with the City of Tucson Benefits division for any new hires wishing to add coverage outside the annual open enrollment period.
40. The Contractor shall load and reconcile annual eligibility files within 72 hours of receipt.
41. The City will self-bill biweekly and remit premiums based on actual payroll deductions taken and shall remit only the amount deducted from payroll. The vendor must be able to accept an automated electronic feed of the payroll data from the City's payroll system. If the vendor has questions about the data, they must provide the City with a list of discrepancies (actual versus expected), and the City will respond. The City will not be responsible for pursuing missed premiums due to an employee having insufficient pay to cover the necessary premiums. If there are changes to premiums mid-year, the Contractor must notify the City two weeks in advance of a premium change; the City will not collect missed premiums due to late notification. The Contractor must bill participants directly for missed premiums. Likewise, the City will not issue retroactive refunds to participants. The vendor must refund employees directly for any premiums that were overpaid. The City shall remit any monthly premiums in arrears to the Contractor 60 days from the first day of the month of coverage with no interest charge. The Contractor shall agree to the most preferred method of billing and payment as determined during implementation of this contract and approved by the City. Contractor shall also work closely with the City's Information Technology staff to set up an automated payroll file transmission.
42. The City reserves the right to offset any premiums, fees or other remittances due to the Contractor in order to collect performance penalties, overpayments resulting from incorrect calculations, eligibility adjustments, incorrectly paid claims, or other errors or adjustments identified by audit, analysis 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 calculation, eligibility adjustment, incorrectly paid claim, or other errors
43. The Contractor shall agree to communicate through HIPAA-compliant electronic sites to exchange data between themselves and any other required vendor as requested by the City at no additional cost.

I. Pre-existing Condition Limitation

All actively at work, non-confinement and pre-existing condition limitations shall be waived for those covered by the City immediately prior to the effective date unless stated on the price sheet for each product offered.

J. Commissions, overrides and bonuses

Commissions are not to be included in the rates submitted, (i.e., all rates are to be quoted net of commission) other than those that do not impact the rate charged to the employee and filed with the Arizona Department of Insurance. Any proposal that includes payment of commissions that do impact the rate filed with the State of Arizona Department of Insurance to a third party may be deemed non-responsive. If commissions are included in your filed rates and cannot be removed from the rates provided, the level of commissions included in the proposed rates must be disclosed. Any commissions, overrides or bonuses built into administration fees must be identified and paid to the City's Employee Benefits Consultant.

You must use the Price Pages provided in submitting your proposal.

K. Other requirements

- The selected carrier must interface with any human resources electronic system the City uses for purposes of eligibility administration at no charge to the City. Currently the City uses Advantage Express run by Xerox. Should the City change systems during the term of the contract, Contractor will be required to interface with the new system at no additional charge to the City.

- Contractor should provide web-based consumer tools for all plans. This would include on line provider directories, plan description as well as employee customer service access for claim status.
- The Contractor will provide hard copies of plan descriptions and provider directories for employee distribution at no charge to the City.
- The Contractor will participate with onsite presence during the open enrollment process and will set up meetings at City departments directly with City department representatives.
- The Contractor will be available for onsite meetings with City of Tucson staff at a minimum of one meeting per quarter.
- The Contractor must be willing to allow other public employers, who have a cooperative purchasing agreement with the City, to utilize this contract.

L. Anticipated Timeline to be finalized with dates once published close date is established

February 2016 ... Voluntary Insurance Plan Carrier selection

February 2016 ... Implementation strategy development

March 2016 ... Implementation coordination

Mid-May or early June 2016 ... Open enrollment

July 1, 2016 ... Plan year effective date

M. Other Requirements

1. The Contractor shall develop and implement an extensive enrollee education and communication strategy including materials. The Contractor shall conduct education sessions to acquaint individuals with all offerings. Representatives must be available each day of the open enrollment period. The open enrollment period is anticipated to last for approximately two weeks during **May 2016**; however, actual dates may vary. Contractor must provide at least 2 individuals to circulate to work sites throughout the City. (Note: Many City of Tucson employees work shifts other than the traditional 8:00 a.m. to 5:00 p.m. Monday – Friday schedule; Contractor must provide representative(s) to accommodate these individuals.) In addition, the Contractor shall provide representatives for any new hire meetings as directed by the City.
2. The City of Tucson requires that the Contractor is extremely customer service oriented and the claim handlers are accessible to enrollees. The Contractor must provide a local or toll free customer assistance number for employees.
3. Insurance policies must be provided directly to the employee.
4. There will be no minimum participation requirements for any policies offered.
5. The Contractor will provide face-to-face support to the Human Resource Office for any billing reconciliation issues that arise on an as needed basis.
6. It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to and subsequent concurrence by the City.

If key personnel are not available for work under this Contract for a continuous period exceeding thirty calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

N. Reporting Requirements

1. The Contractor must provide at no cost to the City an accurate MS Excel spreadsheet or tab delimited text file containing enrollment data to the Contractor for the City's online enrollment system or any other entity designated by the City of Tucson for payroll deduction purposes no later than **three weeks before the beginning of the benefit year (typically July 1st through June 30th) or within two weeks after the close of open enrollment (whichever is later)**. Minimum enrollment data includes columns/detail for employee name, six digit payroll ID number, SSN, policies selected, pre-tax biweekly deduction amount, and after-tax biweekly deduction amount and any other data field City of Tucson deems necessary. The City reserves the right to change the required format and platform annually, and the Contractor agrees to provide the data in the necessary format at no cost to the City.
2. The Contractor must provide policy enrollment information to each enrolled employee upon enrollment and upon request by the employee thereafter at no cost to the City or the employee.
3. Written notification/confirmation must be provided to the City of Tucson employee benefits division of all policy declinations and cancellations as well as premium changes within 10 business days of the effective date.
4. Contractor must notify the City of Tucson's employee benefits division of any payment discrepancies within 10 business days of receipt. The City will make no retroactive payroll adjustments.
5. The Contractor must, at a minimum, provide a yearly statement of coverage to enrolled employees.

INSTRUCTIONS TO OFFERORS

1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

City: The City of Tucson, Arizona

Contract: The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.

Contractor/Consultant: The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.

Contract Representative: The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

Director of Procurement: The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.

May: Indicates something that is not mandatory but permissible.

Offeror: The individual, partnership, or corporation who submits a proposal in response to a solicitation.

Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.

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

2. PRE-PROPOSAL CONFERENCE: If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

3. INQUIRIES: Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

4. AMENDMENT OF REQUEST FOR PROPOSAL: The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

5. FAMILIARIZATION OF SCOPE OF WORK: Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

6. PREPARATION OF PROPOSAL:

A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.

B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.

C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.

- D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
 - E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
 - F. Periods of time, stated as a number of days, shall be in calendar days.
 - G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
 - H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
 - I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.
- 7. PAYMENT DISCOUNTS:** Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period. The payment discount shall apply to all purchases and to all payment methods.
- 8. TAXES:** The City of Tucson is exempt from federal excise tax, including the federal transportation tax.
- 9. PROPOSAL/SUBMITTAL FORMAT:** **An original and 6 copies (7 total) of each proposal** should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on flash drive in Word or Excel format as designated by the document. . Any confidential information shall be submitted on a separate flash drive . The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.
- 10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.
- 11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.
- 12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.
- 13. CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
- A. The submission of the offer did not involve collusion or other anti-competitive practices.
 - B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
 - C. 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, meal or service to a public servant in connection with the submitted offer.
 - D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

- 14. WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 15. LATE PROPOSALS:** Late proposals will be rejected.
- 16. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.
- 17. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 18. DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 19. CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).
- 20. VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at <http://www.tucsonprocurement.com/> by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.
- 21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.
- 22. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.
- 23. AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:
- (1) waive any immaterial defect or informality; or
 - (2) reject any or all proposals, or portions thereof; or
 - (3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

- 24. PROPOSAL RESULTS:** The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at <http://www.tucsonprocurement.com/> upon issuance of a Notice of Intent to Award or upon final contract execution.

25. PROTESTS: A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

- A. The name, address, and telephone number of the protestant;
- B. The signature of the protestant or its representative;
- C. Identification of the Request for Proposal or Contract number;
- D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
- E. The form of relief requested.

PROPOSAL EVALUATION REQUIREMENTS

I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

- A. Method of Approach
- B. Price Proposal
- C. Qualifications & Experience

II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

A. Method of Approach

1. Please confirm you will administer and satisfy each of the Scope of Work requirements contained in this RFP. If you have any deviations to this proposal please submit them in the Deviations Form (**Attachment B**). Do not list them here.

Yes, we will administer and meet every single Scope of Work Scope Requirement without any deviations.

No, we are not able to administer and meet every single Scope of Work Scope Requirement and have listed our deviations in the Deviations Form (**Attachment B**).

2. Complete the Method of Approach Questionnaire (**Exhibit 1**)
3. Complete the Method of Approach Benefit Chart Questionnaire (**Exhibit 2A - 2H**)

B. Price Proposal

1. Provide price proposal as requested in the Excel Financial Workbook (**Attachment D**).
2. As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _____%, if payment is made within _____ days. These payment terms shall apply to all purchases and to all payment methods.
3. Cooperative Purchasing Program: Will your firm provide the City of Tucson, as the lead agency on this regional contract, a rebate in the form of a percentage of sales based upon the other agencies sales?

_____Yes _____No If yes, state proposed percentage: _____%

4. Will payment be accepted via commercial credit card? _____Yes _____No
 - a. If yes, can commercial payment(s) be made online? _____Yes _____No
 - b. Will a third party be processing the commercial credit card payment(s)? _____Yes _____No
 - c. If yes, indicate the flat fee per transaction \$_____ (as allowable, per Section 5.2.E of Visa Operating Regulations).
 - d. If "no" to above, will consideration be given to accept the card? _____Yes _____No
5. Does your firm have a City of Tucson Business License? _____Yes _____No
If yes, please provide a copy of your City of Tucson Business license.

C. Qualifications & Experience

1. Complete the Vendor Information and References Questionnaire **(Exhibit 3)**
2. Complete the Qualifications & Experience Questionnaire **(Exhibit 4)**

III. GENERAL

A. Shortlist:

The City reserves the right to shortlist the offerors based on the stated criteria. However, the City may determine that shortlisting is not necessary.

B. Interviews:

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

C. Additional Investigations:

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

D. Prior Experience:

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

E. Multiple Awards:

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

SPECIAL TERMS AND CONDITIONS

1. INSURANCE:

The Contractor agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least thirty (30) calendar days prior to termination, cancellation, or reduction in coverage in any policy.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The Contractor agrees that the insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
- C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate Per Project	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Arizona)*¹	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
IV. Professional Liability (Errors & Omissions) - In addition to I, II, III	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000
V. Professional Liability – Technology Errors & Omissions - In addition to I, II, III	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

*¹ Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

D. ADDITIONAL INSURANCE REQUIREMENTS: All policies shall include, or be endorsed to include, the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor.
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

E. NOTICE OF COVERAGE MODIFICATIONS: Any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

F. ACCEPTABILITY OF INSURERS: Contractors insurance shall have an "A.M. Best" rating of not less than A-VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

G. VERIFICATION OF COVERAGE: Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

H. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

I. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance.

2. HIPPA PRIVACY ACT and HITECH ACT: The contractor must perform all HIPAA and HITECH privacy compliance tasks at no cost to the City. This includes requirements currently set forth as well as any future requirements required by Federal or State legislation.

- 3. PRICE ADJUSTMENT:** The City will review fully documented requests for price adjustment after any Contract has been in effect for one (1) year. Any price adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The City will determine whether the requested price adjustment or an alternate option, is in the best interest of the City. Any price adjustment will be effective upon the effective date of the Contract extension.
- 4. TERM AND RENEWAL:** The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City of Tucson shall have the right, at its sole option, to renew the Contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

STANDARD TERMS AND CONDITIONS

- 1. ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
- 2. AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.
- 3. AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
- 4. APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
- 5. ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
- 6. CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
- 7. CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
- 8. COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
- 9. CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
- 10. CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
 - A. Amend the contract or enter into supplemental verbal or written agreements;
 - B. Grant time extensions or contract renewals;
 - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

- 11. CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.
- 12. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.

- 13. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 14. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.
- 15. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 16. FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 17. GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.
- 18. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.
- 19. INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractor agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting

requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

20. INDEPENDENT CONTRACTOR: It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

21. INSPECTION AND ACCEPTANCE: All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

22. INTERPRETATION-PAROLE EVIDENCE: This Contract is intended by the parties to be 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 of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

23. LICENSES: Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

24. LIENS: All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

25. NO REPLACEMENT OF DEFECTIVE TENDER: Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

26. NON-EXCLUSIVE CONTRACT: Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.

27. OVERCHARGES BY ANTITRUST VIOLATIONS: The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

28. PAYMENT: The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

- 29. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.
- 30. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 31. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- 32. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 33. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 34. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 35. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 36. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 37. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 38. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 39. TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

40. TITLE AND RISK OF LOSS: The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

41. WARRANTIES: Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

PRICE PAGE

Fees must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, materials, printing, travel and mileage, postage, etc.

The City requires all respondents to provide pricing in an electronic format, using the Excel format provided on our website at www.tucsonprocurement.com, under the "Bid Opportunities" Link. Contractors must state that commissions, if any, are included in the rates.

See **ATTACHMENT D** - Excel Financial Workbook

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Company Name

Name: _____

Address

Title: _____

City State Zip

Phone: _____

Signature of Person Authorized to Sign

Fax: _____

Printed Name

E-mail: _____

Title

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. _____.

CITY OF TUCSON, a municipal corporation

Approved as to form this _____ day of _____, 2016.

Awarded this _____ day of _____, 2016.

As Tucson City Attorney and not personally

Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM
As Director of Procurement and not personally

Instructions to Offerors for completing Attachments and Exhibits:

*****DO NOT ALTER THE QUESTIONS OR QUESTION NUMBERING*****

- Provide answers to the questionnaires in MS Word format.
- **The questionnaire contains different types of formats: Yes or No (with and without narrative) and Narrative. For the Yes or No questions (without narrative), DO NOT provide narrative in your response, except to refer the reader to an appendix or location where additional information is provided, if necessary.**
- Provide an answer to each question even if the answer is “not applicable” or “unknown.”
- Answer the question as directly as possible.
 - If the questions asks “How many...” provide a number
 - If the question asks, “Do you...” indicate Yes or No **first**, followed by your additional narrative explanation.
- Lengthy responses may be truncated when displayed...to avoid this, be concise in your response. Use bullet points as appropriate. Reconsider how to word any response that exceeds 200 words in length so that the response contains the **most important points** you want displayed. Refer the reader to an appendix/attachment for further information.
- Where you desire to provide additional information to assist the reader in more fully understanding a response, refer the reader of your RFP response to your appendix/attachments.
- Offeror will be held accountable for accuracy/validity of all answers.
- RFP responses to the questionnaire will become part of the contract between the winning Vendor and the City.

NOTE: Answers to the questions must be provided in hard copy and MS Word format on Flash Drive.

DO NOT PDF or otherwise protect the Flash Drive.

ATTACHMENTS AND EXHIBITS

Attachments and Exhibits can be downloaded at the following website:

http://www.tucsonprocurement.com/bidders_bidopportunities.aspx?Orderby=ContractNum

ATTACHMENTS

Attachment A	Benefit Summaries ATTACHMENT A1 - Accident 1.0 Benefit Summary ATTACHMENT A2 - Accident 1.0 Outline of Coverage ATTACHMENT A3 - Accident 1.0 Flyer ATTACHMENT A4 - Cancer 1000 Benefit Summary ATTACHMENT A5 - Cancer 1000 Flyer ATTACHMENT A6 - Specified Critical Illness Outline of Coverage ATTACHMENT A7 - Specified Critical Illness Flyer ATTACHMENT A8 - Whole Life Benefit Summary ATTACHMENT A9 - Whole Life LTC Rider ATTACHMENT A10 - Whole Life Flyer ATTACHMENT A11 - Universal Life Benefit Summary ATTACHMENT A12 - Universal Life LTC Rider ATTACHMENT A13 - Universal Life Flyer ATTACHMENT A14 - Disability 1000 Benefit Summary ATTACHMENT A15 - Disability 1000 Outline of Coverage ATTACHMENT A16 - Disability 1000 Flyer ATTACHMENT A17 - Medical Bridge 3000 Hospital Confinement Outline of Coverage ATTACHMENT A18 - Medical Bridge 3000 Hospital Confinement Flyer ATTACHMENT A19 – Public Safety Gunshot Safety Rider Benefit Summary
Attachment B	Deviation Form
Attachment C	Business Associate Agreement
Attachment D	Financial Workbook (Price Page)

EXHIBITS

Exhibit #1	Method of Approach Questionnaire
Exhibit #2A-2H	Method of Approach Benefit Chart Questionnaire
Exhibit #3	Vendor Information & References Questionnaire
Exhibit #4	Qualifications & Experience Questionnaire