



City of Fredericksburg

715 Princess Anne Street, Fredericksburg, VA 22401

REQUEST FOR PROPOSAL (RFP) #23-0310: Health Insurance Administrative Services & Re-insurance

Issue Date: January 6, 2023 • Due Date/Time: January 27, 2023 – 1:00 P.M. (EST)

Interim Purchasing Manager: Mark Whitley / E-mail Address: mwhitley@fredericksburgva.gov

PROPOSAL SUBMISSION: All proposals must be received by the date and time shown on the cover page of this solicitation at the following address. Any proposals received after the stated time and date will be returned unopened. Delivery address: City of Fredericksburg, City Manager's Office, Attn. Mark Whitley, 715 Princess Anne Street, Fredericksburg, VA 22401

Pre-Proposal NON-Mandatory Virtual Go to Meeting will be held January 17, 2023 at 1030 a.m. If you wish to participate, please email Jessica Page for the link at Jessica.Page@usi.com.

CLARIFICATION OF TERMS: If any prospective Offeror has questions about the specifications or other solicitation documents, then it is the Offeror's responsibility to contact the Interim Purchasing Manager **in writing, no later than 4:00 P.M. (EST) January 20, 2023. Oral requests for information will not be accepted.** No further written inquiries will be accepted after this time. **Please note that Attachment E-Q can be obtained by emailing Jessica Page at Jessica.Page@usi.com. These documents will be sent to you in a secure email.** Any revisions to the solicitation will be made only by an addendum issued by the Purchasing Manager. Any addenda, notifications, extensions, cancellations or changes will be posted 10 days prior to the due date and time on the City's website at www.fredericksburgva.gov. No other notification will be provided. It is the responsibility of the prospective Offeror to obtain all current information from either the City website.

PERIOD OF CONTRACT: One-year initial term with up to five successive, one-year renewal options

The undersigned hereby offers and agrees to furnish all goods and/or services in accordance with the attached signed proposal and the mandatory requirements outlined herein, or as mutually agreed upon through subsequent negotiation.

Company Name: _____

Email: _____

Address: _____

Telephone: _____

City/State/ZIP: _____

Fax: _____

Signature: _____

Cell: _____

Printed Name: _____

DUNS Number: _____

Title: _____

eVA Vendor ID: _____

Date: _____

Vendor SCC ID: _____

NOTE: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

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PURPOSE

The purpose of this Request for Proposal (RFP) is to solicit proposals for The City of Fredericksburg (hereinafter referred to as “the City”) to establish one master ordering term agreement, (“contract” or “agreement”) through qualified sources to establish a contract(s) through competitive negotiations associated with providing a group Medical/Prescription Drug Program to the employees of the City of Fredericksburg (Hereafter referred to as the “City”).

The objectives and intent of this RFP:

- A. To provide all eligible employees, Pre-65 retiree and dependents with a quality, affordable medical/prescription drug program and wellness program responsive to the diverse needs of employees;
- B. To partner with a carrier to ensure costs are managed effectively by taking advantage of cost and utilization management opportunities available in the marketplace while maintaining quality;
- C. To obtain dental, vision and EAP services that provide comprehensive coverage while maintaining quality and are cost effective;
- D. To responsibly utilize taxpayer dollars.

BACKGROUND

The City of Fredericksburg has selected USI Insurance Services, LLC. as the Healthcare Program Consultant. USI will be assisting the City with this RFP process. The City is requesting competitive bids for:

1. Medical and Prescription Drug Administrative Services,
2. Medical and Prescription Drug Reinsurance,
3. Dental Benefit Administration,
4. Vision Benefit Administration, and
5. Employee Assistance Program.

Offerors may choose to bid on any or all of the five components outlined above.

Medical and Prescription Drug Administrative Services

The City currently has an Administrative Services Only (ASO) plan with three coverage options administered by Anthem. The current enrollment is approximately 462 subscribers, with expected claims, exclusive of fees, of approximately \$5.7 million. The City covers employees, pre-65 retirees and dependents under this plan. Members must choose among three plans.

Medical and Prescription Drug Reinsurance

The current reinsurance is provided through Anthem. The City has a 125% Aggregate Stop Loss and \$175,000 Specific Stop Loss.

Dental Benefit Administration

The City offers a high and a low plan option to employees, pre-65 retirees and dependents. This is a fully insured program administered by Ameritas.

Vision Benefit Administration

The City offers a plan to employees and dependents. This is a fully insured program administered by EyeMed.

Employee Assistance Program

The City offers an EAP program to employees, pre-65 retirees and dependents through Anthem.

OFFEROR MINIMUM QUALIFICATIONS

Offerors must demonstrate that they have the resources and capability to provide the services as described herein. All offerors shall submit documentation with their proposal indicating compliance with the minimum services to be performed.

Minimum Services to Be Performed

- A. Provide and/or make available necessary, appropriate, and high quality medical and prescription benefits.
- B. Assist with the development of a comprehensive wellness program by supplying appropriate City utilization data, clinical personnel and any other pertinent tools.
- C. Provide high quality, efficient program administration and services including but not limited to:
 - 1. Maintaining central claims and membership files for each covered member (including the identification number or other identifying number, dates of coverage, type of coverage, etc.) for each covered member.
 - 2. Maintaining payment records.
 - 3. Provide state-of-the-art data tracking and claims payment services.
 - 4. Furnish monthly accounting statements by benefit plan including monthly enrollment, premiums, revenues received, amount of claims paid, capitation expenses charged, detailed list of expenses charged, network discounts earned, prescription drug rebates, and claims exceeding the specific stop-loss limit.
 - 5. Provide claims, enrollment, and utilization information for hospital, physician, and prescription drug expenses at a level of detail that will allow for the identification of

the true cost drivers of the plan. Include normative data in conjunction with group-specific data.

6. Provide ID cards directly to members throughout the contract period.
 7. Provide identification cards directly to all covered members prior to the effective date of the program (July 1, 2023). During the contract year, provide identification cards within ten (10) business days of receipt of request.
 8. Meet with the appropriate Employers' management staff(s) within fifteen (15) days after the contract award date to present the proposed communication material, and to jointly establish a preliminary implementation plan and open enrollment program and schedule.
 9. Provide finalized contract to the City for review in a timely manner (15 days).
- D. Offeror shall provide responsive and effective customer service for members related to billing, eligibility, and claims issues. The City requests that the Offeror's customer service representatives respond to questions and resolve issues/problems directly with members rather than referring the members back to the City.
- E. Furnish an electronic copy to each enrolled employee and retiree a benefit booklet (evidence of coverage) outlining and defining all covered services, limitations and exclusions, schedule of benefits, and other plan information requirements. Address your ability to provide one (1) copy to the City on a timely basis, but not later than June 15, 2023. The City will review and approve booklets prior to distribution.
- F. Furnish sufficient copies of a Summary of Benefits and Coverage (SBC) and the Uniform Glossary for each eligible employee and retiree during open enrollment periods. Identify any costs to the City.
- G. Maintain complete and total compliance with the HIPAA legislation as it pertains to Private Health Information.
- H. Agree to release all pertinent data related to the administration and management of the medical and pharmacy program under the Business Associate Agreement to the City of Fredericksburg and USI Insurance Services.
- I. Employee identification numbers shall be created to be used as unique identifiers; social security numbers shall not be used.
- J. Each January 15th prior to the annual contract effective date; provide the City of Fredericksburg and their consultant, a complete detailed underwriting analysis including reinsurance renewal. As required, provide the City of Fredericksburg with the renewal for budget purposes.
- K. Provide the City of Fredericksburg and their Consultant with a detailed annual accounting showing the expenditure of all funds. Enrollment, premium, claims and expenses must be

tracked for the City of Fredericksburg. Provide an estimate of incurred but not reported claims periodically (at minimum annually).

- L. Offeror must provide retiree claims and enrollment reports separately and collectively to assist with the GASB 45 valuation analysis at no additional charge.
- M. Provide a single point of contact responsible for quality control, resolving problems, and expediting services related to the overall performance of the contract.
- N. Offeror shall provide an administrative procedures manual to the City of Fredericksburg to be used to administer the program, including necessary forms and instructions. This should be delivered no later than 15 days after the award of the contract.
- O. Provide a systematic procedure for appeal of claims.
- P. Offeror shall provide a wellness credit of \$20,000 each plan year to help fund programs. The use and access of this credit is based solely on the City meeting wellness program requirements.
- Q. Offeror shall provide proactive disease management programs that address the chronic health condition of the City's population. Reporting of participation and results is required quarterly.
- R. Offeror will provide meaningful reports to the City to identify utilization patterns, trends, etc. Please include sample reports with your proposal.

STATEMENT OF NEEDS

Offerors shall include in the Proposal a description of any significant task not listed in the Statement of Needs which they know to be necessary either as reimbursable expenses under the Contract or as a service to be contracted for separately by the City.

Medical and Prescription Drug Administrative Services

The successful Offeror shall provide a competitive Request for Proposal for Administrative Services Only (ASO) based on the City's current plan design for the plan year beginning July 1, 2023. The City is open to considering different coverage options.

A contract will need to be awarded by City Council in the Spring of 2023 in time for open enrollment to occur in May 2023. The City specifically seeks ASO proposals from medical insurance carriers that meet the following needs:

- 1) Ability to closely match the current benefit plan designs offered and flexibility on other options available;
- 2) Provide competitive pricing on fixed cost and claim costs;
- 3) Provide a comprehensive local and national network of providers and facilities;

- 4) Demonstrate ability to manage claim cost through managed care programs (such as medical management programs, chronic condition programs and wellness programs)
- 5) Provide client management team that is focused on helping the City achieve its medical program goals; and
- 6) Assist the City with open enrollment questions that may arise and with ongoing contract monitoring and reporting.

Currently, the City is self-funded with Anthem with a 125% Aggregate Stop Loss and a paid \$175,000 Specific Stop Loss Limit with terminal liability. The current benefits are outlined in the Attachments. Please provide the following options.

Option 1- Mirror the current funding (125%ASL & \$175,000 SSL) with the current three benefit options. Please note any benefit deviations in Tab 3 as well as include full benefit descriptions of all plans. Please note that the City currently has a two-tier pharmacy network program with different copays for Tier 1 (Preferred Pharmacies) or Tier 2 (Non-Preferred Pharmacies). Tier 1 pharmacies include CVS, Kroger, Costco, Walgreens and Rite Aid. If you offer a tiered pharmacy network, please outline the main pharmacy chains that are included in each network and include member marketing information in Tab 5 of your response. The City is considering moving from a 4-tier rate structure to a 5-tier structure. Please provide expected rates for both in Attachment H. See Attachments I, J, and K for Benefit information.

Prescription Drug	HSA Plan	HealthKeepers	KeyCare
Prescription Drug Out-of-Pocket Limit	Out of Pocket are combined for Medical and Pharmacy; All copays after the Deductible	Separate Pharmacy OOP: \$3,350/\$6,700	Separate Pharmacy OOP: \$3,350/\$6,700
Prescription Drug Copays- Level 1 Four Tiers	\$15/\$50/\$75/20% with a \$250 maximum	\$15/\$50/\$75/20% with a \$250 maximum	\$15/\$50/\$75/20% with a \$250 maximum
Prescription Drug Copays- Level2 Four Tiers	\$20/\$60/\$90/20% with a \$300 maximum	\$20/\$60/\$90/20% with a \$300 maximum	\$20/\$60/\$90/20% with a \$300 maximum
Mail Order copays (Up to 90-day supply)	\$30/\$100/\$150/20% up to \$500 maximum	\$30/\$100/\$150/20% up to \$500 maximum	\$30/\$100/\$150/20% up to \$500 maximum

Option 2- Mirror the current funding (125%ASL & \$175,000 SSL) with the current three benefit options. The only change is to the prescription drug offering, outlined below.

Medical and Prescription Drug Reinsurance

Currently, the City is self-funded with Anthem with a 125% Aggregate Stop Loss and a paid \$175,000 Specific Stop Loss Limit with terminal liability. This is a paid contract. Please also provide pricing for a \$200,000 SSL and a \$225,000 SSL with run-out protection.

Dental Benefit Administration

The City offers a high and a low plan option to employees, pre-65 retirees and dependents. This is a fully insured program administered by Ameritas. Please refer to Attachment N for more information. Please match the benefits as closely as possible.

Vision Benefit Administration

The City offers a plan to employees and dependents. This is a fully insured program administered by EyeMed. Please refer to Attachment O for more information. Please match the benefits as closely as possible.

Employee Assistance Program

The City offers an EAP program to employees, pre-65 retirees and dependents through Anthem. The program covers 4 face to face or video visits per year at no cost. Please refer to Attachment P for more information.

PROPOSAL INSTRUCTIONS - PREPARATION AND SUBMISSION

A. Proposal Requirements

In order to be considered for selection, Offerors should submit a complete response to this RFP.

Proposal Delivery Methods:

Preferred - One (1) original and seven (7) hard copies of each proposal and one (1) electronic copies (CD, DVD, or removable drive) of each proposal must be submitted to the City by the due date and time. If the proposal contains proprietary information, submit one (1) hard copy and electronic copy that DOES NOT contain the proprietary information, and mark it as a REDACTED copy. Any proposals received at the specified location after the deadline will not be considered and shall be returned unopened.

Additionally, please also submit one hard copy and one electronic copy to Jessica Page at:

USI Insurance Services
4840 Cox Rd., Suite 150
Glen Allen, VA 23060

It is the Offeror's responsibility to ensure that proposal packages are received by the time and date indicated at the appropriate location. Proposals submitted elsewhere, including to other City buildings, will not be accepted.

Refer to the cover page of this document for the deadline and for the address.

1. Proposal Preparation

An authorized representative of the Offeror must sign any submitted proposal. All required information should be submitted. If an Offeror fails to submit all information requested, the purchasing agency may require prompt submission of missing information after the receipt of proposal. **Failure to submit all required information may result in a lowered evaluation score of the proposal.** Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. The Offeror is responsible for all costs of proposal preparation. The City is not liable for any costs incurred in preparing a response to the RFP. Emphasis should be placed on completeness and clarity of content.

Proposals should be organized in the order in which the requirements are presented in the RFP. The proposal should contain a table of contents which cross-references the RFP requirements.

Other proposal format requirements include:

- a. The entire proposal response shall be signed and filled out as required. The entire RFP, with signature page, must be included in the ORIGINAL proposal and the ELECTRONIC copy of the proposal. Additional copies must include the signed cover page but need not include the remainder of the original RFP. See Section V, entitled "Proposal Instructions - Preparation and Submission," Item B, entitled "Specific Proposal Submission Instructions" for submittal requirements.
- b. No font smaller than 12 point.
- c. 8½ x 11-inch page size (larger pages are allowed for figures or tables, but they should be folded into the overall proposal and used sparingly.)
- d. All pages should be numbered.

Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

The signed proposal and required number of copies must be returned in a separate envelope, box, or other sealable package, and identified as follows:

Vendor Name	
Street or Box Number	POSTAGE*
City, State, Zip Code	
	<p>City of Fredericksburg City Manager's Office ATTN: <u>Mark Whitley, Interim Purchasing Manager</u> 715 Princess Anne St. Fredericksburg, VA 22401 -OR- Post Office Box 7447 Fredericksburg, VA 22404-7447</p>
<p>Note on the package the due date/time & RFP#/title</p>	

Unsealed proposals may be hand delivered to the designated location in the office issuing the solicitation, please check office hours and for Holiday closures.

No other correspondence or other proposals should be placed in the envelope, box, or other sealable package.

Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the agency. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The issuing agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted.

2. Clarification of Terms

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the Interim Purchasing Manager by the date indicated on the face of the solicitation. All inquiries must be submitted in writing to Mark Whitley, via email, at mwhitley@fredericksburgva.gov. Please include the RFP number and title in the subject line of the message.

Any revisions to the solicitation will be made only by addendum issued by the Interim Purchasing Manager and will be posted on the City's website, www.fredericksburgva.gov No other notification will be made.

3. Proprietary Information

All records pertaining to this procurement are open to inspection by the public under the Virginia Freedom of Information Act unless specifically exempted under Virginia

Code § 2.2-4342. If you want portions of your proposal to be confidential, you must comply with § 2.2-4342(F), which requires that you (i) specifically invoke the protections of § 2.2-4342(F) before or upon submission of the data, (ii) identify the specific data to be protected, and (iii) state the reasons why protection is necessary. You cannot mark pricing information as confidential. If the City cannot tell which *specific* parts of the proposal are marked as confidential, if the entire proposal is marked as confidential, or if you do not completely comply with § 2.2-4342(F), the entire proposal is public information and the City will release it in response to a valid records request, in accordance with the timelines specified in § 2.2-4342(D).

Appendix C provides a format to identify portions of the proposal to keep confidential. Please remember to comply with these requirements.

The classification of the entire proposal document and/or pricing information as proprietary or trade secrets is not acceptable.

B. Specific Proposal Submission Instructions

Proposals should be as thorough and detailed as possible so that the Proposal Evaluation Team can properly evaluate the Offeror's capabilities to provide the required services. Offerors are strongly advised to provide a model for the City's evaluation purposes that represents their solution to all requirements depicted in the RFP, and which is complete, comprehensive, simple and easy to understand. Offerors are required to submit the following items, separated by tabs within the proposal and in sequential order corresponding to the related sections of this RFP:

TAB 1: RFP and Addenda

- The complete RFP with Attachment A, Attachment B, and Attachment C signed and filled out as required. Also, include an original signed copy of any future addenda to this RFP that may be issued.

TAB 2: Qualifications

Describe your firm's background, experience, and qualification related to this type of contract that should include, but not be limited to, the following:

- Resumes of key personnel and principle office locations
- Background and history of the firm
- Qualifications of the firm to meet the City's needs

TAB 3: Proposal

Please describe your firms' proposal and general response to the Minimum Services Performed and the Statement of Needs in this RFP document.

TAB 4: Response to Appendix D

Please include a thorough response to the Appendix D questionnaire, as instructed by Appendix D.

TAB 5: Appendices, Data and Other Submissions

Include any other appendices, data and other information necessary to support your proposal.

TAB 6: Pricing Proposals

The City requests a preliminary estimate of costs, based on your firm's projection for estimated expected claims. The City generally develops premiums off of the Expected Claims amount, plus fees for administrative services and reinsurance.

Please provide an expected premium proposal based upon the following:

Current tiers – Employee Only, Employee Plus One, and Employee plus Family
New Tier – Employee Only, Employee Plus One or Spouse, Employee + Children, Family

Please also include with this tab the additional pricing and fee proposals requested in the RFP and Appendix H.

EVALUATION AND AWARD CRITERIA

The Purchasing Manager will review all proposals received by the proposal submission deadline. Proposals must be complete and responsive to all sections of the RFP. Proposals that do not fulfill all program requirements or omit any of the requested contents may receive a reduced evaluation score. **Failure to meet all mandatory requirements may result in a reduced evaluation score of up to 10% of the total available points.** Selection of the successful offeror will be based upon submission of proposals meeting the selection criteria. The minimum selection criteria will include:

Evaluation Criteria		Weight
1.	Qualifications	10
2.	Proposal Response (Tab 3) + Deviations (Appendix L)	30
3	Network Access & Prescription Drug Access & Program (Appendix D)	50
4	Appendix D Other Factors (Enrollment & Eligibility, Administration, Health Management Services, Data Management, Financial, Reinsurance)	50
5	Customer Service, Account Service, Reporting	10
6	Claims Mitigation & Wellness Programs	10
7.	Proposed Rates & Fees	40
Total		200 Points

PREPROPOSAL CONFERENCE

An optional preproposal meeting will be held on January 17, 2023 at 10:30 a.m. The meeting will be held virtually. If you would like to attend, please email Jessica.page@usi.com for the link.

OFFEROR ELIGIBILITY REQUIREMENTS AND QUALIFICATIONS

The following requirements and qualifications are **MANDATORY** and pertain to the solicitation only. Compliance will determine if Offeror may be deemed eligible for award.

1. **DEBARMENT STATUS:** By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.
2. **MANDATORY USE OF CITY FORM AND TERMS FOR RFPs:** Failure to submit a proposal on the official City form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms of the solicitation may be cause for rejection of the proposal; however, the City reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
3. **QUALIFICATIONS OF OFFERORS:** The City may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the City all such information and data for this purpose as may be requested. **Verification of stated qualifications should be provided with the Offeror's response.** The City reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The City further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the City that such Offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
4. **CONTRACTOR/SUBCONTRACTOR LICENSE REQUIREMENT:** By their signature on this solicitation, Offerors certify and warrant that their firm, and any individual employees and/or subcontractor(s) is/are properly certified and/or licensed by the appropriate federal, state, or other regulatory authorities to provide all goods/services specified or fulfill the requirements delineated herein.
5. **VIRGINIA STATE CORPORATION COMMISSION IDENTIFICATION NUMBER:** Pursuant to Code of Virginia, §2.2-4311.2 subsection B, an Offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its

proposal the identification number issued to it by the State Corporation Commission (SCC). Any Offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its proposal a statement describing why the Offeror is not required to be so authorized. Indicate the above information on the SCC Form provided. Contractor agrees that the process by which compliance with Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the City's use and acceptance of such form, or its acceptance of Contractor's statement describing why the Offeror was not legally required to be authorized to transact business in the Commonwealth, shall not be conclusive of the issue and shall not be relied upon by the Contractor as demonstrating compliance.

6. **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the City will publicly post such notice on the City website, www.fredericksburgva.gov, and the eVA VBO (www.eva.virginia.gov) for a minimum of ten (10) days.
7. **AWARD:** Selection shall be made of multiple Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposal, including price, if so, stated in the Request for Proposal. Negotiations shall be conducted with the Offerors so selected. Price shall be considered but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the agency shall select the Offerors, which, in its opinion, have made the best proposal, and shall award the contract to the Offerors as follows: It is the intent of the City to issue an award to the highest ranking Offeror. The City reserves the right to make awards, for any goods or services, depending upon the capabilities and benefits described in any Offeror's proposal, and as the City deems in its best interest. Such decision shall be based upon the City's sole and exclusive judgment.

The City may cancel this Request for Proposal or reject proposals at any time prior to an award and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (Code of Virginia, § 2.2-4359D). Should the City determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to Offeror(s). The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

GENERAL TERMS

These are mandatory and non-negotiable terms applicable to any contract awarded under this procurement.

A. Assignment. Contractor will not assign or otherwise transfer any of its rights, obligations, or interests in this contract without the written permission of the City.

B. Audit. Contractor will retain all records related to this contract for 5 years after final payment or until audited by the City, whichever comes first. The City may inspect these records upon reasonable notice to Contractor.

C. Authorization to do Business in Virginia. Contractor is authorized to do business in Virginia as a domestic or foreign business entity under Title 13.1 or Title 50 of the Virginia Code. Contractor will not allow its existence to lapse or its certificate of authority or registration to do business in Virginia to be revoked or cancelled during the term of this contract.

D. Choice of Law, Venue. This contract is governed by Virginia law. The Circuit Court of the City of Fredericksburg, Virginia, is the exclusive venue for any litigation regarding this contract.

E. Claims. Contractor must notify the City in writing of its intention to file a claim at the time of the occurrence or beginning of the work upon which the claim is based. All claims must be submitted less than 60 days after the final contract payment.

F. Default. The City is in default 1) if it fails to pay any amount due to Contractor; or 2) upon any other material failure to comply with the terms of the contract. Contractor is in default upon any material failure to comply with the terms of the contract.

A party alleging that the other party is in default must provide the allegedly defaulting party with written notice specifying the alleged default and allow 30 days for the default to be cured.

a. Remedies for Default. If the City does not cure a default after receiving notice, Contractor may a) terminate this contract, and b) exercise all remedies available at law.

b. If the Contractor does not cure a default after receiving notice, the City may a) terminate the contract, b) exercise all remedies available at law, and c) collect liquidated damages if available under Special Contract Terms. If the default is a failure to provide required goods or services, the City may, upon written notice to Contractor, procure those goods or services from other sources and hold Contractor responsible for any resulting additional purchase and administrative costs.

G. Dispute Resolution. The parties will first endeavor to resolve any disputes, claims, or other matters in question between them through direct negotiations, and if direct negotiations fail, by non-binding mediation, with the exclusive venue of the mediation being the City of Fredericksburg. Should the dispute remain unresolved either (i) following negotiation and mediation, or (ii) more than 90 days after a party has requested mediation, either party may institute a lawsuit or chancery action, as appropriate, in Fredericksburg Circuit Court, and may pursue all available appeals in Virginia state courts, to the extent they have jurisdiction.

Any agreement reached in mediation must be reduced to writing and executed by the parties; upon execution, the agreement will be enforceable as a settlement agreement.

H. Drug-Free Workplace. Contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in Contractor's workplace and specifying the actions that will be taken against employees for violating that prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of Contractor that Contractor maintains a drug-free workplace; and (iv) include the terms of this section in every subcontract or purchase order of over \$10,000, so that the terms will be binding upon each subcontractor and vendor.

I. Ethics in Public Contracting. Contractor certifies that its offer is made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this purchase any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

J. Force Majeure. No party to this Agreement shall be liable or responsible to the other party for any failure, interruption, or delay in fulfilling any of its obligations under this agreement, due to events beyond the affected party's control, including natural disaster, act of God, war, armed conflict, pandemic, epidemic, public health crisis, or state of emergency, provided that the affected party gives the other party prompt written notice of the occurrence of the event, stating the period of time the occurrence is expected to continue. The affected party shall use diligent efforts to end the failure, interruption, or delay and ensure the effects of the Force Majeure Event are minimized.

K. Freedom of Information Act. All records pertaining to this contract are open to inspection by the public under the Virginia Freedom of Information Act (Virginia Code § 2.2-3700 et. seq) unless specifically exempted under the Act (including records properly exempted under Code of Virginia § 2.2-4342).

L. Immigration. Contractor does not, and will not during the performance of this contract, knowingly employ an unauthorized alien as defined in federal Immigration Reform and Control Act of 1986. Contractor will register for and participate in the federal E-Verify Program if required to do so under Code of Virginia § 2.2-4308.2. Contractor will provide the City with a copy of their E-Verify "Maintain Company" page to the City upon request. Failure to comply with E-Verify requirements subjects Contractor to automatic disbarment from City procurement until the requirements are met.

M. Indemnification. Contractor will save, defend, hold harmless, and indemnify the City, and all of its elected and appointed officials, officers, employees, agents, departments, agencies, boards, and commissions from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way connected with Contractor's negligent acts, errors or omissions, recklessness or intentionally wrongful conduct of the Contractor in performance or nonperformance of its work under the contract. This indemnification survives the termination of the contract.

N. Insurance. Contractor and any subcontractors will maintain the following insurance coverage, provided by insurance companies authorized by the Virginia SCC to offer insurance in Virginia, during the entire term of the contract. Contractor will provide copies of its Certificates of Insurance to the City.

- a. Workers' Compensation—as required by law.
- b. Employer's Liability--\$100,000.
- c. Commercial General Liability--\$1,000,000 per occurrence and \$2,000,000 in the aggregate. The City must be named as an additional insured on this policy.
- d. Automobile Liability-- \$1,000,000 combined single limit, if any motor vehicle not owned by the City is to be used in performance of the contract.
- e. Professional Liability (i.e. Errors and Omissions) --\$2,000,000 per wrongful act, \$3,000,000 annual policy claims aggregate, if the contract is for accounting, architecture, asbestos contracting, healthcare, insurance/risk management, legal services, engineering, or surveying.

O. Licensing. Contractor will maintain all licenses and certifications required by applicable federal, state, and local governmental entities for provision of the goods and services to be provided under this contract.

P. Modifications. Only the City Manager or City Purchasing Manager may modify this contract on behalf of the City. Only the original signatory of the contract on behalf of Contractor, or another individual authorized in writing by Contractor to modify the contract, may modify the contract on behalf of Contractor. Modifications to this contract can only be authorized in accordance with Code of Virginia § 2.2-4309. Modifications can only be authorized by the following methods:

City and Contractor may agree in writing to modify the terms of the contract. Any additional goods or services to be provided must be of a sort that is ancillary to, or within the same broad product or services categories as, those provided for in the original contract.

The City may issue written change orders for changes such as services to be performed, methods of packing or shipping, and place of delivery or installation. If Contractor determines that the change order will not necessitate a change in compensation or schedule, Contractor will comply with the change order upon receipt. If Contractor

determines that the change order will necessitate a change in compensation or schedule, Contractor will notify the City of that determination, and only proceed to comply with the change order upon the City's written approval.

The contract may be renewed by agreement if provided for in the description of the contract term. Contractor shall not require any employee or agent of the City other than the City Manager or Purchasing Manager to execute any additional contract, license, or other agreement pertaining to this contract.

Q. Non-appropriation. All funds for payments after June 30 of the current fiscal year are subject to appropriation by the City Council. If Council does not appropriate the required funds, the City will terminate this contract on June 30 of the then-current fiscal year.

R. Non-Discrimination. Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. Contractor will post in conspicuous places, available to employees and applicants for employment, notices stating the terms of this section. Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that the contractor is an equal opportunity employer. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation are sufficient for the purposes of this section. Contractor will include the terms of this section in every subcontract or purchase order of over \$10,000, so that the terms will be binding upon each subcontractor and vendor. Contractor will conform to the Federal Civil Rights Act of 1964, the Virginia Fair Employment Contracting Act of 1975, the Virginians with Disabilities Act, and § 2.2-4343.1E of the Virginia Public Procurement Act.

S. Notices. Any notices pertaining to this contract must be sent by first-class mail to:

a. To the City:

Fredericksburg City Manager
P.O. Box 7447
Fredericksburg, Virginia 22404-7447

b. To the Contractor:

The address listed on Contractor's Proposal or Bid. Contractor may change its address for notices by notifying the City in writing of the change.

T. Payments. Contractor must provide its federal employer identification number and VA W-9 to the City before requesting payment.

Contractor will submit itemized invoices, with appropriate documentation, to the City, at the payment address shown on the purchase order or contract. All invoices must show the City contract or purchase order number and Contractor's federal employer identification

number. No invoice may include any cost other than those listed in the contract or in an individual purchase order referencing the contract.

The City will pay invoices within 30 days of receipt. Any invoice not paid within 30 days will accrue 1% interest per month. When payment is made by mail, the date of the postmark will be considered the date of payment. If offset proceedings have been instituted under the Virginia Debt Collection Act, the date of offset will be considered the date of payment. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time an order is placed. In these cases, payments are contingent on the City's determination that all invoiced charges are reasonable. The City will notify Contractor within 30 days of invoice of any charges it determines to be unreasonable. Payment for those charges will be suspended until a settlement is reached. Contractor will not take legal action concerning the charges unless a settlement is not reached within 30 days of notification.

U. Payments to Subcontractor. Within 7 days after receipt of payment by the City for work performed by a subcontractor, Contractor shall a) pay the subcontractor for the proportionate share of the total payment received from the City attributable to the subcontractor's work, or b) notify the City and the subcontractor, in writing, of Contractor's intention to withhold payment and the reason for withholding the payment. Contractor will pay interest of 1% per month to subcontractors on all amounts owed to the subcontractors which has not been paid or withheld under the terms of the preceding paragraph. Contractor must require individual subcontractors to provide their social security numbers, and proprietorship, partnership, and corporate subcontractors to provide their federal employee identification numbers. Contractor will provide this information to the City upon request. Contractor must require subcontractors to include the terms of this section in all contracts with other subcontractors.

V. Prime Contractor and Subcontractors. Contractor has prime responsibility for all services and goods to be provided under this contract, specifically including adequate supervision of work to be performed. This contract is only between Contractor and the City, and Contractor accepts full responsibility for the work performed and goods provided by, and the acts and omissions of, its subcontractors.

Subcontractor will not subcontract for any part of this contract without the advance written permission of the City Purchasing Manager. Contractor will provide the names, qualifications, and experience of any proposed subcontractors to the City Purchasing Manager.

W. Relation to City. Contractor is an independent contractor of the City. This contract does not create an employment relationship between the City and Contractor or any of its employees.

X. Severability. If any provision of this agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of the agreement remain in full force, if the essential terms and conditions of the agreement for each party remain valid, binding, and enforceable.

Y. Strict Performance. The failure of a party to insist upon the other party's strict performance of the terms of the contract is not a waiver of the right to insist upon strict performance of those terms at a later time.

Z. Termination. The City may terminate this contract for any reason upon 30 days' notice to Contractor. The City will promptly pay all amounts already earned by Contractor and reasonable expenses incurred in reliance upon the contract, up to the effective date of the termination. Receipt of the notice does not affect Contractor's obligations under the contract, including fulfillment of outstanding orders, up to the effective date of termination. The parties can agree to terminate this contract at any time.

SPECIAL TERMS

1. **Term.** The initial term contract period will be for one year from the date of award, based on a July 1 implementation date. All orders and related documents shall survive the period of performance stated in this section until such time as all Orders (executed prior to the expiration of the date of the Contract) have been completely performed or services delivered.
2. **Cooperative Procurement.** Public bodies other than the City of Fredericksburg may purchase goods and services from Contractor under the terms of this contract, under Virginia Code § 2.2-4304.
3. **Confidentiality.** Contractor will hold confidential any information provided by the City under this contract. Contractor will not disclose this information to any third party, during or after the term of this contract, unless required to do so by valid court order or subpoena.
4. **Project Manager.** Contractor shall designate an employee as project manager for this contract. Contractor shall not assign any duties to the project manager that would conflict with the manager's responsibilities under this contract. Contractor will only designate a different project manager with the City's written permission, which will not be unreasonably withheld.

The project manager is responsible for coordination of all of Contractor's work under the contract, such as overall control over Contractor's work, communication with the City's point-of-contact, securing required approvals and permissions (work orders, etc.) from the City, attending meetings with the City, and consulting with the City as requested.

5. **No Other Costs.** Contractor warrants that the City will incur no costs either on a one-time or continuing basis, other than those specified in this contract.
6. **Personnel.** All of Contractor's personnel providing goods and services under the contract shall be adequately qualified to provide those goods and services. Contractor shall remove from the project and replace any of Contractor's personnel that the City deems unsuitable for the project.
7. **Assessment Reviews.** Contractor and the City shall meet weekly through the contract term at the City or via phone conference, to review the planning and progress of the project. Contractor's project manager shall attend all of these meetings. Contractor shall respond promptly to any concerns raised by the City at the meetings.
8. **Ownership of Documents.** All information supplied by the City under this contract remains the sole property of the City. All materials (such as methods, formulae, processes, improvements, strategies, data, and original works of authorship) prepared by Contractor specifically in performance of this contract become property of the City. Upon completion of the task orders or termination of the contract, the Contractor shall promptly return to the City all data supplied by the City still in Contractor's possession, and Contractor shall turn over to the City originals of all materials prepared specifically in performance of this contract, in hard copy, electronic format, or both, as desired by the City. Contractor assigns to City the copyrights to all work prepared, developed, or created under this contract, including the right to: 1) reproduce the work; 2) prepare derivative works; 3) distribute copies to the public; and 4) display the work publicly.
9. **Advertising.** Contractor will not make any news or advertising releases pertaining to this contract for any purpose, specifically including use for marketing references, without advance written permission from the City.

METHOD OF PAYMENT

The contractor shall be paid using one of the following methods for all procurements:

1. Small Purchase Charge Card (SPCC): At the time of verified receipt of goods or services, if the Contractor accepts credit cards in payment, the City will authorize payment by SPCC, currently Bank of America Visa. Any "Check-out fees" imposed by the contractor must be disclosed prior to the purchase and shall be detailed in a separate line item on the receipt at point of sale. No check-out fee or surcharge may be greater than 4% of the total sale.
2. Check or ACH: Payment will be made 30 days after satisfactory performance of the contract in all provisions thereof and upon receipt of a properly completed invoice, whichever is later; in accordance with the Virginia Prompt Payment Act. Ref.: Code of Virginia, Sections 11-62.1 through 11-62.9.

ATTACHMENTS

Attachment A	Vendor Data Sheet
Attachment B	State Corporation Commission Form
Attachment C	Proprietary and Confidential Information
Attachment D	Questionnaire
Attachment E	Claims Experience & High Dollar Claims <i>(Paid claims and enrollment by month)</i>
Attachment F	Hospital & Provider Checklist <i>(Please do not sort these files)</i>
Attachment G	Formulary Checklist <i>(Please do not sort these files)</i>
Attachment H	Price Quotation Exhibits
Attachment I	HealthKeepers 20
Attachment J	KeyCare 300
Attachment K	HSA Plan
Attachment L	Current Benefit Overview & Deviations
Attachment M	Census
Attachment N	Dental Benefits
Attachment O	Vision Benefits
Attachment P	EAP Benefit
Attachment Q	Employee Rates

Please note that Attachment E-Q can be obtained by emailing Jessica Page at Jessica.Page@usi.com. These documents will be sent to you in a secure email. Please return Attachment D, F, G, H & L.

ATTACHMENT A.

Vendor Data Sheet

Note: The following information is required as part of your response to this solicitation. Failure to complete and provide this sheet may result in finding your bid nonresponsive. (In the case of a two-step IFB, it may cause the proposal portion to be determined to be not acceptable.)

1. Qualification: The vendor must have the capability and capacity in all respects to satisfy fully all of the contractual requirements.
2. Vendor's Primary Contact:
Name: _____ Phone: _____
3. Years in Business: Indicate the length of time you have been in business providing this type of good or service:
_____ Years _____ Months
4. Vendor Information: eVA Vendor ID or DUNS Number: _____
4. References: Indicate below a listing of at least four (4) current or recent accounts, either commercial or governmental, that your company is servicing, has serviced, or has provided similar goods. Include the length of service and the name, address, and telephone number of the point of contact.

- A. Company: _____ Contact: _____
Phone: (____) _____ Email: _____
Project: _____
Dates of Service: _____ Dollar Value: _____
- B. Company: _____ Contact: _____
Phone: (____) _____ Email: _____
Project: _____
Dates of Service: _____ Dollar Value: _____
- C. Company: _____ Contact: _____
Phone: (____) _____ Email: _____
Project: _____
Dates of Service: _____ Dollar Value: _____

I certify the accuracy of this information.

Signed: _____ Title: _____

Date: _____

ATTACHMENT B.

State Corporation Commission Form

This form must be returned with response to solicitation

Virginia State Corporation Commission ("SCC") registration information: The undersigned Offeror:

is a corporation or other business entity with the following SCC identification number:

-OR-

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust

-OR-

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location)

-OR-

is an out-of-state business entity that is including with this bid an opinion of legal counsel which accurately and completely discloses the undersigned offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of §13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

****NOTE**** Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver):

Signature: _____ Date: _____

Name: _____

Print

Title: _____

Name of Firm: _____

ATTACHMENT C.

Proprietary/Confidential Information Identification

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the *Virginia Freedom of Information Act*; however, the Offeror must invoke the protections of § 2.2-4342F of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers, and state the reasons why protection is necessary. The proprietary or trade secret material submitted in the original and all copies of the proposal must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of proprietary information submitted shall be submitted on this form. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal will be rejected.

Name of Offeror: _____ invokes the protections of § 2.2-4342F of the *Code of Virginia* for the following portions of my proposal submitted on _____.

Date

Signature: _____

Title: _____

DATA/MATERIAL TO BE PROTECTED	SECTION NO. & PAGE NO.	REASON WHY PROTECTION IS NECESSARY