

<p>STRATEGIC PURCHASING DIVISION</p>	<p><b>CITY OF HOUSTON, TEXAS</b>  <b>NOTICE OF REQUEST FOR PROPOSAL (RFP)</b>  <b>SOLICITATION NO.: S37-T24838</b></p>	<p><i>"PARTNERING TO  BETTER SERVE  HOUSTON"</i></p>
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NIGP CODE: 918-40

SOLICITATION DUE DATE/TIME: January 9, 2014 at 2:00 P.M., CST

SUBMITTAL LOCATION: City Secretary's Office  
City Hall Annex, Public Level  
900 Bagby Street  
Houston, Texas 77002

DESCRIPTION: **CONSULTING SERVICES and DATA WAREHOUSE**  
for the  
**HUMAN RESOURCES DEPARTMENT**

PRE-PROPOSAL CONFERENCE:	<table border="0"> <tr> <td><i>Date</i></td> <td><i>Time</i></td> <td><i>Location</i></td> </tr> <tr> <td>12/17/2013</td> <td>9:30 A.M.</td> <td>611 Walker Street, Houston, TX 77002, Garden Level Auditorium</td> </tr> </table>	<i>Date</i>	<i>Time</i>	<i>Location</i>	12/17/2013	9:30 A.M.	611 Walker Street, Houston, TX 77002, Garden Level Auditorium
<i>Date</i>	<i>Time</i>	<i>Location</i>					
12/17/2013	9:30 A.M.	611 Walker Street, Houston, TX 77002, Garden Level Auditorium					

In accordance with T.L.G.C. § Chapter 252, competitive sealed Proposals for the services specified will be received by the City Secretary's Office of the City of Houston at the above specified location, until the time and date cited. Offers must be in the actual possession of the City Secretary's Office on or prior to the time and date, and at the location indicated above. Late offers will not be considered.

Offers must be submitted in a sealed envelope or package with the Solicitation Number and the Proposer's name and address clearly indicated on the envelope or package. All offers must be completed in ink or typewritten. Additional instructions for preparing an offer are included in this Solicitation.

**PROPOSERS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION**

Solicitation Contact Person:

JOYCE HAYS

Name

joyce.hays@houstontx.gov

E-Mail Address



City Purchasing Agent

12/12/2013

Date

Please go to the **Consulting Services and Data Warehouse RFP** on the Proposal Tech website at <https://www.proposaltech.com/home/app.php/register>. This is a secured website for proposers to complete the online RFP.

If you are interested in providing consulting services and or a data warehouse to the City of Houston, please review and comply with the terms, conditions, and instructions set forth in the **electronic RFP on the Proposal Tech website**. To constitute a valid proposal, Proposal submission requirements are as follows:

- Submit one (1) original computer generated proposal from the Proposal Tech website signed in BLUE ink by an individual legally authorized to bind the Proposer. Printed copies of the proposal must be bound and sealed when submitted. The original, primary binder will contain original signatures of all signed documents and exhibits and must be boldly labeled "ORIGINAL" on both the front cover and spine of the binder.
- Four (4) additional printed copies and (4) CD copies of your electronic proposal as filed on the Proposal Tech website, including all exhibits. These copies must also be bound, labeled (spine and front cover) and sealed.
- All hard copies are to be submitted in sealed envelopes or boxes and delivered to:

City of Houston  
Office of the City Secretary  
ATTN: Human Resources Department  
**Consulting Services and Data Warehouse Proposal**  
900 Bagby, Room P101  
Houston, TX 77002

**The deadline for submitting a proposal is 2:00 pm (CDST) Thursday, January 9, 2014.**

**If you have any questions regarding the RFP, please use the "Ask Question" feature in Proposal Tech. This is located on the left menu as "Ask Question".** The City of Houston reserves the right to reject any or all proposals or to accept any proposal or portion of a proposal deemed to be in the City's best interest.

**SPECIAL INSTRUCTIONS TO PROPOSER(S)**  
**SOLICITATION NO. S37-T24838**

**1.0 SUBMITTAL PROCEDURE:**

- 1.1 Six (6) copies of the Proposal, including one (1) printed original signed in BLUE ink, and additional Six (6) electronic CD copies are to be submitted in a sealed envelope bearing the assigned Solicitation Number, located on the first page of the RFP document to:

City Secretary's Office  
City Hall Annex  
900 Bagby  
Houston, Texas 77002

- 1.2 The deadline for the submittal of the Proposal to the City Secretary's Office is no later than the date and time as indicated on the first page of the RFP document. Failure to submit the required number of copies as stated above may be subject for disqualification from the Proposal process.
- 1.3 Respondents may elect to either mail or personally deliver their Proposals to the City Secretary's Office.
- 1.4 The City of Houston shall bear no responsibility for submitting responses on behalf of any Proposer. Proposer(s) may submit their Proposal to the City Secretary's Office any time prior to the stated deadline.

**2.0 PROPOSAL FORMAT:**

- 2.1 2.1 The Proposal should be electronically generated from the Proposal Tech website which is located at the link below, and the printed original signed in ink. They should not be submitted in elaborate or expensive binders. Legibility, clarity, and completeness are important and essential.

(<https://www.proposaltech.com/home/app.php/register>)

- 2.2 This is a secured website for Proposers to complete the online RFP. Please follow the instructions on the Proposal Tech website to access the online RFP. The city does not assume responsibility for the vendors' failure to receive any addendum or Letter of Clarification placed on the Proposal Tech website.
- 2.3 If Proposers experience any difficulties or have any questions with this process, they can contact Proposal Tech support at 877-211-8316 x84.
- 2.4 The Proposal must be signed by an individual(s) legally authorized to bind the Proposer(s), and must contain a statement that the Proposal and the prices contained therein shall remain firm for a period of one hundred-eighty (180) days.

**3.0 PRE-PROPOSAL CONFERENCE:**

- 3.1 A Pre-Proposal Conference will be held at the date, time, and location as indicated on the first page of the RFP document. Interested Proposer(s) should plan to attend. It will be assumed that potential Proposer(s) attending this meeting have reviewed the RFP in detail, and are prepared to bring up any substantive questions not already addressed by the City.

**4.0 ADDITIONAL INFORMATION AND SPECIFICATION CHANGES:**

- 4.1 Requests for additional information and questions should be addressed to the Finance Department, Strategic Purchasing Division Buyer, Joyce Hays, telephone: 832.393.8723, fax: 832.393.8759, or e-mail (preferred method to): [joyce.hays@houstontx.gov](mailto:joyce.hays@houstontx.gov), **no later than Monday, January 6, 2014 at 11:00 a.m. CST**. The City of Houston shall provide written response to all questions received in writing before the submittal deadline. Questions received from all Proposer(s) shall be answered and sent to all Proposer(s) who are listed as having obtained the RFP. Proposer(s) shall be notified in writing of any changes in the specifications contained in this RFP.

**SPECIAL INSTRUCTIONS TO PROPOSER(S)**  
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**5.0 LETTER(S) OF CLARIFICATION:**

- 5.1 All Letters of Clarification and interpretations to this Solicitation shall be in writing. Any Letter of Clarification(s) or interpretation that is not in writing shall not legally bind the City of Houston. Only information supplied by the City of Houston in writing or in this RFP should be used in preparing Proposal responses.
- 5.2 The City does not assume responsibility for the receipt of any Letters of Clarification sent to Proposer(s).

**6.0 EXAMINATION OF DOCUMENTS AND REQUIREMENTS:**

- 6.1 Each Proposer shall carefully examine all RFP documents and thoroughly familiarize themselves with all requirements prior to submitting a Proposal to ensure that the Proposal meets the intent of this RFP.
- 6.2 Before submitting a Proposal, each Proposer shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and requirements affecting the requirements of this RFP. Failure to make such investigations and examinations shall not relieve the Proposer from obligation to comply, in every detail, with all provisions and requirements of the RFP.

**7.0 EXCEPTIONS TO TERMS AND CONDITIONS:**

- 7.1 All exceptions included with the Proposal shall be submitted in a clearly identified separate section of the Proposal in which the Proposer clearly cites the specific paragraphs within the RFP where the Exceptions occur. Any Exceptions not included in such a section shall be without force and effect in any resulting contract unless such Exception is specifically referenced by the City Purchasing Agent, City Attorney, Director(s) or designee in a written statement. The Proposer's preprinted or standard terms will not be considered by the City as a part of any resulting contract.
- 7.2 All Exceptions that are contained in the Proposal may negatively affect the City's Proposal evaluation based on the evaluation criteria as stated in the RFP, or result in possible rejection of Proposal.

**8.0 POST-PROPOSAL DISCUSSIONS WITH PROPOSER(S):**

- 8.1 It is the City's intent to commence final negotiation with the Proposer(s) deemed most advantageous to the City. The City reserves the right to conduct post-Proposal discussions with any Proposer(s).

**9.0 PROTEST:**

- 9.1 A protest shall comply with and be resolved, according to the City of Houston Procurement Manual [http://purchasing.houstontx.gov/docs/Procurement\\_Manual.pdf](http://purchasing.houstontx.gov/docs/Procurement_Manual.pdf) and rules adopted thereunder. Protests shall be submitted in writing and filed with both, the City Attorney and the Solicitation contact person. A pre-award protest of the RFP shall be received five (5) days prior to the solicitation due date and a post-award protest shall be filed within five (5) days after City Council approval of the contract award.
  - 9.1.1 A protest shall include the following:
    - 9.1.1.1 The name, address, e-mail, and telephone number of the protester;
    - 9.1.1.2 The signature of the protester or its representative who has the delegated authority to legally bind its company;
    - 9.1.1.3 Identification of the RFP description and the RFP or contract number;
    - 9.1.1.4 A detailed written statement of the legal and factual grounds of the protest, including copies of relevant documents, etc.; and
    - 9.1.1.5 The desired form of relief or outcome, which the protester is seeking.

**SPECIAL INSTRUCTIONS TO PROPOSER(S)**  
**SOLICITATION NO. S37-T24838**

**10.0 NO CONTACT PERIOD:**

10.1 Neither Proposer(s) nor any person acting on Proposer(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise gratuities, favors, or anything of value to any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the award, aside from Proposer's formal response to the solicitation, communications publicly made during the official pre-proposal conference, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Proposer(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Proposer. However, nothing in this paragraph shall prevent a Proposer from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action.

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**UNIFORM INSTRUCTIONS TO PROPOSER(S)**  
**SOLICITATION NO. S37-T24838**

- 1.0 This RFP does not commit the City of Houston to award a contract, issue a purchase order, or to pay any costs incurred in the preparation of a Proposal in response to this request.
- 2.0 The Proposals will become part of the City's official files without any obligation on the City's part. All Responses shall be held confidential from all parties other than the City until after the contract is awarded. Afterward, the Proposals shall be available to the public.
- 3.0 The City of Houston shall not be held accountable if material from responses is obtained without the written consent of the Proposer by parties other than the City, at any time during the Proposal evaluation process.
- 4.0 In the event a Proposer submits trade secret information to the City, the information must be clearly labeled as a "**Trade Secret.**" The City will maintain the confidentiality of such trade secrets to the extent provided by law.
- 5.0 Proposer(s) shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the City of Houston (including any and all members of Proposal evaluation committees).
- 6.0 Proposer(s) shall not collude in any manner, or engage in any practices, with any other Proposer(s), which may restrict or eliminate competition, or otherwise restrain trade. This is not intended to preclude subcontracts and joint ventures for the purposes of: a) responding to this RFP; or b) establishing a project team with the required experience and/or capability to provide the goods or services specified herein. Conversely, the City can combine or consolidate Proposals, or portions thereof, for the purposes mentioned above.
- 7.0 All Proposals submitted must be the original work product of the Proposer. The copying or paraphrasing of the work product of another Proposer is not permitted.
- 8.0 The RFP and the related responses of the selected Proposer will by reference (within either a contract or purchase order) become part of any formal Agreement between the selected Proposer and the City. The City and the selected Proposer may negotiate a Contract or contracts for submission to City Council for consideration and approval. In the event an Agreement cannot be reached with the selected Proposer, the City reserves the right to select an alternative Proposer. The City reserves the right to negotiate with alternative Proposer the exact terms and conditions of the contract.
- 9.0 Proposer(s), their authorized representatives and their agents are responsible for obtaining, and will be deemed to have, full knowledge of the conditions, requirements, and specifications of the RFP at the time a Proposal is submitted to the City.
- 10.0 The Agreement(s) shall become effective on or about **March 1, 2014** for a term of three (3) years. The City of Houston reserves the option of extending the Agreement(s) on an annual basis for two (2) additional one-year terms, or portions thereof.
- 11.0 If necessary for the completion of tasks required under the project, the City will provide reasonable working space to the Prime Contractor.
- 12.0 Clerical support and reproduction of documentation costs shall be the responsibility of the Prime Contractor. If required, such support and costs shall be defined in the negotiated Agreement.
- 13.0 Prime Contractor personnel essential to the continuity, and the successful and timely completion of the project should be available for the duration of the project unless substitutions are approved in writing by the City Project Director.
- 14.0 The Prime Contractor will be expected to adhere to all standard contractual requirements of the City which shall include, but are not limited to, provisions for: Time Extensions; Appropriation of Available Funds; Approvals; Term and Termination; Independent Contractor; Business Structure and Assignments; Subcontractors; Parties in Interest; Non-Waiver; Applicable Laws; Notices; Use of Work Products; Equal Employment Opportunity; Force Majeure; and Inspections and Audits.

**UNIFORM INSTRUCTIONS TO PROPOSER(S)**  
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- 15.0 The City may terminate its performance under a contract in the event of a default by the Prime Contractor and a failure to cure such default after receiving notice of default from the City. Default may result from the Prime Contractor's failure to perform under the terms of the contract or from the Prime Contractor becoming insolvent, having a substantial portion of its assets assessed for the benefit of creditors, or having a receiver or trustee appointed.
- 16.0 Prime Contractor must promptly report to the City Project Director any conditions, transactions, situation, or circumstances encountered by the Prime Contractor which would impede or impair the proper and timely performance of the contract.
- 17.0 The City of Houston has sole discretion and reserves the right to cancel this RFP or to reject any or all Proposals received prior to contract award.
- 18.0 The City reserves the right to waive any minor informality concerning this RFP, or to reject any or all Proposals or any part thereof.
- 19.0 The City reserves the right to request clarity of any Proposal after they have been received.
- 20.0 The City reserves the right to select elements from different individual Proposals and to combine and consolidate them in any way that best serves the City's interest. The City reserves the right to reduce the scope of the project and evaluate only the remaining elements from all Proposals. The City reserves the right to reject specific elements contained in all Proposals and to complete the evaluation process based only on the remaining items.
- 21.0 The selected Proposer(s) must furnish a "Certificate of Registration" which authorizes them to conduct business in the State of Texas prior to the awarding of the contract. Such Registration is obtained from the Texas Secretary of State's Office, which will also provide the certification thereof.
- 22.0 After contract execution, the successful Proposer shall be the Prime Contractor and responsible party for contracting and communicating the work to be performed to subcontractors, and for channeling other information between the City and subcontractors. Any subcontracting must be specified in the Proposal. Any subcontracting not specified in the Proposal will need prior written approval from the City Purchasing Agent.
- 23.0 Prime Contractor assumes total responsibility for the quality and quantity of all work performed, whether it is undertaken by the Prime Contractor or is subcontracted to another organization.
- 24.0 If subcontractor involvement is required in the use of license, patent, or proprietary process, the Prime Contractor is responsible for obtaining written authorization from the subcontractor to use the process, or provide another process comparable to that which is required and which is acceptable to the City, all at no additional cost or liability to the City.

## GENERAL TERMS AND CONDITIONS

### 1.0 INDEMNITY AND RELEASE:

#### 1.1 RELEASE

PRIME CONTRACTOR/SUPPLIER AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

#### 1.2 INDEMNIFICATION

PRIME CONTRACTOR/SUPPLIER AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- 1.2.1 PRIME CONTRACTOR/SUPPLIERS AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1.1-1.3, "PRIME CONTRACTOR/SUPPLIER") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;
- 1.2.2 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT; AND
- 1.2.3 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT.
- 1.2.4 PRIME CONTRACTOR/SUPPLIER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. PRIME CONTRACTOR/SUPPLIER'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. PRIME CONTRACTOR/SUPPLIER SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.
- 1.2.5 CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE CITY) FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS CONTRACTOR FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. CONTRACTOR SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED. CONTRACTOR SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT. WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, CONTRACTOR SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT, SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND CONTRACTOR SHALL REFUND THE PURCHASE PRICE.

#### 1.3 INDEMNIFICATION-SUBCONTRACTOR'S INDEMNITY

## GENERAL TERMS AND CONDITIONS

1.3.1 CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

### **2.0 INDEMNIFICATION PROCEDURES:**

2.1 Notice of Claims. If the City or Prime Contractor receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 days. The notice must include the following:

2.1.1 A description of the indemnification event in reasonable detail,

2.1.2 The basis on which indemnification may be due, and

2.1.3 The anticipated amount of the indemnified loss.

2.2 This notice does not stop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 30-day period, it does not waive any right to indemnification except to the extent that Prime Contractor/Supplier is prejudiced, suffers loss, or incurs expense because of the delay.

2.3 Defense of Claims.

2.3.1 Assumption of Defense. Prime Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Prime Contractor/Supplier shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Prime Contractor must advise the City as to whether or not it will defend the claim. If Prime Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

2.3.2 Continued Participation. If Prime Contractor elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Prime Contractor may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Prime Contractor does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

### **3.0 INSURANCE REQUIREMENTS:**

3.1 The Contractor shall obtain and maintain in effect prior to any demonstration or testing of its product on actual City vehicles during the evaluation phase of this Request for Proposals and during the term of this Agreement, insurance coverage as set forth below and shall furnish certificates of insurance showing the City as an additional insured, in duplicate form, prior to the beginning of the Contract or the beginning of any demonstration or testing phase prior to execution of the Contract, as applicable. . ENDORSEMENTS NAMING THE CITY AS AN ADDITIONAL INSURED SHALL NOT BE REQUIRED FOR THE DEMONSTRATION AND EVALUATION PERIODS BUT MUST BE FURNISHED BY CONTRACT PRIOR TO EXECUTION OF THE CONTRACT IF AWARDED.

3.2 Comprehensive General Liability including Contractual Liability and Automobile Liability insurance shall be in at least the following amounts:

3.2.1 Commercial General Liability Insurance including Contractual Liability:

3.2.1.1 \$500,000 per occurrence

## GENERAL TERMS AND CONDITIONS

- 3.2.1.2 \$1,000,000 aggregate, (defense costs excluded from face value of the policy)
- 3.2.2 Workers' Compensation:
  - 3.2.2.1 Amount shall be statutory amount
  - 3.2.2.2 **Employer's Liability cannot be used as a substitute for Workers' Compensation**
- 3.2.3 Automobile Liability (See Note Below):
  - \$1,000,000 Combined Single Limit per occurrence
  - Defense costs are excluded from the face amount of the policy. Aggregate Limits are per 12-month policy period unless otherwise indicated.
- 3.2.4 Employer's Liability:
  - 3.2.4.1 Bodily injury by accident \$100,000 (each accident)
  - 3.2.4.2 Bodily injury by disease \$100,000 (policy limit)
  - 3.2.4.3 Bodily injury by disease \$100,000 (each employee)
- 3.2.5 Professional Liability (USE ONLY If Applicable)
  - 3.2.5.1 \$1,000,000 per occurrence \$1,000,000 aggregate
- 3.3 Automobile liability insurance for autos furnished or used in the course of performance of this contract including Owned, Non-owned and Hired Auto coverage (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto coverage.) If no autos are owned by the Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT MUST BE COVERED IN THE LIMITS SPECIFIED.
- 3.4 If the City of Houston requires you to maintain in effect insurance coverage during the term of a contract resulting from the City's acceptance of your response to this request for proposal ("potential contract"), all of your insurance policies must require on their face, or by endorsement, that your insurance carrier waives any rights of subrogation against the City of Houston except for Professional Liability insurance. You must give 30-days' written notice to the City Purchasing Agent if any of your insurance policies are to be cancelled, materially changed, or not renewed. Within this 30-day period, you shall provide other suitable policies in lieu of those about to be canceled, materially changed, or not renewed so as to maintain in effect the required coverage. If you do not comply with this requirement, the Purchasing Agent, at his or her sole discretion, may: (1) immediately suspend you from any further performance under the potential contract and begin procedures to terminate for default, or (2) purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to you under the potential contract.
- 3.5 If any part of the work is sublet, similar insurance shall be provided by or in behalf of the Subcontractor to cover their operations, and the Contractor shall furnish evidence of such insurance, satisfactory to the City. In the event a Subcontractor is unable to furnish insurance in the limits required under the contract, the Contractor shall endorse the Subcontractor as an Additional Insured on their policies excluding Workers' Compensation and Employer's Liability.
  - 3.5.1 (See Insurance Requirements Exhibit for a sample insurance certificate format.)
  - 3.5.2 Only unaltered original insurance certificates endorsed by the underwriter are acceptable. Photocopies are unacceptable.

## GENERAL TERMS AND CONDITIONS

- 3.6 Contractor shall maintain in effect certain insurance coverage, which is described as follows:
- 3.6.1 Form of Policies: The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Contractor from its duties to provide the required coverage under this Agreement. The Director's actions or in-actions do not waive the City's right under this Agreement.
- 3.6.2 Issuers of Policies: The issuer of any policy shall have a Certificate of Authority to transact insurance business in Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide, Property-Casualty United States.
- 3.6.3 Insured Parties: Each policy, except those for Workers Compensation, Employer's Liability, and Professional Liability, must name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements.
- 3.6.4 Deductibles: Contractor shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.
- 3.6.5 Cancellation: Each policy must state that it may not be canceled, materially modified, or non-renewed unless the contractor gives the Director 30 days' advance written notice. Contractor shall give written notice to the Director within five days of the date on which total claims by any party against Contractor reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
- 3.6.6 Subrogation: Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees, except for Professional Liability insurance.
- 3.6.7 Endorsement of Primary Insurance: Each policy, except Worker's Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.
- 3.6.7.1 All certificates of insurance submitted by Contractor shall be accompanied by endorsements for additional insured coverage in favor of the City for Commercial General Liability and Automobile Liability policies; and waivers of subrogation in favor of the City for Commercial General Liability, Automobile Liability, and Worker's Compensation/Employers' Liability policies. For a list of pre-approved endorsement, forms see <http://purchasing.houstontx.gov/forms.shtml>. The Director will consider all other forms on a case-by-case basis.
- 3.6.8 Liability for Premium: Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
- 3.6.9 Subcontractors: Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Contractor shall provide copies of insurance certificates to the Director.
- 3.6.10 Proof of Insurance: On the effective date and at any time during the Term of this Agreement, Contractor shall furnish the Director with Certificates of Insurance, along with an Affidavit from Contractor confirming that the Certificates accurately reflect the insurance coverage maintained. If requested in writing by the Director, Contractor shall furnish the City with certified copies of Contractor's actual insurance policies.
- 3.6.10.1 Contractor shall continuously and without interruption, maintain in force the required insurance coverage's specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or

## GENERAL TERMS AND CONDITIONS

3.6.10.2 Purchase the required insurance with City funds and deducts the cost of the premiums from amounts due to Contractor under this Agreement.

3.6.10.3 The City shall never waive or be stopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

3.6.11 Other Insurance: If requested by the Director, Contractor shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Contractor's operations under this Agreement.

### **4.0 CONTRACTOR PERFORMANCE LANGUAGE:**

4.1 Contractor should make citizen satisfaction a priority in providing services under this contract. Contractor's employees should be trained to be customer-service oriented and to positively and politely interact with citizens when performing contract services. Contractor's employees should be clean, courteous, efficient and neat in appearance at all times and committed to offering the highest degree of service to the public. If, in the Director's determination, the Contractor is not interacting in a positive and polite manner with citizens, the Contractor shall take all remedial steps to conform to the standards set by this contract and is subject to termination for breach of contract.

### **5.0 INSPECTIONS AND AUDITS:**

5.1 City representatives may have the right to perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least three (3) years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

### **6.0 INTERPRETING SPECIFICATIONS:**

6.1 *The specifications and product references contained herein are intended to be descriptive rather than restrictive. The City is soliciting Proposals to provide a complete product and service package, which meets its overall requirements. Specific equipment and system references may be included in this RFP for guidance, but they are not intended to preclude Proposer(s) from recommending alternative solutions offering comparable or better performance or value to the City. Unless specifically stated otherwise with regard to a specific item of equipment, it should be assumed that the City requires all equipment proposed for this project to be supported by a manufacturer's warranty, which is equal to or better than the prevailing standard in the industry.*

6.2 Changes in the specifications, terms and conditions of this RFP will be made in writing by the City prior to the Proposal due date. Results of informal meetings or discussions between a potential Proposer(s) and a City of Houston official or employee may not be used as a basis for deviations from the requirements contained in this RFP.

### **7.0 CONTRACTOR DEBT:**

7.1 **IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, HE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.**

### **8.0 CRIMINAL JUSTICE INFORMATION SERVICES (CJIS) COMPLIANCE (Applicable to Houston Police Department (HPD) Occupied Facilities:**

## **GENERAL TERMS AND CONDITIONS**

- 8.1 The Houston Police Department recognizes that by allowing physical or logical (electronic) access to HPD facilities or network resources, people may gain access to information or systems they are statutorily prohibited from accessing. To comply with state and federal regulations, the Houston Police Department is required to document and investigate access requests to be sure access is necessary and permitted. Bidders/Respondents, therefore, agree to review the Criminal Justice Information Systems (CJIS) process and related documents located at <http://www.houstontx.gov/police/cjis/hpdvendorcertification.htm> and shall comply with the terms and requirements therein.

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## GENERAL TERMS AND CONDITIONS

### 1.0 LOCAL MINORITY/WOMEN BUSINESS ENTERPRISE PARTICIPATION:

1.1 Contractors shall comply with the City's Minority and Women Business Enterprise (MWBE) programs pursuant to Section 15 Article V of the City Code of Ordinances. Each proposer must agree that if awarded the contract, the proposer will make good-faith efforts to award subcontracts or purchase agreements of 24% of the total value of the contract to MWBE firms certified by the City's Office of Business Opportunity. Recognizing that this proposal covers a variety of scopes, it is understood that some areas may offer more opportunity for MWBE participation than others. Requirements of the MWBE program and Good Faith Efforts may be found in Exhibit B. Contractors must acknowledge they have reviewed these requirements by completing the forms in Exhibit B. Participating vendors can be found at the following city of Houston website: <https://houstontx.gov/obo/index.html> and clicking on MWDBE Directory at <https://houstontx.gov/obo/index.html>.

1.2 MWBE subcontracts must contain the Terms set out in **Exhibit II**.

### 2.0 CITY CONTRACTORS' PAY OR PLAY PROGRAM:

2.1 The requirements and terms of the City of Houston Pay or Play Program, as set out in Executive Order 1-7, are incorporated into this Agreement for all purposes. Contractor has reviewed Executive Order No. 1-7 and shall comply with its Terms and Conditions as they are set out at the time of City Council approval of this Agreement. This provision requires certain Contractors to offer to certain employees a minimal level of health benefits or to contribute a designated amount to be used to offset the costs of providing health care to uninsured people in the Houston/Harris County area. Failure to complete **Exhibit X** "Pay or Play" Acknowledgement Form & Certification of Agreement to Comply with Pay or Play Program may be just cause for rejection of your Proposal.

### 3.0 CITY CONTRACTOR OWNERSHIP DISCLOSURE ORDINANCE:

3.1 City Council requires knowledge of the identities of the owners of entities seeking to contract with the City in order to review their indebtedness to the City prior to entering into contracts. Therefore, all respondents to this RFP must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts.

3.2 Completion of Exhibit VI – "Affidavit of Ownership or Control" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

### 4.0 CITY OF HOUSTON FAIR CAMPAIGN ORDINANCE:

4.1 The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office. For purposes of this ordinance a contract is defined as any contract for goods or services having a value in excess of \$30,000 or more, regardless of the way by which it was solicited or awarded. **Exhibit V** of this RFP describes the contract and documentation requirements relating to this Ordinance.

### 5.0 DRUG DETECTION AND DETERRENCE PROCEDURES FOR CONTRACTORS:

5.1 It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by Contractors while on City premises is prohibited. Accordingly, effective September 1, 1994, and pursuant to the Mayor's Executive Order 1-31, as a condition to the award of any contract for labor or services, a successful Proposer(s) must certify to its compliance with this policy. **EXHIBIT VII** contains the standard language, which will be used in each contract for labor or services, as well as the Executive Order 1-31 disclosure and compliance forms (Attachments A, B, and C). These forms must be completed and returned prior to award.

### 6.0 HIRE HOUSTON FIRST:

6.1 Designation as a City Business or Local Business

6.1.1 To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or proposer must submit the **Hire Houston First Application and Affidavit (“HHF Affidavit”)** to the Director of the Mayor’s Office of Business Opportunities and receive notice that the submission has been approved prior to award of a contract. Bidders are encouraged to secure a designation prior to submission of a bid or proposal if at all possible.

6.1.2 **Download the HHF Affidavit** from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

<http://www.houstontx.gov/hbsc/hirehoustonfirstaffidavit.pdf>

6.1.3 Submit the completed application forms to: Office of Business Opportunity, Houston Business Solutions Center, 611 Walker, Lobby Level, Houston, TX 77002 (832) 393-0954 or Applications may be submitted via e-mail to [houstonBSC@houstontx.gov](mailto:houstonBSC@houstontx.gov) or faxed to 832.393.0650 or Applications may be submitted with proposal response.

**Award of Procurement Pursuant to a Request for Proposal, Best Value Solicitation or Alternative--- Pursuant to Chapter 15 of the City Code of Ordinances**

6.2.1 IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO

1 **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “LOCAL BUSINESS,” AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND

2 **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “CITY BUSINESS,” AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES

3 UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED IN SECTION 15-181 OF THE CODE.

**7.0 PROJECT ADMINISTRATION:**

7.1 Questions regarding the scope of the project, technical specifications, proposed applications, etc., may be addressed to the project manager at the Pre-Proposal conference.

**8.0 PROCUREMENT TIMELINE/SCHEDULE:**

8.1 Listed below are the important and estimated completion dates and times for this Request for Proposal (RFP).

<b><u>EVENT</u></b>	<b><u>DATE</u></b>
Date Issued	December 13, 2013
Pre-Proposal Conference	December 17, 2013
Questions from Proposers Due to City	January 6, 2014
Proposals Due from Proposer(s)	January 9, 2014
Notification of Intent to Award (Estimated)	January 24, 2014
Council Agenda Date (Estimated)	February 12, 2014
Contract Start Date (Estimated)	March 1, 2014

## Scope of Services

4.1 The scope of the engagement is described below. While this is a comprehensive scope, not all services may be included in the final contract with the successful Proposer(s). It is the intent of the City to award each of the services to the best qualified firm and finalists may be awarded one or more services. The City reserves the right to include or exclude any part of this scope in the final contract(s).

### ***PART 1 – HEALTH BENEFITS CONSULTING SERVICES***

#### **A. Medical Benefits Delivery System Request for Proposal and Selection**

The City negotiated a three-year contract for self-insured medical coverage, effective May 1, 2011, with Connecticut General Life Insurance Company (Cigna), offering a Limited Provider Plan (Limited Plan), Open Access Plan (OAP), Consumer Driven Health Plan (CDHP) and a special plan for retirees residing in Texas but outside of the greater Houston Limited Network service area - - the Retirees of Texas Option Plus Plan (RTOP). Retirees under age 65 are eligible to enroll in the Cigna plan as are retired non-Medicare eligible classified police and firefighters who did not pay into the Social Security system. Approximately 2,400 police officers and fire fighters were hired prior to April 1, 1985 and may not have Medicare through the City or from other employment.

The enrollment of the City's 62,000 plus membership is as follows:

- Limited Plan 66%
- OAP 14%
- CDHP\* 6%
- RTOP 3%
- Medicare Plans 11%

*\*Note: the CDHP plan is partnered with a Health Reimbursement Account, funded by the City. The reimbursement for single employees is \$500 and for employees with dependents the reimbursement is \$1,000. Any unspent funds can be rolled over from year-to-year (there is no dollar limit); however, these funds are not portable.*

A major component of the consulting engagement will be to revisit the City's strategic benefit goals and to return to the market to evaluate other viable plans. The plan must provide a comprehensive healthcare program that is affordable and accessible, with a broad provider network, for the City's employees, retirees and dependents. Also required, as part of the healthcare plan, is an all-inclusive, robust wellness package and a reporting / benchmarking system that will allow Human Resources to run monthly dashboards.

A Request for Proposal for the City's medical benefits was published in early August 2013; and, at the earliest, the plans may be available for bid again in 2016. To ensure the highest level of competition and the best selection for the City, a complete review of the market will be necessary beginning in May 2016 with the possibility of an RFP being published again in June 2016. The RFP will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout.

To assist the City in the selection process, the consultant will be expected to:

- Assist with development of performance and outcome-based performance standards and assignment of financial guarantees to those standards.
- Develop matrices for reporting results of performance guarantees (quarterly, semi-annually, annually);
- Review / update goals and plan design;
- Identify the major cost components and the cost design of each plan;
- Assist in preparation of a market survey and/or Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections;
- Standardize the financial proposals of all respondents and ensure the benefits proposed are uniform between vendors;
- Validate Proposers' assumptions, points of origin, existing versus new programs to be put into place;
- Participate in negotiations at various stages;
- Arrange and attend finalist interviews;
- Participate in site visits;
- Meet with employee groups and City officials;
- Collaborate with the City HR and Legal departments in contract negotiations and development;
- Assist the Health Benefits team in obtaining City Council approval by December 31; and
- Develop a scorecard that will contribute to objective evaluation of proposals.

This project may be exercised in year three of the consulting engagement.

Benefit plan summaries can be found **in Exhibit P1 and contribution rates in Exhibit P2.**

This project will possibly occur one time beginning in May 2017 and finishing in April 2018.

#### **B. Program Management / Ongoing Consulting**

The City's self-insured medical claim expenditures administered by Cigna are worth \$295 million annually. Consulting services to monitor this large expenditure will include:

- Review, interpret, and advise the City on vendor utilization, financial reports, and annual renewals;
- Interface with all City healthcare vendors relative to benefit plans;
- Plan design analysis to ensure City health plans are contemporary, responsive, affordable and competitive with the local market;
- Identify trends in the market place;
- Identify specific City trends (demographic mix, large claims, utilization, total costs, etc.) and compare to market;

- Analyses of plan design versus cost;
- Benchmark against other government entities and companies of similar size in Texas;
- Work with HR Benefits Group to establish strategic goals for cost containment / reduction;
- Assist in the development of monthly dashboards for monitoring plan costs and claims experience;
- Interpret dashboards, comparing results to strategic goals; and developing corrective programs;
- Evaluate actual claims experience vs. budget projections;
- Quarterly and semi-annual analysis of plan performance;
- Review the City's wellness initiatives and vendor disease management programs and recommend operational improvements;
- Analyze and evaluate the impact of the wellness programs on the worker's compensation expenditures and the utilization of sick time.
- Provide updates and strategic direction on Federal and State legislative issues, particularly regarding the Patient Protection and Affordable Care Act (PPACA);
- Review City strategies pertaining to healthcare reform and make recommendations;
- Participate in constituent meetings / activities, particularly quarterly and annual reviews;
- Report managed care and wellness breakthroughs;
- Other services as needed.

These services will be ongoing throughout the Contract.

**C. Medicare Plans Request for Proposal**

In keeping with the City's goal of providing quality, affordable health care, the City offers six Medicare Advantage plans. Medicare-covered City retirees and their Medicare-covered dependents are required to enroll in a city-sponsored Medicare plan or opt out of City coverage. Opt-outs are entitled to re-enroll in a City Medicare plan at a later date. The City offers split enrollment for those retirees with dependents who are ineligible for Medicare.

Total enrollment in the Medicare Plans is as follows:

<b>PLAN</b>	<b># ENROLLED</b>	<b>% OF MEDICARE PLAN POPULATION ENROLLED</b>
KelseyCare advantage HMO	2,332	33%
AARP Medicare Supplement Plan F (w/ UnitedHealthCare Part D Rx plan)	1,558	22%
Aetna Advantage Extended Service PPO	1,247	18%
HealthSpring Medicare Advantage HMO	958	13%

TexanPlus Medicare Advantage HMO	674	9%
KelseyCare Advantage Point of Service Plan	325	5%

The final option year of the contracts for all Medicare Plans is calendar year 2014, so the RFP will require publication no later than July 1, 2014. The RFP will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout.

The consultant will be expected to:

- Review / update goals and plan design;
- Assist in preparation of a Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections, paying particular attention to Medicare reimbursement from star ratings;
- Standardize the financial proposals of all respondents and ensure benefits proposed are uniform among vendors;
- Provide direction regarding the appropriate number of plans and which plans to offer;
- Participate in negotiations at various stages;
- Attend finalist interviews;
- Meet with City officials;
- Collaborate with the City HR and Legal departments in contract negotiations and development;
- Assist the Health Benefits team in obtaining City Council approval; and
- Develop a scorecard that will support objective evaluation of proposals.

The City has paid 75% of the premiums for each plan since 1995. A summary of the various plan designs and contributions can be found at the following link: <http://www.houstontx.gov/hr/benefits/index.html>.

This project will occur one time, beginning in early 2014 for a new contract effective date of January 1, 2015.

**D. Quarterly Review of Medical Benefit Renewal Projections**

The consultant shall analyze the quarterly renewal data provided by the current health benefits delivery vendor. This shall include validation or projection of claims, trend factors, incurred but Not Reported claims liability (IBNR), loss ratios, pharmacy trends, etc. Over the past several years, the City has implemented many strategies to contain the increase in health benefits expense - - more of the premium costs are shared by employees / retirees, less costly Medicare Advantage plans have been implemented for retirees, copayments have been increased; and still, the percentage of health benefits cost continues to outpace the percentage of City revenue growth. It is vital that the City receives the best renewals to continue to offer quality health benefits to employees and retirees.

The consultant's responsibilities shall include but not be limited to:

- Suggest cost saving adjustments / plan design that will retain an accessible, quality, comprehensive, affordable health benefits plan for members;
- Budget forecasting for recommended alternative plan design;
- Review formulae used in calculating renewal;
- Compare vendor's network discounts to those of competitors;
- Identify and discuss negotiation strategy for vendor to seek steeper discounts;
- Predict probable impact of large claims;
- Determine current medical and pharmacy trend factors and how the City compares;
- Review and verify financial projections;
- Other services as needed.

This project will occur quarterly throughout the contract.

**E. Annual Review of Medicare and Medicare Advantage Plan Renewals Projections**

Renewals for the Medicare plans commence in July, with discussions between the City and each provider about potential premium increases, and plan design adjustments to provide mitigating cost offsets. The current contracts require final renewal proposals from the vendors by September 30 of each year. Due to stringent timelines surrounding communications mandated by the Centers for Medicare and Medicaid Services (CMS), this date will be moved to August 31, 2014.

The consultant will be expected to:

- Review / update goals and plan design;
- Suggest cost saving adjustments / plan design changes that will retain quality comprehensive, affordable Medicare plans;
- Provide financial projections of alternative plan design changes;
- Determine current medical and pharmacy trend factors;
- Review and verify financial proposals and projections including aggregate claims data;
- Advise the City of any legislative changes impacting Medicare Advantage plans;
- Advise negotiation strategies at various stages;
- Develop a scorecard that will support objective evaluation of proposals / vendors; and
- Other services as needed;

This project will occur annually throughout the contract.

**F. Member Satisfaction Surveys**

Consistent improvement in customer/benefits administration services and wellness will remain very important to the City and its employees / retirees. Measures to be monitored and surveyed are:

- Overall satisfaction with HR Benefits services, programs offered but not design of programs;
- Plan value;
- Benefits received;
- Customer service received;
- Ease of scheduling an appointment; and
- Benefits communications materials.

This project will occur in years two and four of the contract.

***PART 2 - OTHER BENEFIT PLANS CONSULTING SERVICES***

**G. Dental Plan Request for Proposal**

The City's dental contract became effective on May 1, 2011 and is for three years, with two optional extension years. The current dental program provides a fully-insured dual option plan: a dental health maintenance organization (DHMO) and a traditional indemnity plan. The rates in both plans are guaranteed not to increase during the first three years of the contract. However, increases are scheduled to occur in each of the two optional contract years - - 9% in the DHMO and 5% in the indemnity plan. Dental enrollment is approximately 23,300+ members, with 64% in the DHMO and 36% in the indemnity plan. In both plans, 100% of the premiums are paid by the employees / retirees.

The DHMO requires participants to select a primary care dentist within the network, and covered services are provided for a scheduled copayment. The dental indemnity plan allows participants to select any dentist for treatment. There is an underlying discounted network of providers in the indemnity plan. Each plan year, participants choose between these plans.

The RFP will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout.

To assist the City in the selection process, the consultant will be expected to:

- Review / update goals and plan design;
- Assist in preparation of a market study and/or Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections;
- Standardize the financial proposals of all respondents and ensure the benefits proposed are uniform between vendors;
- Participate in negotiations at various stages;
- Attend finalist interviews;
- Meet with employee groups and City officials;
- Collaborate with the City HR and Legal departments in contract negotiations; and
- Assist the Health Benefits team in obtaining City Council approval by mid-January 2015 or 2016, based on exercise of remaining option years in current contract; and
- Develop a scorecard that will support objective evaluation of proposals.

See the current dental plan designs in Exhibit Q.

This project will occur one time in 2014 or 2015.

#### **H. Vision Care Plan Request for Proposal**

The City's vision plan was implemented effective May 1, 2013, and the current vision vendor has provided a three (3)-year contract with two optional one-year extensions. The premium rates are guaranteed through the life of the contract. This first year enrollment included 34,000+ members. The RFP will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout.

The consultant is expected to:

- Review / update goals and plan design;
- Assist in preparation of a market survey and/or Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections;
- Standardize the financial proposals of all respondents and ensure the benefits proposed are uniform between vendors;
- Participate in negotiations at various stages;
- Arrange and attend finalist interviews;
- Collaborate with City HR and Legal departments in contract negotiations;
- Assist the Health Benefits team in obtaining City Council approval; and
- Develop a scorecard that will support objective evaluation of proposals.

See the current vision plan designs in Exhibit R.

This project will occur one time beginning in 2017.

#### **I. Life Insurance Request for Proposal**

The City of Houston pays 100% of the premium for basic life insurance coverage at one time annual base salary for its full-time active employees. Dependents, which are enrolled in the basic life plan, are also covered: spouses have \$2,000 in coverage and eligible children \$1,000 each. Voluntary life insurance can be purchased in the amounts of 1, 2, 3, or 4 times annual salary. Spouse may be covered for 50% of employee coverage (not to exceed \$50,000), and eligible dependent children may be covered for an amount not to exceed \$10,000. Between October 1, 2008 and June 2013, 1,384, basic life insurance claims were paid in the amount of \$13,619,750, and 145 voluntary life insurance claims were paid in the amount of \$9,314,667. Total premiums paid for this same period equaled \$22,347,917.

The current contract was effective October 1, 2013 and expires on September 30, 2018. The RFP process will begin as early as first quarter 2016 or as late as first quarter 2018. The RFP will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout. The consultant will be expected to:

Review / update goals and plan design;

- Assist in preparation of a market study and/or Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections;
- Standardize the financial proposals of all respondents and ensure the benefits proposed are uniform between vendors;
- Participate in negotiations at various stages;
- Attend finalist interviews;
- Meet with employee groups and City officials;
- Collaborate with the City HR and Legal departments in contract negotiations;
- Assist the Health Benefits team in obtaining City Council approval; and
- Develop a scorecard that will support objective evaluation of proposals.

See the current plan designs at the following link:

<http://www.houstontx.gov/hr/benefits/index.html>.

This project will occur one time in 2016 or 2017.

#### **J. Supplemental Insurance Request for Proposal**

The City makes available three supplemental insurance programs for its employees, which include accident, cancer and voluntary indemnity (hospital) plans. These benefits are paid 100% by the employees through payroll deduction. The current contract, with AFLAC, is effective May 1, 2011 – April 30, 2014, and includes two one year extensions, with the rates remaining constant throughout the life of the contract. Enrollment is 9,948 employees with 21,784 policies and approximate \$9,000,000 paid in premiums per year with an average 65% loss ratio for the supplemental plans.

The RFP process for Supplemental Insurance may begin June 2014 or 2015, and will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout.

The consultant will be expected to:

- Review / update goals and suggest supplement plans to make available to City employees
- Assist in preparation of a market survey and/or Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections;

- Standardize the financial proposals of all respondents and ensure the benefits proposed are uniform between vendors;
- Participate in negotiations at various stages;
- Attend finalist interviews;
- Collaborate with City HR and Legal departments in contract negotiations;
- Assist the Health Benefits team in obtaining City Council approval; and
- Develop a scorecard that will support objective evaluation of proposals / vendors.

See the current plan designs at the following link:

<http://www.houstontx.gov/hr/benefits/index.html>.

This project will occur one time in 2014, or in 2015.

#### **K. Flexible Spending Account (FSA) Request for Proposal**

The City has two flexible spending accounts - a healthcare FSA (HFSA) and a Dependent Care FSA. As of September, 2013, 2,378 employees are participating in the HFSA plan and are contributing approximately \$2,862,426 during plan year. The maximum annual individual contribution allowed is \$2,500. As of September, 2013, 57 participants are contributing \$237,134 to the Dependent Care FSA, with a maximum contribution of \$5,000 per family per year. The HFSA plan year is May 1 – April 30, with final reimbursement submission no later than July 29; and the Dependent Care FSA plan year is a calendar year.

Third party administrative services for both flexible spending accounts are provided by the supplemental insurance carrier at no cost to the City. The second option year of this contract will expire on April 30, 2016.

The RFP will be published via an online, web-based service, to ensure consistency of responses, format and final report layout.

The consultant will be expected to:

- Assist in preparation of a Request for Proposal (RFP) for the services of a Third Party Administrator to administer the flexible spending accounts for medical and dependent care;
- Review, verify, and provide analytical due diligence on financial proposals and projections;
- Participate in negotiations at various stages;
- Attend finalist interviews;
- Collaborate with City HR and Legal departments in contract negotiations;
- Assist the Health Benefits team in obtaining City Council approval; and
- Develop a scorecard that will support objective evaluation of proposals / vendors.

See the current plan designs at the following link:

<http://www.houstontx.gov/hr/benefits/index.html>.

This project will occur one time beginning in 2014 or in 2015.

#### **L. Long Term Disability (LTD) Request for Proposal**

Effective September 1, 1985, the City of Houston revised its sick leave program. All employees hired by the City on or before 8/1/1985, were given the one-time option of remaining in a modified version of the cumulative sick leave program (the MSP) or joining the revised sick leave program called the Income Protection Plan (IPP). The IPP was revised and renamed the Compensable Sick Leave Plan (CSL) in 1996.

Employees become covered under the LTD plan after they have been employed for one year. When activated, the LTD plan provides 50% of base salary or 70% of base salary when combined with other disability income benefits after the longer of:

- Six months, or
- Duration of accrued (CSL) sick leave plus frozen MSP sick days.

Benefits are payable until the earlier of:

- Age 70 for disabilities that occurred before 9/1/1994;
- Age 65 for disabilities that occurred on or after 9/1/1994;
- Date of death; or
- The date the person ceases to be disabled.

Eligible employees hired or rehired on or after 9/1/1985 are automatically covered under the CSL. A total of 11,164 Municipal City employees and 3,233 classified firefighters are covered by the LTD plan. Classified police officers are covered by a separate program. As of November, 2013, there are 209 participants in the police officers' program.

The Third Party Administrator (TPA) contract expires on August 31, 2016. The City wishes to contract with a third party administrator to provide claims processing and other related administrative services for this self-insured plan for three (3) years.

The proposal process for LTD will begin in February 2016, and the RFP will be published via an online, web-based service, Proposal Tech, to ensure consistency of responses, format and final report layout.

The consultant will be expected to:

- Review current plan design and benefits to ascertain viability as compared to a new structure;
- Assist in preparation of a market survey and/or Request for Proposal (RFP);
- Review, verify, and provide analytical due diligence on financial proposals and projections;
- Standardize the financial proposals of all respondents and ensure the benefits proposed are uniform between vendors;
- Participate in negotiations at various stages;
- Attend finalist interviews;
- Collaborate with City HR and Legal departments in contract negotiations;
- Assist the Health Benefits team in obtaining the City Council approval; and
- Develop a scorecard that will support objective evaluation of proposals / vendors.

Additional plan information may be referenced in the following link:

<http://www.houstontx.gov/hr/benefits/index.html>.

This project will occur one time beginning in 2016.

#### **M. Member Satisfaction Surveys**

Consistent improvement in services will remain very important to the City and its employees / retirees. Measures to be monitored and surveyed are:

- Overall satisfaction with HR Benefits services, Healthcare services or the benefits program offerings;
- Plan value;
- Program offerings;
- Customer service received from Benefits Division;

- Benefits communications materials.

These services will occur in years two and four of the contract.

### **PART 3 – ACTUARIAL SERVICES**

#### **N. Medicare Part D / Retiree Drug Subsidy Creditability Study / Attestation and Reconciliation**

In accordance with the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), the City of Houston participates in the Medicare Part D Retiree Drug Subsidy (RDS), and must annually file its application by January 31. The City's prescription drug plans must be certified as having coverage equal to or better than coverage provided under Medicare Part D. This study must be performed by a licensed actuary and attested to in the Medicare electronic application. The health plans have been certified for 2013.

The actuary will be expected to:

- Perform both the gross and net value tests;
- Summarize the methodology, data sources, plan design and actuarial assumptions;
- Attest to the creditability of the plans with the RDS if the City passes the actuarial equivalence; and
- Review final reconciliation drug lists to ensure all submitted prescriptions are Medicare eligible.

The actuarial attestation and subsidy application for 2013 are complete. The City has fewer than 150 retiree members who are subsidy eligible. The annual subsidy is projected to be under \$50,000 going forward. HR staff provide eligibility data to CMS and the Prescription Benefit Manager (PBM) submits prescription drug cost reports and payment requests directly to CMS. The application is for quarterly payments, concurrent with the calendar plan year. However, the City will request the payment on an annual basis since the payment will not be substantial.

These services will occur annually throughout the contract.

#### **O. Quarterly Health Benefits Actuarial Analysis (IBNR)**

The City requires quarterly actuarial certification / analyses that provide an actuarial / financial estimate for claims that are incurred but not reported (IBNR) for both medical and prescription drug benefits in all of the self-insured plans. The report is required as of June 30, Fiscal Year end, and required for the City's audited financial statements. The other three quarters are for Human Resources management and accounting staff. The "as of" dates are: September 30, December 31, and March 31. The final reports are required within 60 days of the date requirements. It includes a standard IBNR of 90 days. The latest report is included in Exhibit V.

These services will occur quarterly throughout the contract.

#### **P. Long Term Disability Actuarial Analysis (IBNR)**

The City requires an annual actuarial certification of the actuarial and financial position of the self-insured Long Term Disability plan. The report is required by May 31<sup>st</sup> for the current fiscal year (July – June).

The City's Long Term Disability program engages a third party administrator to handle administration, payment processing and IRS reporting. The results of the 2012 (for plan year ending in 2011) IBNR study may be found in Exhibit S.

These services will occur annually throughout the contract.

**Q. GASB- 45 Actuarial Valuation**

The City of Houston requires an actuarial valuation of OPEB – Other Post-Employment Benefits of retiree benefits and future funding to comply with GASB-45. This analysis will be conducted at least every two years with an annual update of the prior report. The study for fiscal year ending June 30, 2013 is in process, and the GASB-45 valuation results for fiscal year 2011 are attached in Exhibit T.

This project will occur in years two and four of the contract.

**R. Analysis of Alternative Solutions for Retiree Medical as a Result of GASB-45**

The City's GASB-45 liability is in the billions of dollars. Alternative solutions for retiree medical care are being sought in order to significantly reduce the GASB-45 liability, without entirely eliminating retiree health benefits. The consultant will survey other municipalities and government entities to determine how they are managing GASB-45; and based upon survey findings, make recommendations to the City regarding savings opportunities under GASB. The consultant should review existing plans and cost drivers to propose viable options. The consultant should also provide an on-going menu of options to be considered to mitigate cost.

These services will occur in years two and four of the contract.

**PART 4 – AUDITING SERVICES**

**S. Long Term Disability Procedures Audit**

The City plans to conduct a periodic audit of Long Term Disability claims processes and practices of the third party administrator. Important factors include:

- Internal controls; there are 14,400 employees covered by this plan, with 200+ open claims at any given time, and less than 30 new claims are approved each year.
- Financial and procedural accuracy;
- Compliance with state and federal laws;
- General claims handling practices;
- Annual audit compliance; and
- Application of plan provisions to claims approvals.

This project will occur one time in 2015 or 2016.

**T-1. Semi-Annual Medical Claims Review (First Six Months)**

In order to validate accurate payment of claims, financial projections and the controls in place, the City expects to conduct a semi-annual review of medical claims, site or off-site will be determined, as of October 31 of each plan year (reports should be provided within 90 days after the end of the first six months of the plan year). The consultant shall:

- Confirm compliance responses to annual audit findings;
- Test provider control measures in place:
  - Duplicate claims / claim payments,
  - Denial / appeal processes,
  - Verification that adjustment codes and services match;
  - Verification that fee-for-service claims and capitated claims are not comingled;
  - Verification that capitation fees are paid for the correct members;
  - Fraud measures;

- Review claims adjudication for:
  - Eligibility accuracy;
  - Financial accuracy;
  - Adequacy of services performed;
  - Processing accuracy;
  - Turnaround time;
- Review of refunds;
- Review of under / overpayments;
- Develop stratification table of dollar range of claims;
- Application of provider discounts; and
- Correlation of adjustment codes to actual adjustments.

This project may occur semi-annually throughout the contract period.

**T-2. Annual Medical Claims Audit – (Full year)**

The City wishes to conduct an annual claims audit of all medical plans and the appropriate vendors. This audit shall include an on-site evaluation and a stratified claims review. Measures to focus on are:

- Validation of semi-annual review results;
- Confirmation of semi-annual audit findings have been addressed by vendor;
- Adjudication procedures to ensure claims processing control measures are in place;
- Efficiency and accuracy of administration of the plans both financially and procedurally;
- Operational assessments of internal controls;
- Verification of claims payments to ensure appropriate plan design rules were applied (contract compliance);
- Changes implemented by the carrier (if any);
- Disease / case management results; and
- Joint review with City Auditor / Controller’s Office.

This project will occur annually throughout the contract and will include all four quarters of the plan year.

**U-1. Semi-Annual Prescription Drug Plan Review – (First Six Months)**

Prescription drugs are driving a little over 16% of overall claims expense, and the use and cost of specialty drugs are increasing. As a result, the City expects to conduct semi-annual reviews of the prescription drug plan - - May 31 (for quarter ending April 30), August 31 (for quarter ending July 31), November 30 (for quarter ending October 31), and February 28 or 29 (for quarter ending January 31). Areas to be examined should include:

- Key drug spend drivers;
- Network utilization;
- Use of generics vs. brand / mail order vs. retail;
- Coding accuracy;
- Actual discounts / rebates compared to contracted discounts / rebates;
- Excessive utilization (including narcotic / drug seeking behavior);
- Provider control / monitoring measures in place; and
- Prescription Fraud.

This project will occur semi-annually throughout the contract period.

**U-2. Annual Audit of Prescription Drug Plan – (Full year)**

The City will conduct an annual audit of the prescription drug plan to ensure that the Pharmacy Benefit Manager (PBM) is adhering to the plan design as outlined by the contract. Components of the audit should include:

- Cost savings resulting from step therapy, mandatory generic, quantity limits, days' supply and prior authorization programs;
- The key drivers of drug spend;
- Adherence to the copayment schedule;
- Use of generics versus brand and retail versus mail order;
- Use of specialty drugs;
- Use of compound drugs;
- Dispensing fees;
- Therapeutic Category;
- Network utilization;
- Validation of contractually guaranteed discounts / rebates for traditional and specialty drugs;
- Validation of the methodology used to calculate contractual performance standards;
- Comparison of contracted discounts / rebates to market to determine if contracted discounts / rebates are better or worse than market (quantification of potential gains / losses);
- Comparison to best in class;
- Identification of improper or inadequate coding;
- Verification of claims to ensure the appropriate plan design rules were applied;
- Drug Utilization (including excessive use of narcotics);
- Joint review with City Auditor / Controller's Office; and
- Operational assessment of internal controls for detection and management of prescription fraud.

This project will occur annually throughout the contract and will include all four quarters of the plan year.

#### **V. Health Plan Performance Guarantees Audit**

The City health benefits contract includes performance and financial guarantees. The consultant shall assist in auditing results of reported performance guarantees to ensure adherence to the contract and validate methodology by:

- Identifying back-up data / reporting required to validate performance / achievement or failure to meet performance standards;
- Identifying data collection stratification that best support reporting frequency (quarterly, semi-annually, annually); and
- Evaluating the vendor's methodology used to calculate financial performance guarantees.

This project will be ongoing throughout the Contract period.

#### **W. Audit Flexible Spending Account Administration for Health and Dependent Care**

The City wishes to conduct an audit of the current third party administrator to ensure adherence to administrative procedures as provided under IRS code section 125, and the flexible spending account contract. As of September, 2013, 2,378 employees are participating in the HFSA plan and are contributing approximately \$2,862,426 during plan year. The maximum annual individual contribution allowed is \$2,500. As of September, 2013, 57 participants are contributing \$237,134 to the Dependent Care FSA, with a maximum contribution of \$5,000 per family per year. The HFSA plan year is May 1 – April 30, with final reimbursement submission no later than July 29; and the Dependent Care FSA plan year is a calendar year.

The audit components are as follows:

- Review financial and procedural accuracy;
- Review payments for compliance with regulatory statutes;
- Review claims / payment handling procedures and accuracy; and
- Conduct an operational assessment of internal controls.

This project will occur in years one, three and five of the contract.

**X. Dependent Eligibility Audit**

The City of Houston has required eligibility relationship documentation for dependents (i.e., marriage licenses, birth certificates, adoption papers, divorce decrees, etc.) from new hires since 1999 and from employees adding or dropping dependents since that date. The consultant shall:

- Develop processes / procedures to complete the audit during February 2014 (including audit sample size; amnesty period for ineligible, etc.);
- Use electronic provider files to select subscribers who cover dependents to select random employees / retirees to audit;
- Analyze unusual age disparities among employees and dependents;
- Onsite validation of benefit files;
  - Audit 100% of subscribers that cover dependents
  - Audit files of randomly selected subscribers that cover dependents
- Report results with back-up documentation to the City; and
- Recommend penalties for subscribers covering ineligible people, and also for those who refuse to respond to the survey.

This project will occur in years one, three and five of the contract.

***PART 5 – WORKERS’ COMPENSATION /SAFETY CONSULTING SERVICES***

**Y. Workers’ Compensation Claims Auditing**

The City’s workers’ compensation program is self-insured. Sedgwick CMS (third party administrator) is engaged to handle all administrative, claims processing, and payment services to provide statutorily required benefits to eligible employees and eligible former employees/claimants. The current contract began September 1, 2003 and runs for a three-year term with two successive one-year options. The contract was then renewed for an additional like term with an expiration date of August 31, 2014.

Approximately 21,300+ City employees are covered by the workers’ compensation program (57% civilians and 43% uniformed police officers and firefighters).

Over the past five (5) years, the City has averaged approximately 2,218 workers’ compensation claims per year with roughly 584 claims being categorized as “lost time” (claims where wage replacement benefits are payable.) Also during this period, workers’ compensation costs have decreased by 12.5%. The decrease is attributable to management involvement, departmental accident prevention plans, training, annual safety assessments, and constant monitoring of near misses and accidents.

This component of the scope is to conduct an annual audit of the workers’ compensation program, with a deliverable report presented on September 30 of each year. The audit components are as follows:

- Review financial and procedural accuracy;
- Test compliance with contractual performance standards;
- Evaluate network management;

- Evaluate utilization management;
- Review claims handling procedures and accuracy;
- Test the re-pricing function of facility and non-facility charges;
- Conduct an operational assessment of internal controls; and
- Conduct focus reviews of various individual subcontractor services.

Consultant will perform quarterly benchmarking reviews on the City's program and TPA, identifying areas of excellence and problem avoidance opportunities. The report must be completed within thirty days following the end of each calendar quarter. The consultant will be expected to:

- Collect and analyze workers' compensation data for internal and external benchmarking;
- Identify best practices for service levels for comparable programs in the public sector;
- Assist with recommendation and development of standardized reporting;
- Highlight areas and aspect for focused corrective action and monitoring;
- Develop a platform providing a basis for effective comparisons both internally and externally; and
- Assist in developing an integrated risk management business plan for focused strategies to reduce direct and indirect loss costs; and
- Review reserves, reserve policy and high dollar claims.

Proposer will also be available for ad hoc consulting, as needed during the year.

Claims auditing will occur annually; benchmarking reviews will occur quarterly throughout the contract period.

#### **Z. Workers' Compensation Actuarial Valuation**

The City of Houston requires an annual actuarial study of its self-insured workers' compensation program to be completed by July 31 of each year for fiscal year ending June 30. Items to be included are listed below:

- An estimated outstanding loss projection as of the end of the fiscal year (July 1 – June 30);
- A projection of ultimate losses for the subsequent five claim periods (July 1 – June 30);
- A projection of losses paid for the subsequent five claim periods (July 1 – June 30);
- Provide benchmarking to similar entities in the state and other states;
- The Study should include graphs and charts illustrating loss experience trends;
- Loss experience analysis should be broken down into three distinct components: medical, indemnity, and expense (fees for case management, legal services, investigations and third party administration);
- The study should affirm the GASB Statement No. 10;
- Develop departmental cost allocation plan based on data for budgeting and projecting purposes; and
- Benchmark data to payroll and headcount.

This project will occur annually throughout the contract period.

#### **AA. Workers' Compensation Network Development**

In accordance with workers' compensation legislation, HB-7 and TDI-1305, the City would like to explore the possibility to contract with a certified workers' compensation health care network. The consultant would be expected to assist in identifying and contracting with a creditable certified workers' compensation network. The scope includes the request for proposal, evaluation, contract negotiation, and also legacy claim conversion planning and initial benchmarks to measure improvement due to network.

#### **BB. Workers' Compensation Network Management**

Conduct quarterly reviews of the network's medical plan cost containment results and internal controls, in addition to review compliance with HB-7 and TDI-1305 and measure employee satisfaction.

This project will be performed quarterly throughout the contract period.

#### **CC. Safety Consulting**

The City of Houston's Human Resources Department's Safety staff of 10 professionals actively works to assist the 26 City of Houston departments in establishing strategic and specific worker safety programs. Some departments maintain their own in-house safety staff to develop mission-specific safety programs and procedures – HR Safety staff provides professional oversight, guidance, and special services to these departments.

HR Safety staff efforts focus on injury and loss prevention and the mitigation of employee risk. To that end, HR Safety staff conducts safety audits and inspections of all departments, investigates all reported employee injuries and accidents, and recommends, implements, and monitors intervention strategies for identified safety hazards and unsafe worker behaviors. HR Safety activities are specially focused on the City's eight high-risk departments: Public Works and Engineering, Police, Fire, Aviation, Health, General Services, Solid Waste Management, and Parks and Recreation.

HR's Safety Division would like to partner with a professional consultant on the following initiatives as a way to support and extend its capabilities and to enhance overall City safety culture and climate:

- Audit and evaluate City and Departmental health and safety programs;
- Investigate the utility of a Citywide Behavior-Based Safety program and promotional incentives;
- Conduct a municipal Peer Review of the HR Safety Divisions processes and programs;
- Provide guidance on long-term vision and goal-setting for HR's Safety staff;
- Evaluate overall safety organizational culture and structure within the City;
- Assist in developing educational opportunities in safety;
- Assist in developing Citywide promotional campaigns for safety awareness;
- Audit and evaluate emergency preparedness and response capabilities in the City;
- Conduct trend analysis on City injuries and accidents;
- Establish a Citywide safety internship program with Universities and Colleges possessing a strong Environmental and Occupational Health and Safety course curriculum;
- Conduct benchmarking analysis on incidents/injuries and Workers' Compensation costs that compares the City of Houston with other similar municipalities; and
- Assist in developing branding, marketing, and a rollout plan for HR Safety's Workplace Health and Safety Assessment program, Workers' Compensation Dashboard, and employee safety training and certification programs.

This project will be ongoing throughout the Contract.

### ***PART 6 – DATA WAREHOUSE***

#### **DD. Data Warehouse / Data Mining**

The City is seeking a Data Warehouse to establish medical and prescription drugs claims data repository designed to capture data elements and provide complex analytics of integrated data from multiple sources and reporting metrics on, but not limited to: medical plan performance on cost, quality, standards of care, utilization, and vendor assessment.

The City's objective is to have real time access to reliable data, benefits design modeling, workers compensation analytics, high level dashboards, benchmarks, trends, predictive and risk analytics to facilitate strategic benefits planning and design and cost forecasting.

Respondent will:

- Provide three examples of how you have helped clients improve their health care benefits program through data warehouse healthcare analytic platforms.
- Work with vendors contracted with the City of Houston to extract data from external sources, transforming the data through quality checks and translation of values, and loading data into the data repository to allow it to be interpreted and analyzed.
- Work with future data sources that may include, but are not limited to the following:
  - Change in vendors for medical or pharmacy claims
  - Disease Management data
  - Wellness data
  - Biometric Screening data
  - Clinical Lab data
  - Workers' Compensation data
  - HRIS data
  - Workers' Compensation data
  - Other data sources as requested
- Develop project scope, manage internal and external customer expectations, provide regular and periodic project status reports, schedule project execution, and facilitate regular project status meeting with key stakeholders.
- Provide end user tools for ease in analysis, interpretation of the data, and a secured interface that allows customized queries integrating all data types.
- Provide training and support services for the City of Houston users in detailed analysis requiring clinical expertise, complex queries or statistical calculations.
- Provide auto-generated high level dashboards to allow common valuable reports to immediately summarize key metrics graphically and customized dashboard reports.
- Assist in the development of monthly dashboards for monitoring plan costs and claims experience;
- Interpret dashboards, comparing results to strategic goals; and developing corrective programs;

## **Proposal Assumptions and Content and Checklist**

- The effective contract date is estimated to be March 1, 2014. Contract will be of three years duration with two additional option years.
- All Proposers must use the cost quotation tables provided in Exhibit O.
- Travel fees should be included in the costs proposed for each service in the Cost Quotation Table (Exhibit O) and itemized in the "Comments" column.
- Include annual rate chart of hourly rates for each of the positions that will be servicing the City of Houston's account. Include annual rate increases for years two through five.
- Proposers must have a financial strength of B+ or better. Companies which currently have a Best Rating lower than B+ must submit a current Financial Statement with their proposal and a re-insurance agreement containing a direct access clause with a company or companies that have a Best Rating of B+

or better. The City of Houston reserves the right to award to a company with a Best Rating of less than B+.

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## 2014 City of Houston Request for Proposal (RFP) Checklist

**PROPOSER'S NAME:** \_\_\_\_\_

Please check a box on each line, indicating that you have completed and included each of these required forms/material with your proposal. Attach this checklist to your transmittal letter at the front of your proposal.

#	ITEM	Yes	No
1	One (1) computer generated, printed original signed in blue ink, four (4) printed copies; and four (4) additional CD-ROM(s) of the entire proposal are provided		
2	Exhibit A - (a) Offer and Submittal; (b) References and Proposed Subcontractors		
3	Exhibit B – (a) Schedule of MWBE Participation; (b) MWBE Letters of Intent; (c) MWBE Subcontract Terms		
4	Exhibit C – Insurance Certificates		
	• General Liability		
	• Auto Liability		
	• Professional Liability		
	• Workers' Compensation		
5	Exhibit D – Fair Campaign Ordinance		
6	Exhibit E – Contractor Ownership Disclosure Ordinance		
7	Exhibit F – Affidavit of Ownership or Control		
8	Exhibit G – Drug Detection and Drug Deterrence		
	Attachment A - Drug Policy Compliance Agreement		
	Attachment B – Drug Policy Compliance Declaration		
	Attachment C – Certificate of No Safety Impact Positions		
	Attachment D – Drug Detection/Deterrence Procedures		
9	Exhibit H – Anti-Collusion Statement		
10	Exhibit I – Conflict of Interest Questionnaire		
11	Exhibit J – Pay or Play Program (POP)		
	Attachment A – Pay or Play Program Acknowledgement Form		
	Attachment B – Pay or Play Program Certificate of Agreement		
12	Exhibit K – Provide your Certificate of Registration with the Office of the Texas Secretary of State		
13	Exhibit L – Equal Employment Opportunity Ordinance (initial approval)		

**2014 City of Houston Request for Proposal (RFP) Checklist**

**PROPOSER'S NAME:** \_\_\_\_\_

<b>#</b>	<b>ITEM</b>	<b>Yes</b>	<b>No</b>
14	Exhibit M – Hire Houston First Program		
15	Exhibit N – Responses to Questionnaire		
16	Exhibit O – Cost Quotation Table		
17	Exhibit P1 – Medical Plan Designs		
18	Letter of Transmittal		
19	Agreement / Exceptions to Terms and Condition Printout		
20	Financial Statements		
21	Dunn and Bradstreet		

## PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

To simplify the review process and to obtain the maximum degree of comparability, the Proposal must follow the outline as set forth below and, at a minimum, contain the information as requested. Proposer(s) are encouraged to include additional relevant information.

### **1.0 TITLE PAGE:**

- 1.1 The title page should include the title and number of the RFP, name and address of the Proposer(s), and the date of the Proposal.

### **2.0 OFFER & SUBMITTAL FORM:**

- 2.1 PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

### **3.0 LETTER OF TRANSMITTAL:**

- 3.1 A letter of transmittal shall include the following:
  - 3.1.1 The names, titles, addresses, and telephone numbers of the individuals who are authorized to make representation on behalf of the Proposer.
  - 3.1.2 A statement that the per-unit proposed price and/or lump sum (if prices are proposed) is the total fixed price for the equipment and services enumerated.
  - 3.1.3 A statement that the person signing the letter of transmittal is authorized to legally bind the Proposer; that the Proposal and the total fixed price contained therein shall remain firm for a period of one hundred-eighty (180) days, and that the Proposal will comply with the requirements and arrangements stated in the RFP.

### **4.0 ORGANIZATION:**

- 4.1 Provide an organizational chart for the proposed account manager and service team assigned to the City. Be sure to also attach the following information for each team member:
  - 4.1.1 Biography
  - 4.1.2 Primary responsibility on this account
  - 4.1.3 Years of experience
  - 4.1.4 Years with the company
  - 4.1.5 Contact information (title, phone, fax, address, email).

### **5.0 FINANCIAL STATEMENTS:**

- 5.1 Submit your company's audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the past two years. In addition, include your and Dunn & Bradstreet Report or Federal Tax Forms Filed to the Internal Revenue Service (IRS) for the past two years.

### **6.0 Table of Contents**

### **7.0 Executive Summary / Consulting Services Proposed**

## PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

### 8.0

- Exhibit A – Offer and Submittal, References and Proposed Subcontractors
- Exhibit B – Minority/Women Business Enterprises (M/WBE) Contract Requirements
- Exhibit C – Insurance Requirements and Sample Insurance Certificate
- Exhibit D – Fair Campaign Ordinance
- Exhibit E – Contractor Ownership Disclosure Ordinance
- Exhibit F – Affidavit of Ownership or Control
- Exhibit G – Drug Detection and Drug Deterrence Procedures for Contractors
- Exhibit H – Anti-Collusion Statement
- Exhibit I – Conflict of Interest Questionnaire
- Exhibit J – Pay or Play Program (POP) Requirements
- Exhibit K – Provide your Vendor's License to Operate in Texas
- Exhibit L – Equal Employment Opportunity Ordinance
- Exhibit M – Houston First Program
- Exhibit N – Questionnaire
  
- Exhibit O – Cost Quotation Tables
- Exhibit P-1 – Medical Plan Designs
- Exhibit P-2 – Medical Rate History
- Exhibit Q – Dental Plans
- Exhibit R – Vision Plans
- Exhibit S – Long Term Disability IBNR
- Exhibit T – GASB-45 Report
- Exhibit U – Workers' Compensation Claims FY 2004 – FY 2013
- Exhibit V – Medical Benefits IBNR
- Exhibit W – Contractual Terms, Conditions, Limitation and Exceptions

### 9.0 **CONTENTS:**

- 9.1 The contents should be identified by section, description, page number, and should include, at a minimum, the following sections:
- 9.1.1 Title Page
  - 9.1.2 Signed and Notarized Offer and Submittal Form (Exhibit I)
  - 9.1.3 Letter of Transmittal
  - 9.1.4 Expertise/Experience/Reliability Statement
  - 9.1.5 Organizational Chart, Resumes and Certifications/Licenses of Proposed Key Personnel
  - 9.1.6 Proposed Strategy/Operational Plan
  - 9.1.7 Financial Statement and Dunn & Bradstreet Reports or Federal Tax Forms Filed for Past Two Years
  - 9.1.8 Signed M/WBE Forms: Attachment "A" Schedule of M/WBE Participation, and Attachment "B" Letter of Intent (Exhibit II)

## PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

- 9.1.9 List of References and List of Proposed Subcontractors (Exhibit I)
- 9.1.10 Cost Quotation Tables (Exhibit O)
- 9.1.11 Fair Campaign Ordinance Form "A" (Exhibit V)
- 9.1.12 Affidavit of Ownership or Control (Exhibit VI)
- 9.1.13 Drug Compliance Agreement Attachment "A" and Contractor's Certification of No Safety Impact Positions Attachment "C" (Exhibit VII)
- 9.1.14 Anti-Collusion Statement (Exhibit VIII)
- 9.1.15 Conflict of Interest Questionnaire (Exhibit IX)
- 9.1.16 City Contractors' Pay or Play Acknowledgement Form and Pay or Play Certificate Agreement (Exhibit X)
- 9.1.17 Hire Houston First Affidavit (Download Copy at <http://purchasing.houstontx.gov/index.shtml> and submit to MOBO via e-mail to [HHF-MOBO@houstontx.gov](mailto:HHF-MOBO@houstontx.gov) or fax to 832.393.0952) or submit copy with proposal.
- 9.1.18 Requested Information Outlined in the Scope of Work and Other Additional Relevant/Supporting Information or Alternate Proposals
- 9.1.19 Contractual Terms, Conditions, Limitation and Exceptions (Exhibit W)

**EVALUATION AND SELECTION PROCESS**  
**SOLICITATION NO.: S37-T24838**

**1.0 EVALUATION SUMMARY:**

1.1 An evaluation committee will develop a short list of Proposer(s) based upon the initial review of each Proposal received. The short listed Proposer(s) may be scheduled for a structured oral presentation, demonstration and/or interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation, demonstration and/or interview, the evaluation of the short listed Proposer(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarity when deemed necessary to any or all Proposer(s). The oral presentations, demonstrations and/or interview may be recorded and/or videotaped.

**2.0 SELECTION PROCESS:**

2.1 The award of this contract(s) will be made to the respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of the Proposer(s) to create, modify and implement the required application modules. The Proposer(s) shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the Proposer(s) fails to satisfy the City or the Proposer(s) is deemed unqualified to provide the services contemplated. Each Proposal will be evaluated on the basis of the following evaluation criteria that are listed in order of importance below:

Qualifications/Experience of Proposer & Staff	25%
Service Delivery/Technical Requirement	25%
Pricing / Cost	20%
Security and Confidentiality	10%
RFP Requirements for all Proposers	10%
Financials/Financial Stability	5%
MWBE Participation	5%

\* Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).

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**EXHIBIT A – OFFER AND SUBMITTAL, REFERENCES,  
PROPOSED SUBCONTRACTORS  
SOLICITATION NO.: S37-T24838**

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**EXHIBIT A – OFFER AND SUBMITTAL**  
**SOLICITATION NO.: S37-T24838**

NOTE: PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

"THE RESPONDENT WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES. FOR BREACH OR VIOLATION OF THIS WARRANTY, THE CITY SHALL HAVE THE RIGHT TO ANNUL THIS AGREEMENT WITHOUT LIABILITY OR, AT ITS DISCRETION, TO DEDUCT FROM THE CONTRACT PRICES OR CONSIDERATION, OR OTHERWISE RECOVER THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE."

Respectfully Submitted:

\_\_\_\_\_  
(Print or Type Name of Contractor – Full Company Name)

City of Houston Vendor No. (If already doing business with City): \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature of Authorized Officer or Agent)

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address of Contractor: \_\_\_\_\_  
Street Address or P.O. Box

\_\_\_\_\_  
City – State – Zip Code

Telephone No. of Contractor: (\_\_\_\_) \_\_\_\_\_

Signature, Name and title of Affiant: \_\_\_\_\_

\_\_\_\_\_  
(Notary Public in and for)

\_\_\_\_\_  
County, Texas

My Commission Expires: \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

**EXHIBIT A- REFERENCES**  
**SOLICITATION NO.: S37-T24838**

**LIST OF PREVIOUS CUSTOMERS**

1. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_
  
2. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_
  
3. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_
  
4. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_



**EXHIBIT B – MINORITY/WOMEN BUSINESS ENTERPRISES  
CONTRACT REQUIREMENTS  
SOLICITATION NO.: S37-T24838**

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**EXHIBIT B – ATTACHMENT “A”: SCHEDULE OF M/WBE PARTICIPATION**  
**SOLICITATION NO.: S37-T24838**

DATE OF REPORT: \_\_\_\_\_

BID NO.: \_\_\_\_\_

FORMAL BID TITLE: \_\_\_\_\_

NAME OF MINORITY/WOMEN SUBCONTRACTOR	OFFICE OF BUSINESS OPPORTUNITY CERTIFICATION NO.	STREET ADDRESS AND CITY, STATE, ZIP CODE	TELEPHONE NO.	SCOPE OF WORK	AGREE PRICE
TOTAL.....					\$ _____
M/WBE PARTICIPATION AMOUNT.....					\$ _____ %
TOTAL BID AMOUNT.....					\$ _____

**EXHIBIT B – ATTACHMENT “A” (CONTINUED): SCHEDULE OF M/WBE PARTICIPATION**

**SOLICITATION NO.: S37-T24838**

IF YOU HAVE USED YOUR BEST EFFORTS TO CARRY OUT THE CITY'S M/WBE POLICY BY SEEKING SUBCONTRACTS AND SUPPLY AGREEMENTS WITH MINORITY AND WOMEN BUSINESS ENTERPRISES, YET FAILED TO MEET THE STATED PERCENTAGE GOAL OF THIS BID DOCUMENT, LIST BELOW YOUR GOOD FAITH EFFORTS FOR COMPLIANCE (DEFINITION OF REQUIREMENTS CAN BE OBTAINED THROUGH THE OFFICE OF BUSINESS OPPORTUNITY AT (713) 837-9000).


THE UNDERSIGNED WILL ENTER INTO A FORMAL AGREEMENT WITH THE MINORITY AND/OR WOMEN SUBCONTRACTORS AND SUPPLIERS LISTED IN THIS SCHEDULE CONDITIONED UPON AWARD OF A CONTRACT FROM THE CITY.

**NOTE:**

**ALL FIRMS LISTED ABOVE MUST BE CERTIFIED (OR ELIGIBLE FOR CERTIFICATION) BY THE OFFICE OF BUSINESS OPPORTUNITY. THIS SCHEDULE OF M/WBE PARTICIPATION SHOULD BE RETURNED, IN DUPLICATE, WITH THE BID FORM.**

\_\_\_\_\_  
**BIDDER COMPANY NAME**

\_\_\_\_\_  
**SIGNATURE OF AUTHORIZED OFFICER OR AGENT OF BIDDER**

\_\_\_\_\_  
**NAME (TYPE OR PRINT)**

\_\_\_\_\_  
**TITLE**

**EXHIBIT B – ATTACHMENT “B”: M/WBE LETTER OF INTENT  
SOLICITATION NO.: S37-T24838**

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT.

TO: **City of Houston**  
**City Purchasing Agent**

**MINORITY/WOMEN BUSINESS ENTERPRISE (M/WBE) AND SUPPLIER**

**LETTER OF INTENT**

Contract Bid Number: \_\_\_\_\_

Bid Title: \_\_\_\_\_

Bid Amount: \_\_\_\_\_

M/WBE Participation Amount: \$ \_\_\_\_\_ **M/WBE GOAL** \_\_\_\_\_%

1. \_\_\_\_\_ agrees to perform work/supply goods and/or  
**(Name of Minority/Women Business Enterprise)**  
Services in connection with the above-named contract and \_\_\_\_\_ as:  
**Name of Prime Contractor**

- (a) \_\_\_\_\_ An Individual
- (b) \_\_\_\_\_ A Partnership
- (c) \_\_\_\_\_ A Corporation
- (d) \_\_\_\_\_ A Joint Venture

2. \_\_\_\_\_ status is confirmed by M/WBE Directory made  
**(Name of Minority/Women Business Enterprise)**  
available through the City of Houston Office of Business Opportunity. Certificate No.: \_\_\_\_\_.

3. \_\_\_\_\_ and \_\_\_\_\_  
**(Name of Prime Contractor)** **(Minority/Women Business Enterprise)**  
intend to work on the above-named contract in accordance with the M/WBE Participation Section of the City of Houston Contract Bid Provision.

The Terms & Conditions of Attachment “C” attached hereto are incorporated into this Letter of Intent for all purposes.

\_\_\_\_\_  
(Signed -- Prime Contractor)

\_\_\_\_\_  
(Signed -- Minority/Women Business Enterprise)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

**EXHIBIT B – ATTACHMENT “C”: CERTIFIED M/WBE SUBCONTRACT TERMS  
SOLICITATION NO.: S37-T24838**

Contractor shall insure that all subcontracts with M/WBE subcontractors and suppliers are clearly labeled “THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT” and contain the following terms:

- 9 \_\_\_\_\_ (M/WBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston’s Office of Business Opportunity (“the Director”).
- 10 \_\_\_\_\_ (M/WBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.
- 11 Within five (5) business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.
- 12 As conclude by the parties to this subcontract, and as evidenced by their signatures hereto, any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 – “the Act”). Arbitration shall be conducted according to the following procedures:
1. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.
  2. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City’s contract with American Arbitration Association on file in the Office of the City’s Office of Business Opportunity.
  3. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.
  4. In the event the American Arbitration Association no longer administers Office of Business Opportunity arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

These provisions apply to goal oriented contracts. A goal oriented contract means any contract for the supply of goods or non-personal or non-professional services in excess of \$100,000.00 for which competitive bids are required by law; not within the scope of the MBE/WBE program of the United States Environmental Protection Agency on the United States Department of Transportation; and ; which the City Purchasing Agent has determined to have significant M/WBE subcontracting potential in fields which there are an adequate number on known MBE’s and/or WBE’s to compete for City contract.

The M/WBE policy of the City of Houston will discussed during the pre-bid. For information assistance, and/or to receive a copy of the City’s Affirmative action policy and/or ordinance contact the Office of Business Opportunity at (713) 837-9000, 611 Walker, 7<sup>th</sup> Floor, Houston, Texas 77002.

**EXHIBIT B- ATTACHMENT "D": OFFICE OF BUSINESS OPPORTUNITY AND  
CONTRACT COMPLIANCE M/WBE UTILIZATION REPORT**  
SOLICITATION NO.: S37-T24838

Report Period: \_\_\_\_\_

PROJECT NAME & NUMBER: \_\_\_\_\_

AWARD DATE: \_\_\_\_\_

PRIME CONTRACTOR: \_\_\_\_\_

CONTRACT NO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTRACT AMOUNT: \_\_\_\_\_

LIAISON/PHONE NO.: \_\_\_\_\_

M/WBE GOAL: \_\_\_\_\_

M/WBE SUB/VENDOR NAME	DATE OF OBO CERTIFICATION	DATE OF SUBCONTRACT	SUBCONTRACT AMOUNT	% OF TOTAL CONTRACT	AMOUNT PAID TO DATE	% OF CONTRACT TO DATE

Use additional pages if needed. Submit by the 15th day of the following month.  
Provide support documentation on all revenues paid to end of the report period to:  
M/WBE's to reflect up/down variances on Contract amount.

Office of Business Opportunity  
ATTN: Carlecia Wright 713-837-9000  
611 Walker, 7<sup>th</sup> Floor  
Houston, Texas 77002

**EXHIBIT O- COST QUOTATION TABLES**

**SOLICITATION NO.: S37-T24838**

RESERVED


PLEASE GO TO PROPOSAL TECH WEB SITE FOR EXHIBIT O COST QUOTATION TABLES

**EXHIBIT C – INSURANCE REQUIREMENTS AND SAMPLE  
INSURANCE CERTIFICATE  
SOLICITATION NO.: S37-T24838**

To comply with the Terms & Conditions for insurance in a City of Houston Service Contract, the Contractor's Insurance Certificate must be prepared as follows and shall meet the requirements set forth in this Solicitation:

- A. The City of Houston must be listed as an **additional insured** on the face of the Certificate, except those for Worker's Compensation and Employer's Liability.
- B. Each Policy must contain an endorsement to the effect that **the issuer waives any claim or right in the nature of subrogation** to recover against the City, its officers, agents or employees.
- C. The City of Houston must be included in the Insurer's Notification Requirement, which may be accomplished in one of the following ways:
  - 1. By the Contractor's Insurance Agent revising the standard cancellation clause to read substantially as follows (all handwritten strike-outs, additions, and changes to the original text, must all be initialed by the Insurance Agent authorized to make such changes):

=====CANCELLATION=====

J. D.

NON-RENEWED

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION

J. D.

DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE OF SUCH CHANGE TO THE CERTIFICATE HOLDER NAMED (TO THE LEFT), BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND

J. D.

~~UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

=====

AUTHORIZED REPRESENTATIVE OF INSURER John Doe

=====

- O R -

- 1. By Attaching Endorsements in the form attached.
- D. Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting the all of the above requirements except as to amount. The amount shall be commensurate with the amount of the subcontract, but not in no case shall it be less than \$500,000 per occurrence.

**EXHIBIT C – INSURANCE REQUIREMENTS AND SAMPLE  
INSURANCE CERTIFICATE  
SOLICITATION NO.: S37-T24838**

**CERTIFICATE OF INSURANCE EXPLANATIONS**

- a. Certificate must not be more than 90 days old.
- b. Name and Address of Producer writing coverage.
- c. Name of each insurance company providing coverage (as listed in Best's Key Rating Guide or on company's Certificate of Authority on file with Texas Department of Insurance). Each company must have (1) a Certificate of Authority to transact insurance business in Texas or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of B+ or better and a Best's financial size category of class VI or better according to the most current edition Best's Key Rating Guide.
- d. Name and address of Insured (as shown on policy)
- e. Letter in the column must reference the insurer of the policy being described
- f. Must be a policy number; no binders will be accepted
- g. Date policy became effective
- h. Expiration date must be at least **30** days from date of delivery of certificate
- i. Name and file number of project
- j. Name of project manager
- k. Signature or facsimile signature of authorized representative of Producer (blue ink preferred)
12. All required endorsements must accompany the certificate

# EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR CONTRACT AWARD (\$50K OR MORE) SOLICITATION NO.: S37-T24838

## ACORD. CERTIFICATE OF INSURANCE Issue Date (MM/DD/YY)

PRODUCER

ISSUERS OF POLICIES: THE ISSUER SHALL HAVE A RATING OF AT LEAST B + AND FINANCIAL SIZE OF CLASS VI OR BETTER ACCORDING TO THE CURRENT YEAR'S BEST RATING;

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

SAMPLE FORM

**COMPANIES AFFORDING COVERAGE**

- .....COMPANY A
- .....COMPANY B
- .....COMPANY C
- .....COMPANY D
- .....COMPANY E

**COVERAGE'S**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR.	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION (MM/DD/YY)	POLICY LIMITS
A.	<b>General Liability</b> (X) Commercial General Liability Claims Made (X) Occur. Owners & Contractors Prot.			General Aggregate Products-Comp/Op Agg. Personal & Adv. Injury Each Occurrence Fire Damage (Any one fire) Med. Expense (Any one person)	\$1,000,000 \$1,000,000 \$1,000,000 \$ 500,000 \$ 50,000 \$ 5,000
A.	<b>Automobile Liability</b> (X) Any Auto (X) All Owned Autos ( ) Scheduled Autos ( ) Hired Autos ( ) Non-Owned Autos ( ) Garage Liability		Auto Liability Insurance for autos furnished or used in the course of performance of this Contract. Including Owned, Non-owned, and Hired Auto coverage. (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto Coverage.) If no autos are owned by Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT SHALL BE COVERED IN THE LIMITS SPECIFIED.	Combined Single Limit Bodily Injury (Per person) Bodily Injury (Per Accident) Property Damage	\$1,000,000 \$ \$ \$
	<b>Excess Liability</b>			Each Occurrence Aggregate	\$ \$
	<b>Worker's Compensation and Employee Liability</b> Other	Statutory Limits	(X)	<b>Statutory Limits</b> Each Accident Disease - Policy Limit Disease - Each Employee	\$ 100,000 \$ 100,000 \$ 100,000

**DESCRIPTION OF OPERATION/LOCATIONS/VEHICLES/SPECIAL ITEMS**

City of Houston is named as additional insured on Auto and General Liability policies, and Waiver of Subrogation on Auto, General Liability, and Worker's Compensation:  
For (Project Name)

**CERTIFICATE HOLDER**

SHALL BE MODIFIED AS FOLLOWS: **CANCELLATION**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED NON-RENEWED BEFORE THE EXPIRATION DATE THERE OF THE ISSUING COMPANY WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. CITY OF HOUSTON / FINANCE AND ADMINISTRATION

DEPARTMENT – STRATEGIC PURCHASING DIVISION

P.O. BOX 1562  
HOUSTON, TEXAS 77251

AUTHORIZED REPRESENTATIVE

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ISO | Commercial Auto Forms | 06/01/04  
POLICY NUMBER:

COMMERCIAL AUTO  
CA 04 03 06 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By:  (Authorized Representative)
Named Insured:	

**SCHEDULE**

**Name and Address of Additional Insured:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Who Is An Insured (Section II ) is amended to include as an "insured" the person(s) or organization(s) shown in the Schedule, but only with respect to their legal liability for acts or omissions of a person for whom Liability Coverage is afforded under this policy.
- B. The additional insured named in the Schedule or Declarations is not required to pay for any premiums stated in the policy or earned from the policy. Any return premium and any dividend, if applicable, declared by us shall be paid to you.
- C. You are authorized to act for the additional insured named in the Schedule or Declarations in all matters pertaining to this insurance.
- D. We will mail the additional insured named in the Schedule or Declarations notice of any cancellation of this policy. If we cancel, we will give 10 days notice to the additional insured.
- E. The additional insured named in the Schedule or Declarations will retain any right of recovery as a claimant under this policy.

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**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

POLICY NUMBER:

COMMERCIAL AUTO  
CA 04 44 03 10

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

**Named Insured:**

**Endorsement Effective Date:**

**SCHEDULE**

**Name(s) Of Person(s) Or Organization(s):**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

# EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR CONTRACT AWARD (\$50K OR MORE)

SOLICITATION NO.: S37-T24838

ENDORSEMENT

This endorsement, effective 12:01 AM

Forms a part of policy no.:

Issued to:

By:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY, COVERAGE APPLICABLE TO COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE (SECTION I - COVERAGES) ONLY

- A. Section II - Who Is An Insured** is amended to include any person or organization you are required to include as an additional insured on this policy by a written contract or written agreement in effect during this policy period and executed prior to the "occurrence" of the "bodily injury" or "property damage."
- B.** The insurance provided to the above described A additional insured under this endorsement is limited as follows:
1. **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE (Section I - Coverages)** only.
  2. The person or organization is only an additional insured with respect to liability arising out of "your work" or "your product".
  3. In the event that the Limits of Insurance provided by this policy exceed the Limits of Insurance required by the written contract or written agreement, the insurance provided by this endorsement shall be limited to the Limits of Insurance required by the written contract or written agreement. This endorsement shall not increase the Limits of Insurance shown in the Declarations pertaining to the coverage provided herein.
  4. The insurance provided to such an additional insured does not apply to "bodily injury" or "property damage" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services, including, but not limited to:
    - i. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
    - ii. Supervisory, inspection, architectural, or engineering activities.
- 5.** This insurance does not apply to "bodily injury" or "property damage" arising out of "your work" or "your product" included in the "product-completed operations hazard" unless you are required to provide such coverage by written contract or written agreement and then only for the period of time required by the written contract or written agreement and in no event beyond the expiration date of the policy.
- 6.** Any coverage provided by this endorsement to an additional insured shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis.
- C.** In accordance with the terms and conditions of the policy and as more fully explained in the policy, as soon as practicable, each additional insured must give us prompt notice of any "occurrence" which may result in a claim, forward all legal papers to us, cooperate in the defense of any actions, and otherwise comply with all of the policy's terms and conditions. Failure to comply with this provision may, at our option, result in the claim or "suit" being denied.

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ENDORSEMENT No.

This endorsement, effective 12:01 AM:

Forms a part of policy no:

Issued to:

By:

**Commercial Umbrella Liability Policy with CrisisResponse®**

**Additional Insured Endorsement - Products-Completed Operations and Primary Non-Contributing**

This policy is amended as follows:

**Section VII. DEFINITIONS**, Paragraph M. is amended to include the following additional provision:

**Insured** means:

Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is an additional insured on your policy, but only if such person or organization is included under the coverage provided by **Scheduled Underlying Insurance**. Such person or organization is an additional insured only with respect to liability:

1. arising out of **Your Work** at the location designated; or
2. included within the **Products-Completed Operations Hazard**.

This provision does not apply to liability arising out of the sole negligence of such person or organization for its own acts or omissions or those of its employees or anyone else acting on its behalf.

Coverage afforded to these additional insured parties will be primary to, and non-contributory with, any other insurance available to that person or organization.

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY  
CG 20 10 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

CG 20 10 07 04

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**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY  
CG 20 37 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

CG 20 37 07 04

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**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ISO | Commercial General Liability Forms | 01/01/96

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY  
CG 20 11 01 96**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – MANAGERS OR LESSORS OF  
PREMISES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

1. Designation of Premises (Part Leased to You):
2. Name of Person or Organization (Additional Insured):
3. Additional Premium:

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II ) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

CG 20 11 01 96

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**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ISO | Commercial General Liability Forms | 07/01/04

**COMMERCIAL GENERAL  
LIABILITY  
CG 20 15 07 04**

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – VENDORS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (1) The exceptions contained in Sub-paragraphs d. or f.; or
    - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY  
CG 20 26 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only in respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

ISO | Commercial General Liability Forms | 05/01/09  
POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY**  
CG 24 04 05 09

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Person Or Organization:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV –  
**Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS WAIVER OF OUR RIGHT TO  
RECOVER FROM OTHERS ENDORSEMENT**

**Policy Number:**

**Effective Date:**

**Named Insured and Address:**

**Endorsement Number:**

Effective hour is the same as stated on the Information Page of the policy.

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to

bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

**SCHEDULE**

1. ( ) Special Waiver  
Name of person or organization
2. ( ) Blanket Waiver  
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
3. Premium:  
The premium charge for this endorsement shall be \_\_\_\_\_ percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
4. Advance Premium:

Countersigned by \_\_\_\_\_ Authorized Representative

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 42 03 04 A

(Ed. 1-00)

**TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item \_\_\_\_\_ of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1.  Specific Waiver

Name of person or organization

Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

ALL TEXAS OPERATIONS

3. Premium:

The premium charge for this endorsement shall be \_\_\_\_\_ percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective  
Insured

Endorsement No.  
Premium \$

**EXHIBIT C – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24838**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US ENDORSEMENT**

This endorsement modifies insurance provided under the following: [Commercial General Liability Coverage Form](#) and [Commercial General Liability Self-Insured Retention Coverage Form](#)

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY SELF-INSURED RETENTION COVERAGE FORM

**Schedule**

**Name of Person or Organization: Where required by written contract.**

Under **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Condition **8. Transfer Of Rights Of Recovery Against Others To Us** is amended by the addition of the following provision:

We waive any right of recovery we may have against the person or organization shown in the **Schedule** above because of payments we make for injury or damage arising out of your ongoing operations done under a contract with that person or organization.

All other terms and conditions of this Policy remain unchanged.

**EXHIBIT D – FAIR CAMPAIGN ORDINANCE**  
**SOLICITATION NO.: S37-T24838**

The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office (including elected officers and officers-elect). All respondents to this invitation to bid must comply with Houston Code of Ordinances Chapter 18 as amended relating to the contribution and solicitation of funds for election campaigns. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Candidates for city office may neither solicit nor receive contributions except during a period commencing 270 calendar days prior to an election date for which a person is a candidate for such office and ending 90 calendar days after the election date, including run off elections if such candidate is on the ballot.

Further, it shall be unlawful either for any person who submits a Bid or Proposal to contribute or offer any contribution to a candidate or for any candidate to solicit or accept any contribution from such person for a period commencing at the time of posting of the City Council Meeting Agenda including an item for the award of the Contract and ending upon the 30th day after the award of the Contract by City Council.

For the purposes of this Ordinance, a **Contract** is defined as each Contract having a value in excess of \$30,000 that is let by the City for professional services, personal services, or other goods or services of any other nature whether the Contract is awarded on a negotiated basis, request for Proposal basis, competitive Proposal basis or formal sealed competitive Bids. The term **Contractor** includes proprietors of proprietorships, partners having an equity interest of 10% or more of partnerships, (including limited liability partnerships and companies), all officers and directors of corporations (including limited liability corporations), and all holders of 10% or more of the outstanding shares of corporations.

**A STATEMENT DISCLOSING THE NAMES AND BUSINESS ADDRESSES EACH OF THOSE PERSONS WILL BE REQUIRED TO BE SUBMITTED WITH EACH BID OR PROPOSAL FOR A CITY CONTRACT.** Completion of the attached form entitled "**Contractor Submission List**" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

**EXHIBIT D – FORM “A”: FAIR CAMPAIGN  
SOLICITATION NO.: S37-T24838**

CITY OF HOUSTON FAIR CAMPAIGN ORDINANCE

The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office (including elected officers-elect) during a certain period of time prior to and following the award of the Contract by the City Council. The term “Contractor” Includes proprietors of proprietorships, partners or joint venture’s having an equity interest of 10 percent or more for the partnership or Joint venture, and officers, directors and holders of 10 percent or more of the outstanding shares of corporations. A statement disclosing the names and business addresses of each of those persons will be required to be submitted with each Bid or Proposal for a City Contract. See Chapter 18 of the Code of Ordinances, Houston, Texas, for further information.

This list is submitted under the Provisions of Section 18-36(b) of the Code of Ordinances, Houston, Texas, in connection with the attached Proposal, submission or bid of:

Firm or Company Name: \_\_\_\_\_

Firm or Company Address: \_\_\_\_\_

**The firm/company is organized as a (Check one as applicable) and attach additional pages if needed to supply the required names and addresses:**

**SOLE PROPRIETORSHIP**

Name \_\_\_\_\_ Address \_\_\_\_\_  
Proprietor

**A PARTNERSHIP**

**List each partner having equity interest of 10% or more of partnership (if none state “none”):**

Name \_\_\_\_\_ Address \_\_\_\_\_  
Partner

Name \_\_\_\_\_ Address \_\_\_\_\_  
Partner

**A CORPORATION**

**List all directors of the corporation (if none state “none”):**

Name \_\_\_\_\_ Address \_\_\_\_\_  
Director

Name \_\_\_\_\_ Address \_\_\_\_\_  
Director

Name \_\_\_\_\_ Address \_\_\_\_\_  
Director

**EXHIBIT D – FORM “A”: FAIR CAMPAIGN  
SOLICITATION NO.: S37-T24838**

List all officers of the corporation (if none state “none”):

Name _____ Officer	_____ Address
Name _____ Officer	_____ Address
Name _____ Officer	_____ Address

List all individuals owning 10% or more of outstanding shares of stock of the corporation (if none state “none”):

Name _____	_____ Address
Name _____	_____ Address
Name _____	_____ Address

I certify that I am duly authorized to submit this list on behalf of the firm, that I am associated with the firm in the capacity noted below and that I have personal knowledge of the accuracy of the information provided herein.

\_\_\_\_\_  
Preparer

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Note: This list constitutes a **government record** as defined by § 37.01 of the Texas Penal Code.

8/23/01

**EXHIBIT E: CONTRACTOR OWNERSHIP  
DISCLOSURE ORDINANCE  
SOLICITATION NO.: S37-T24838**

City Council requires knowledge of the identities of the owners of entities seeking to Contract with the City in order to review their indebtedness to the City prior to entering Contracts. Therefore, all respondents to this Invitation to Bid must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Contracting entity means a sole proprietorship, corporation, non-profit corporation, partnership, joint venture, limited liability company, or other entity that seeks to enter into a contract requiring approval by the Council but excluding governmental entities.

A contracting entity must submit at the time of its Bid or Proposal, an affidavit listing the full names and the business and residence addresses of all persons owning five percent or more of a contracting entity or, where a contracting entity is a non-profit corporation, the full names and the business and residence addresses of all officers of the non-profit corporation.

Completion of the "**Affidavit of Ownership or Control**," included herein, and submitted with the Official Bid or Proposal Form will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

**EXHIBIT F: AFFIDAVIT OF OWNERSHIP OR CONTROL**  
**SOLICITATION NO.: S37-T24838**

ORIG. DEPT.: \_\_\_\_\_

FILE/I.D. NO.: \_\_\_\_\_

**INSTRUCTION:** ENTITIES USING AN ASSUMED NAME SHOULD DISCLOSE SUCH FACT TO AVOID REJECTION OF THE AFFIDAVIT. THE FOLLOWING FORMAT IS RECOMMENDED: CORPORATE/LEGAL NAME DBA ASSUMED NAME.

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

§  
§

**AFFIDAVIT OF OWNERSHIP OR CONTROL**

BEFORE ME, the undersigned authority, on this day personally appeared

\_\_\_\_\_ [FULL NAME] (hereafter "Affiant"),

\_\_\_\_\_ [STATE TITLE/CAPACITY WITH CONTRACTING ENTITY] of \_\_\_\_\_

[CONTRACTING ENTITY'S CORPORATE/LEGAL NAME] ("Contracting Entity"), who being by me duly sworn on oath stated as follows:

1. Affiant is authorized to give this affidavit and has personal knowledge of the facts and matters herein stated.

2. Contracting Entity seeks to do business with the City in connection with

\_\_\_\_\_ [DESCRIBE PROJECT OR MATTER] which is expected to be in an amount that exceeds \$50,000.

3. The following information is submitted in connection with the proposal, submission or bid of Contracting Entity in connection with the above described project or matter.

4. Contracting Entity is organized as a business entity as noted below (check box as applicable).

**FOR PROFIT ENTITY:**

- SOLE PROPRIETORSHIP
- CORPORATION
- PARTNERSHIP
- LIMITED PARTNERSHIP
- JOINT VENTURE
- LIMITED LIABILITY COMPANY
- OTHER (Specify type in space below)

**NON-PROFIT ENTITY:**

- NON-PROFIT CORPORATION
- UNINCORPORATED ASSOCIATION

**EXHIBIT F: AFFIDAVIT OF OWNERSHIP OR CONTROL**  
**SOLICITATION NO.: S37-T24838**

5. The information shown below is true and correct for the Contracting Entity and all owners of 5% or more of the Contracting Entity and, where the Contracting Entity is a non-profit entity, the required information has been shown for each officer, *i.e.*, president, vice-president, secretary, treasurer, etc. **[NOTE: IN ALL CASES, USE FULL NAMES, LOCAL BUSINESS AND RESIDENCE ADDRESSES AND TELEPHONE NUMBERS. DO NOT USE POST OFFICE BOXES FOR ANY ADDRESS. INCLUSION OF E-MAIL ADDRESSES IS OPTIONAL, BUT RECOMMENDED. ATTACH ADDITIONAL SHEETS AS NEEDED.]**

**Contracting Entity**

Name: \_\_\_\_\_

Business Address **[NO. /STREET]** \_\_\_\_\_

**[CITY/STATE/ZIP CODE]** \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address **[OPTIONAL]** \_\_\_\_\_

Residence Address **[NO. /STREET]** \_\_\_\_\_

**[CITY/STATE/ZIP CODE]** \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address **[OPTIONAL]** \_\_\_\_\_

**5% Owner(s) or More (IF NONE, STATE "NONE.")**

Name: \_\_\_\_\_

Business Address **[NO. /STREET]** \_\_\_\_\_

**[CITY/STATE/ZIP CODE]** \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address **[OPTIONAL]** \_\_\_\_\_

Residence Address **[NO. /STREET]** \_\_\_\_\_

**[CITY/STATE/ZIP CODE]** \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address **[OPTIONAL]** \_\_\_\_\_

**EXHIBIT F: AFFIDAVIT OF OWNERSHIP OR CONTROL**  
**SOLICITATION NO.: S37-T24838**

**6. Optional Information**

Contracting Entity and/or \_\_\_\_\_ [NAME OF OWNER OR NON-PROFIT OFFICER] is actively protesting, challenging or appealing the accuracy and/or amount of taxes levied against \_\_\_\_\_ [CONTRACTING ENTITY, OWNER OR NON-PROFIT OFFICER] as follows:

Name of Debtor: \_\_\_\_\_  
Tax Account Nos. \_\_\_\_\_  
Case or File Nos. \_\_\_\_\_  
Attorney/Agent Name \_\_\_\_\_  
Attorney/Agent Phone No. (\_\_\_\_\_) \_\_\_\_\_  
Tax Years \_\_\_\_\_

Status of Appeal [DESCRIBE] \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Affiant certifies that he or she is duly authorized to submit the above information on behalf of the Contracting Entity, that Affiant is associated with the Contracting Entity in the capacity noted above and has personal knowledge of the accuracy of the information provided herein, and that the information provided herein is true and correct to the best of Affiant's knowledge and belief.

\_\_\_\_\_  
Affiant

**SWORN TO AND SUBSCRIBED** before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

**NOTE:**  
This affidavit constitutes a **government record** as defined by Section 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in Section 37.10 of the Texas Penal Code. Attach additional pages if needed to supply the required names and addresses.

**EXHIBIT G: DRUG DETECTION AND DETERRENCE  
PROCEDURES FOR CONTRACTORS  
SOLICITATION NO.: S37-T24838**

- (a) It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by contractors while on City premises is prohibited. By executing this Contract, Contractor represents and certifies that it meets and shall comply with all the requirements and procedures set forth in the Mayor's Policy on Drug Detection and Deterrence, City Council Motion No. 92-1971 ("Mayor's Policy") and the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), both of which are on file in the Office of the City Secretary.
- (b) Confirming its compliance with the Mayor's Policy and Executive Order, Contractor, as a condition precedent to City's obligations under this Contract, will have filed with the Contract Compliance Officer for Drug Testing ("CCODT"), prior to execution of this Contract by the City, (i) a copy of its drug-free workplace policy, (ii) the Drug Policy Compliance Agreement substantially in the format set forth in Attachment "A" to the Executive Order, together with a written designation of all safety impact positions, and (iii) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the format set forth in Attachment "C" to the Executive Order. If Contractor files written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every six (6) months during the performance of this Contract or upon the completion of this Contract if performance is less than six (6) months, a Drug Policy Compliance Declaration in a form substantially similar to Attachment "B" to the Executive Order. The Drug Policy Compliance Declaration shall be submitted to the CCODT within thirty days of completion of this Contract. The first six (6) month period shall begin to run on the date City issues its notice to proceed hereunder or if no notice to proceed is issued, on the first day Contractor begins work under this Contract.
- (c) Contractor shall have the continuing obligation to file with the CCODT written designations of safety impact positions and Drug Policy Compliance Declarations at anytime during the performance of this Contract that safety impact positions are added if initially no safety impact positions were designated. Contractor also shall have the continuing obligation to file updated designations of safety impact positions with the CCODT when additional safety impact positions are added to Contractor's employee work force.
- (d) The failure of Contractor to comply with the above Sections shall be a breach of this Contract entitling City to terminate in accordance with Article IV.

**EXHIBIT G – ATTACHMENT “A”  
 DRUG POLICY COMPLIANCE AGREEMENT  
 SOLICITATION NO.: S37-T24838**

I, \_\_\_\_\_ as an owner or officer of  
 \_\_\_\_\_  
 (Name) (Print/Type) (Title)  
 \_\_\_\_\_ (Contractor)  
 (Name of Company)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the Contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed.

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the Contract by the City of Houston.

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Contractor Name

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

**EXHIBIT G – ATTACHMENT “B”  
 DRUG POLICY COMPLIANCE DECLARATION  
 SOLICITATION NO.: S37-T24838**

I, \_\_\_\_\_ as an owner or officer of  
 \_\_\_\_\_  
 \_\_\_\_\_ (Contractor)  
 \_\_\_\_\_  
 \_\_\_\_\_ (Name of Company)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding six months from \_\_\_\_\_ to \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_ A written Drug Free Workplace Policy has been implemented and employees notified. The policy **Initials** meets the criteria established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Policy).

\_\_\_\_\_ Written drug testing procedures have been implemented in conformity with the Mayor's Drug **Initials** Detection and Deterrence Procedures for Contractors, Executive Order 1-31. Employees have been notified of such procedures.

\_\_\_\_\_ Collection/testing has been conducted in compliance with federal Health and Human Services **Initials** (HHS) guidelines.

\_\_\_\_\_ Appropriate safety impact positions have been designated for employee positions performing on **Initials** the City of Houston contract. The number of employees on safety impact positions during this reporting period is \_\_\_\_\_.

\_\_\_\_\_ From \_\_\_\_\_ to \_\_\_\_\_ the following testing has occurred.  
**Initials** (start date) (end date)

	<u>Random</u>	<u>Reasonable Suspicion</u>	<u>Post Accident</u>	<u>Total</u>
Number of Employees Tested	_____	_____	_____	_____
Number of Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

\_\_\_\_\_ Any employee who tested positive was immediately removed from the City worksite consistent with the **(Initials)** Mayor's Policy and Executive Order No. 1-31.

\_\_\_\_\_ I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines **(Initials)** will be considered a breach of Contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this declaration are within my personal knowledge and are true and correct.

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Contractor Name

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

**EXHIBIT G – ATTACHMENT “C” AND “D”  
 CONTRACTOR’S CERTIFICATION OF NO SAFETY IMPACT POSITIONS  
 SOLICITATION NO.: S37-T24838**

I, \_\_\_\_\_  
 (Name) (Print/Type) (Title)

as an owner or officer of \_\_\_\_\_  
 (Contractor) have authority to bind the Contractor with respect to its bid, and I hereby certify that Contractor has no employee safety impact positions as defined in §5.18 of Executive Order No. 1-31 that will be involved in performing this City Contract. Contractor agrees and covenants that it shall immediately notify the City's Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

\_\_\_\_\_  
 Date Contractor Name

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

**CONTRACTOR’S CERTIFICATION OF NON-APPLICATION OF  
 CITY OF HOUSTON DRUG DETECTION AND DETERRENCE PROCEDURES  
 FOR CONTRACTORS**

**ATTACHMENT “D”**

I \_\_\_\_\_ as an owner or officer of  
 (NAME) (PRINT/TYPE)

\_\_\_\_\_ (Contractor) have authority to bind the Contractor with respect to its bid, and I hereby certify that Contractor has fewer than fifteen (15) employees during any 20-week period during a calendar year and also certify that Contractor has no employee safety impact positions as defined in 5.18 of Executive Order No. 1-31 that will be involved in performing this City Contract. Safety impact position means a Contractor's employment position involving job duties that if performed with inattentiveness, errors in judgment, or diminished coordination, dexterity, or composure may result in mistakes that could present a real and/or imminent threat to the personal health or safety of the employee, co-workers, and/or the public.

\_\_\_\_\_  
 DATE CONTRACTOR'S NAME

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 TITLE

**EXHIBIT G – ANTI-COLLUSION STATEMENT**  
**SOLICITATION NO.: S37-T24838**

**Anti-Collusion Statement**

The undersigned, as Proposer, certifies that the only person or parties interested in this Proposal as principals are those named herein; that the Proposer has not, either directly or indirectly entered into any Agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the award of this Contract.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Proposer Signature

## **EXHIBIT H – CONFLICT OF INTEREST QUESTIONNAIRE**

**SOLICITATION NO.: S37-T24838**

Chapter 176 of the Local Government Code requires every Vendor or Contractor with the City of Houston (“City”) to file a Conflict of Interest Questionnaire with the City Secretary of the City of Houston by the **seventh** business day after:

- (1) any contract discussions or negotiations begin, or
- (2) submitting an application, responses to requests for proposals, bids, correspondence, or any writing related to a potential Agreement with the City.

The Conflict of Interest Questionnaire is available for downloading from the Texas Ethics Commission’s website at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. The completed Conflict of Interest Questionnaires will be posted on the City Secretary’s website. There will also be a list of the City’s Local Government Officers on the City of Houston’s website.

Additionally, each Vendor or Contractor must file updated questionnaires no later than **September 1<sup>st</sup>** of each year that the Vendor or Contractor seeks to contract with the City, or the **seventh** business day after the date of an event that would render the questionnaire incomplete or inaccurate.

However, a Vendor or Contractor is not required to file a new questionnaire in any year if the vendor has completed a questionnaire between June 1<sup>st</sup> and September 1<sup>st</sup> of that year, unless the previous questionnaire is incomplete or inaccurate.

Original Conflict of Interest Questionnaire shall be filed with Houston’s Records Administrator (Ms. Anna Russell, City Secretary, 900 Bagby, First Floor, Houston, Texas 77002). Vendors and Contractors shall include a copy of the form that was submitted to the City Secretary as part of the Bid Package. Any questions about filling out this form should be directed to your attorney

Failure of any Vendor or Contractor to comply with this law is a Class-C misdemeanor.

# EXHIBIT I – CONFLICT OF INTEREST QUESTIONNAIRE

## SOLICITATION NO.: S37-T24838

### CONFLICT OF INTEREST QUESTIONNAIRE

**FORM CIQ**

For vendor or other person doing business with local governmental entity

OFFICE USE ONLY

Date Received

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

1 Name of person who has a business relationship with local governmental entity.

2  Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

\_\_\_\_\_  
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes       No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes       No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes       No

D. Describe each employment or business relationship with the local government officer named in this section.

4

\_\_\_\_\_  
Signature of person doing business with the governmental entity

\_\_\_\_\_  
Date

Adopted 06/29/2007

# EXHIBIT J – PAY OR PLAY PROGRAM REQUIREMENTS

## SOLICITATION NO.: S37-T24838

### I. Pay or Play Program Elements

#### A. Purpose

Authorized by Ordinance 2007-534 and Executive Order 1-7, the purpose of the Pay or Play Program is (1) to create a more level playing field among competing contractors so that those who provide health benefits to their employees are not disadvantaged in the bidding process; and 2) to recognize and account for the fact that there are costs associated with the health care of the uninsured.

#### B. Program Elements

2. Covered Contracts: Contracts covered by the program are those that are advertised after July 1, 2007, which are valued at or above \$100,000 and are not primarily for the procurement of property, goods, supplies or equipment.
3. Covered employees: This program applies to employees of a covered Contractor or Subcontractor, including Contract labor, who are over age 18, work at least 30 hours per week and work any amount of time under a covered city Contract or Subcontract.
3. Compliance with the program means that the Contractor either:
  - “Pays” by contributing \$1.00 per covered employee per hour for work performed under the Contract with the City; or
  - “Plays” by offering health benefits to covered employees. Health benefits must meet or exceed the following standards:
    - The employer will contribute no less than \$150 per covered employee per month toward the total premium cost.
    - The employee contribution, if any amount, will be no greater than 50% of the total monthly premium cost.
4. Subcontracts: The Prime Contractor is responsible for compliance on behalf of covered employees, including Contract labor, of subcontractors with subcontracts valued at or greater than \$200,000, if the Subcontract is not primarily for the procurement of property, goods, supplies or equipment. Subcontractor compliance includes submission of applicable reports and/or payments to the Prime, as well as maintenance of records.
- 13 Exemptions/Waivers: The City of Houston will award a Contract to a Contractor that neither Pays nor Plays only if the Contractor has received an approved waiver.
- 14 Administration: Contractor performance in meeting Pay or Play program requirements will be managed by the contracting department. The Office of Affirmative Action and Contract Compliance will have administrative oversight of the program, including audit responsibilities. Questions about the program should be referred to the department POP Liaison or the Office of Affirmative Action and Contract Compliance.

# **EXHIBIT J – PAY OR PLAY PROGRAM REQUIREMENTS**

## **SOLICITATION NO.: S37-T24838**

### **II. Documentation and Reporting Requirements**

- A. Document that must be signed and returned to administering department with the Bid/Proposal.
1. Notice to Prospective City Contractors (Form POP-1A) acknowledges Bidder/Proposers' knowledge of the program and its requirements, and the intention to comply.
- B. Documents that must be signed and returned to administering department within a period designated by the department's Contract Administrator, upon notification of low Bidder or successful Proposer status:
1. Certification of Contractor's Intent to Comply with Pay or Play Program (Form POP-2). Note Contractors that opt to "play" must provide proof of coverage, including documentation from insurance provider, and names of covered employees.
  2. List of Participating Subcontractors (Form POP-3).
- C. The Contractor will comply with the following reporting requirements:

1. Contractors that opt to Play  
Provide periodic reports to the Contract administrator showing proof of coverage. Reporting schedule will be determined by administering department based on length of Contract. (Form POP-7.)
2. Contractors that opt to Pay  
Provide monthly reports to administering department, detailing names of employees, hours worked, exemptions (if any) and amount owed. (Form POP-5.)

Contractors shall submit an initial report with the second invoice to the department. Payments based on monthly reports are due to the contracting department with submission of the following month's invoice. Payments may be made via wire transfer, provided that proof of transaction is submitted to administering department.

### **III. Compliance and Enforcement**

The Office of Business Opportunity (OBO) and Contract Compliance Office will audit program compliance. Contractors willfully violating or misrepresenting POP program compliance will be subject to corrective and/or punitive action, including but not limited to the assessment of fines and penalties and/or debarment.

The Pay or Play Program Requirements Form (POP-1) and all other POP Forms are available for downloading from the City of Houston's Website at <http://www.houstontx.gov/aacc/popforms.html>

**EXHIBIT J – FORM “1A”**  
**PAY OR PLAY PROGRAM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: S37-T24838**



**What this form does.** This form acknowledges your awareness of the Pay or Play program. Your signature affirms that you will comply with the requirements of the program if you are the successful Bidder/Proposer, and ensure the same on behalf of subcontracts subject to the Pay or Play Program.

If you cannot make this assurance now, do not return this form.

**For more information, contact the Contract Administrator.**

**Routing.** Return this form with your Bid or Proposal.

I declare under penalty of perjury under the laws of the State of Texas that if awarded a contract, I will comply with the requirements of the Pay or Play Program.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
City Vendor ID

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
E-Mail Address

**EXHIBIT J – FORM “2”  
PAY OR PLAY PROGRAM CERTIFICATE OF AGREEMENT  
SOLICITATION NO.: S37-T24838**

Contractor Name: \_\_\_\_\_ \$ \_\_\_\_\_  
(Contractor/Subcontractor) (Amount of Contract)

Contractor Address: \_\_\_\_\_

Project No.: [GFS/CIP/AIP/File No.] \_\_\_\_\_

Project Name: [Legal Project Name] \_\_\_\_\_

POP Liaison Name: \_\_\_\_\_

In accordance with the City of Houston Pay or Play Program authorized by Ordinance 2007-534 and Executive Order 1-7, Contractor/Subcontractor agrees to abide by the terms of this Program. This certification is required of all contractors for contracts subject to the program. You must agree EITHER to PAY or to PLAY for all covered employees. The Contractor/Subcontractor may also Pay on behalf of some covered employees and Play on behalf of other covered employees.

The Contractor/Subcontractor will comply with all provisions of the Pay or Play Program and will furnish all information and reports requested to determine compliance with program requirements of the Pay or Play Program (See Executive Order 1-7 for the terms of the Pay or Play program) The criteria of the program is as follows:

The Contractor/Subcontractor agrees to “Pay” \$1.00 per hour for work performed by covered employees under the contract with the City. If independent contract labor is utilized the Contractor/Subcontractor agrees to report hours worked by the independent contract laborer and pay \$1.00 per hour for work performed.

Otherwise the Contractor/Subcontractor agrees to “Play” by providing health benefits to each covered employee. The health benefits must meet the following criteria:

1. The employer will contribute no less than \$150 per employee per month toward the total premium cost for single coverage only; and
2. The employee contribution, if any amount, will be no greater than 50% of the total premium cost and no more than \$150 per month.
3. Pursuant to E.O. 1-7 section 4.04 a contractor is deemed to have complied with respect to a covered employee who is not provided health benefits if the employee refuses the benefits and the employee’s contribution to the premium is no more than \$40 per month.

Please select whether you choose to:	<b>Pay</b>	<b>Play</b>	<b>Both</b>

The Contractor/Subcontractor will file compliance reports with the City, which will include activity for covered employees subject to the program, in the form and to the extent requested by the administering department. Compliance reports shall contain information including, but not limited to, documentation showing employee health coverage and employee work records. **Note: The Contractor is responsible to the City for the compliance of covered employees of covered subcontractors and only forms that are accurate and complete will be accepted.**

*Estimated Number of:	Prime Contractor	Sub-Contractor
Total Employees on City Job		
Covered Employees		
Non-Covered Employees		
Exempt Employees		

\*Required  
 I hereby certify that the above information is true and correct.

\_\_\_\_\_  
 CONTRACTOR (Signature)

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 NAME AND TITLE (Print or Type)