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CITY OF HOUSTON

Request for Proposal
FOR SELECTION OF A CONTRACTOR
For
WORKERS' COMPENSATION HEALTH CARE NETWORK

FOR

CITY OF HOUSTON HUMAN RESOURCES DEPARTMENT

NIGP CODE: # 953-92

PROCUREMENT
REQUEST FOR PROPOSAL

NOTICE OF
Request for Proposal
FOR SELECTION OF A CONTRACTOR
For
WORKERS' COMPENSATION HEALTH CARE NETWORK

FOR

CITY OF HOUSTON HUMAN RESOURCES DEPARTMENT

THE CITY OF HOUSTON

The City of Houston Administration & Regulatory Affairs Department invites prospective contractors to submit a written proposal for contractor to develop a Workers' Compensation Health Care Network for the City of Houston. Proposals are solicited for this service for the City of Houston in accordance with the terms, conditions and instructions as set forth in this Request for Proposal (RFP).

This Proposal is available on the Internet from: https://purchasing.houstontx.gov/

In the event you do not have download capability, the RFP document may be obtained from the Administration & Regulatory Affairs Department, Strategic Purchasing Division, Basement Level, Room B121A, City Hall, 901 Bagby, Houston, Texas 77002.

The City of Houston, Texas will receive proposals at the City Secretary's Office, City Hall Annex, Public Level, 900 Bagby, Houston, Texas 77002 until **Friday, June 24, 2011 at 2:00P.M.** No proposals will be accepted after the stated deadline.

There will be a **Pre-Proposal Conference on Friday, June 17, 2011 at 9:00 A.M.** in the Civil Service Conference Room, located at 611 Walker, 4th Floor Annex, Houston, Texas.

Questions concerning the Proposal should be submitted to, **Human Resources Risk Management Division website, wcrfp@cityofhouston.net** no later than **2:00 P.M., Monday, June 20, 2011.**

All proposals will be required to comply with City Council Ordinance No. 78-1538, passed August 9, 1978, relating to Equal Employment Opportunity Contract Compliance. The City 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.

Omar C. Reid
HR Director

6/2/2011
Date

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SECTION I. GENERAL INSTRUCTIONS

1.0 Submittal Procedure:

1.1 Seven (7) copies of the proposal, including one (1) printed original, signed in BLUE ink, are to be submitted in a sealed envelope bearing the assigned Control Number located on the first page of the RFP document to:

1.1.1 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 **Friday, June 24, 2011, at 2:00 P.M.** 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. Respondents may submit their proposal to the City Secretary's Office any time prior to the above stated deadline.

2.0 Proposal Format:

2.1 The Proposal should be electronically generated 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.

2.2 The proposal must be signed by 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 Friday, **June 17, 2011 at 9:00 A.M.** in the Civil Service Conference Room, located at 611 Walker, 4th Floor Annex, Houston, Texas. Interested Proposers should plan to attend. It will be assumed that potential Proposers attending this meeting have reviewed the RFP in detail and are prepared to bring up any substantive questions, which have not already been addressed by the City.

4.0 Additional Information and Specifications Changes:

4.1 Requests for additional information and questions should be addressed to the Human Resources Risk Management Division website, wcrfp@cityofhouston.net no later than Monday, **June 20, 2011 at 2:00 P.M.** local time. The City of Houston shall provide written response to all questions received in writing on or before the written question submittal deadline. Questions received from all respondents shall be answered and sent to all respondents who are listed as having obtained Requests for Proposals. Proposers shall be notified in writing of any changes in the specifications contained in this Request for Proposal.

5.0 Addenda & Modifications:

5.1 All addenda, amendments, and interpretations to this solicitation shall be in writing. Any amendment 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 addendum sent to Proposers.

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 Request for Proposal.

7.0 Post-Proposal Discussions with Proposers:

7.1 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).

8.0 Terms, Conditions, Limitations and Exceptions:

8.1 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.

8.2 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.

8.3 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.

8.4 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 secret to the extent provided by law.

8.5 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).

8.6 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.

8.7 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.

8.8 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.

8.9 Proposers, 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 Request for Proposal at the time a proposal is submitted to the City.

8.10 The price agreement(s) shall become effective **on a yet to be determined date,** for a term of three (3) calendar 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.

8.11 If necessary for the completion of tasks required under the project, the City will provide reasonable working space to the Prime Contractor.

8.12 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 contract negotiated.

8.13 Prime Contractor personnel essential to the continuity and 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.

8.14 The Prime Contractor will be expected to adhere to all standard contractual requirements of the City which will 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.

8.15 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.

8.16 Prime Contractor must promptly report to the City Project Director any conditions, transactions, situation, or circumstances encountered by the Prime Proposer, which would impede or impair the proper and timely performance of the contract.

8.17 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.

8.18 The City reserves the right to waive any minor informality concerning this RFP, or to reject any or all proposals or any part thereof.

8.19 The City reserves the right to request clarification of any proposal after they have been received.

8.20 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.

8.21 The selected Proposer 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.

8.22 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.

8.23 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.

8.24 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 providing 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.

9.0 Invoicing:

9.1 The City of Houston is a single entity for accounting, billing, and discounting. Any invoices accompanied by detailed supplements and other back up documents are to be submitted to:

9.1.1 City of Houston
Human Resources Department
Accounting Section
P.O. Box 1562
Houston, Texas 77251

9.2 The City of Houston requires timely and accurate accounting and billing information.

10.0 Indemnity and Release:

10.1 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.

10.2 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:

10.2.1 PRIME CONTRACTOR/SUPPLIERS AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 10.1-10.3, "PRIME CONTRACTOR/SUPPLIER") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

10.2.2 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT; AND

10.2.3 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.

10.2.4 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.

10.2.5 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.

10.3 <u>INDEMNIFICATION-SUBCONTRACTOR'S INDEMNITY</u>

10.3.1 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.

11.0 Indemnification Procedures:

11.1 Notice of Claims. If the City or Prime Contractor/Supplier 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 10 days. The notice must include the following:

11.1.1 a description of the indemnification event in reasonable detail,

11.1.2 the basis on which indemnification may be due, and

11.1.3 the anticipated amount of the indemnified loss.

11.2 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 10 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.

11.3 Defense of Claims

11.3.1 Assumption of Defense. Prime Contractor/Supplier 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/Supplier must advise the City as to whether or not it will defend the claim. If Prime Contractor/Supplier does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

11.3.2 Continued Participation. If Prime Contractor/Supplier 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/Supplier 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 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.

12.0 Insurance Requirements:

The Contractor shall obtain and maintain in effect 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. The City shall be named as an additional insured on all such policies except Professional Liability and Workers' Compensation, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under the agreement. **The issuer of any policy shall have a Certificate of Authority to transact insurance business in the State of 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 of Best's Key Rating Guide, Property-Casualty United States.

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

12.1.1 Commercial General Liability Insurance including Contractual Liability:

12.1.1.1 $500,000 per occurrence;

12.1.1.2 $1,000,000 aggregate, (defense costs excluded from face value of the policy)

12.1.2 Workers' Compensation including Broad Form All States Endorsement:

12.1.2.1 Amount shall be statutory amount.

12.1.2.2 **Employer's Liability cannot be used as a substitute for Workers' Compensation**

12.1.3 Automobile Liability (See Note Below):

12.1.3.1 $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.

12.1.4 Employer's Liability

12.1.4.1 Bodily injury by accident $100,000 (each accident)

12.1.4.2 Bodily injury by disease $100,000 (policy limit)

12.1.4.3 Bodily injury by disease $100,000 (each employee)

12.1.5 Professional Liability

12.1.5.1 $500,000 per occurrence $1,000,000 aggregate

12.2 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.

12.3 All of the insurance required to be carried by the Contractor hereunder shall be by policies which shall require on their face, or by endorsement, that the insurance carrier waives any rights of subrogation against the City, Contractor shall give written notice to the Director if any of its insurance policies are cancelled, materially changed or non-renewed. Within such thirty (30) day period Contractor covenants that it will provide other suitable policies in lieu of those about to be cancelled or materially changed so as to maintain in effect the coverage required under the provisions hereof. Failure or refusal of the Contractor to obtain and keep in force the above required insurance coverage shall authorize the City, at its option, to terminate this Contract at once.

12.4 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 his policies excluding Workers' Compensation and Employer's Liability.

12.4.1 (See Insurance Requirements Exhibit for a sample insurance certificate format).

12.4.2 **Only unaltered original insurance certificates endorsed by the underwriter are acceptable. Photocopies are unacceptable.**

12.5 Contractor shall maintain in effect certain insurance coverage, which is described as follows:

12.5.1 Form of Policies: The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Contractor form 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.

12.5.2 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.

12.5.3 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.

12.5.4 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.

12.5.5 Cancellation: No policy may 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.

12.5.6 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.

12.5.7 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.

12.5.8 Liability for Premium: Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.

12.5.9 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.

12.5.10 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.

12.5.10.1 Contractor shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may

12.5.10.2 Immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or

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

12.5.10.4 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.

12.5.11 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.

13.0 Contractor Performance Language:

13.1 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.

14.0 Inspections and Audits:

14.1 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.

15.0 Interpreting Specifications:

15.1 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 Proposers 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.

15.2 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 and a City of Houston official or employee may not be used as a basis for deviations from the requirements contained in this RFP.

16.0 Local Minority/Women Businesses Enterprises Participation:

16.1 Contractor shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 24% of the value of this Agreement to MWBEs. Contractor acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Affirmative Action Division and will comply with them.

16.2 Contractor shall require written subcontracts with all MWBE subcontractors and shall submit all disputes with MWBEs to binding arbitration in Houston, Texas if directed to do so by the Affirmative Action Division Director. MWBE subcontracts must contain the terms set out in Exhibit I. If Contractor is an individual person (as distinguished from a corporation, partnership, or other legal entity), and the amount of the subcontract is $50,000 or less, the subcontract must also be signed by the attorneys of the respective parties.

17.0 City Contractors' Pay or Play Program:

17.1 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.

18.0 City Contractor Ownership Disclosure Ordinance:

18.1 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 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.

18.2 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.

19.0 Contractor Debt:

19.1 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, SHE 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.

20.0 City of Houston Fair Campaign Ordinance:

20.1 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.

21.0 Drug Detection and Deterrence Procedures for Contractors:

21.1 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 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.

22.0 Project Administration:

22.1 Questions regarding the scope of the project, technical specifications, proposed applications, etc. may be addressed to the Project Manager at the pre-proposal conference.

23.0 Schedule:

23.1 Listed below are important dates and times by which actions related to this Request for Proposal (RFP) should be completed.

23.2

EVENT	DATE
Date of issue of the RFP	June 6, 2011
Pre-Proposal Conference	June 17, 2011
Questions from Proposers due to City	June 20, 2011
Proposals due from Vendors	June 24, 2011
Notification of intent to award *(Estimated)*	To Be Determined
Council Agenda Date (Tentative)	To Be Determined
Contract start date *(Estimated)*	To Be Determined

SECTION II. SCOPE OF WORK

2.0 Background

2.1 The City's Worker's Compensation Program is completely self-insured, however, there is a contract in place with a Third Party Administrator (TPA) to handle all administrative, claims processing, and payment services to provide statutorily required benefits to eligible current and former employees. The current contract began September 1, 2008 and runs for a three-year term with two successive two-year options. It will expire August 31, 2011. The services requested in the RFP is to establish a certified workers' compensation health care network to be certified by the Texas Department of Insurance.

2.2 Approximately 22,944 city employees are covered by the program: 13,627 civilians and 5,395 uniformed police officers and 3,922 firefighters. The City averages approximately 1,394 workers' compensation claims per year with roughly 41% classified as "lost time" (claims where wage replacement benefits are payable). Workers' compensation claims costs for FY11 are approximately $15 million with 50% medical and 38% indemnity. The number of reported incidents is down 2% from FY10.

2.3 Overall program costs have decreased since FY01, largely due to several internal initiatives pertaining to safety, loss control, cost containment, return to work and other programs. As per the attachment on page 21, you will note that the total Workers' Compensation claims costs for FY10to FY11 were decreased by approximately $1 million.

SECTION III. PROVIDER MEDICAL HEALTH CARE NETWORK

The provider medical health care network services to be provided by Contractor under this Agreement shall include the following:

3.1 Contractor shall provide a list of all participating providers. The list should include names, addresses, phone numbers and tax identification numbers.

3.2 Contractor shall provide a list of all participating hospitals. The list should include names, addresses, phone numbers and tax identification numbers.

3.3 Contractor shall provide reimbursement schedules for the provision of medical care for all participating providers and hospitals within the network.

3.4 Contractor shall be responsible for affirming provider credentials to ensure network quality.

3.5 Contractor shall be responsible for providing access plans for health care.

3.6 Contractor shall provide updated provider listing and directories on a quarterly basis.

3.7 Contractor shall provide but not limited to:

1) 24-hour coverage

2) Geographic location coverage of Greater Houston Area

3) Wide Array Specialty Service

4) Special Interest in Hospital:

   (a) Burn Center

   (b) Smoke Inhalation Pulmonary Disorder

   (c) Trauma

5) Demonstrated ability to follow ODG

6) Long term care capacity with Case Management

7) Referral criteria from other clients

8) Contractor shall provide In-Network/Out-of-Network/Non-Network protocols.

SECTION IV. UTILIZATION REVIEW

Contractor will provide to the City of Houston the utilization review services described as follows:

4.1 Contractor shall be responsible to ensure that all providers in the network follow nationally recognized, scientifically valid evidence based treatment guidelines, disability guidelines and other scientifically valid treatment plans.

4.2 Contractor shall be responsible that all Utilization Review is URAC accredited.

4.3 Contractor will be responsible for recommending cases for utilization review. Each recommendation from Contractor must include the parameters of review and estimated utilization review fee. A utilization review will be performed by Contractor only after the City of Houston Administrative Coordinator along with the consent of the Administration Workers' Compensation Manager, has approved the parameters and estimated fee. The City of Houston approval will be indicated by the assignment of an authorization number. The City of Houston agrees not to unreasonably withhold approval of cases recommended for utilization review. Parameters may be expanded and estimated fees increased beyond the initial recommendations by Contractor only upon approval of the City of Houston Administration Workers 'Compensation Manager. The City of Houston will not pay for utilization review services that exceed the scope of the approved parameters and/or estimated fees

4.4 Utilization reviews must include in-depth reviews of objective findings and treatments as documented in each claim record. In each case referred for utilization review, the review must be performed by a provider who is a peer to the provider in the case. The opinions and recommendations stated in each review must be medically reasonable and based on state-wide medical practices.

4.5 Contractor will be responsible for verifying the credentials of and ensuring the quality of the work product of all providers who perform utilization reviews on the City of Houston claims.

4.6 Along with each utilization review request, Contractor will send a letter to the selected peer reviewer requesting a response within seven (7) days. If the reviewer has not responded within seven days, Contractor will move the case to another qualified reviewer.

4.7 Utilization review findings shall be provided to the City of Houston within thirty-five (35) calendar days after the date the authorization number was assigned. If the utilization review findings for a case are not delivered to the City of Houston by the forty-fifth (45^{th}) day after assignment of the authorization number, then the utilization review fee otherwise payable to Contractor for that case shall be reduced by twenty percent (20%) for each additional day (including the day of actual receipt) until the utilization review findings for the case are received by the City of Houston. Contractor will provide a paper copy of utilization review findings at the request of the city of Houston.

SECTION V. MEDICAL CASE MANAGEMENT/RETURN TO WORK SERVICES

Contractor will provide to the City of Houston the medical case management/return to work services described as follows:

5.1 As part of the network functions, Contractor will recommend claims for case management to achieve one or more of the following objectives:

5.1.1 Returning the claimant to productive employment;

5.1.2 Acquiring certification of maximum medical improvement by the claimant's treating physician and assignment of a medically reasonable impairment rating;

5.1.3 Gaining or maintaining control over medical expenditures; and/or

5.1.4 Bringing closure to a claim.

5.2 Case managers may be employees of subcontractor(s) to Contractor, as mutually agreed upon by Contractor and the City of Houston. The city of Houston reserves the right to select and work directly with independent case managers.

5.3 Before telephonic case management or field case management services are initiated for any claim, Contractor or its approved subcontractor will provide the City of Houston with complete resumes for all case managers who will be assigned to the City of Houston claims. The City of Houston shall have the right to reject any case manager proposed for assignment to the City of Houston claims if it is deemed by the City of Houston to be in the best interest of the City of Houston.

5.4 Telephonic case management or field case management services will be performed on a file only after approval is given by the Administrative Coordinator assigned to the claim or the Administration Workers' Compensation Manager. Specific parameters and estimated fees for each case management assignment will be recommended to the City of Houston by Contractor or the approved subcontractor. The City of Houston's concurrence with the parameters and estimated fees will be indicated by the assignment of an authorization number. The City of Houston agrees not to unreasonably withhold approval of cases recommended for case management services. Parameters may be expanded and estimated fees increased beyond the initial recommendations by Contractor only upon approval of the City of Houston Administrative Coordinator assigned to the claim or the Administration Workers' Compensation Manager. The City of Houston will not pay for case management services that exceed the scope of approved parameters and/or exceed estimated fees.

5.5 Contractor or its approved case management subcontractor must provide monthly case management progress reports to the City of Houston.

All case management progress reports shall be categorized by department so as to show the pertinent information for the City of Houston. At a minimum, the case management progress reports must include the following information:

5.5.1 Identify the case manager assigned to each individual claim;

5.5.2 Provide a summary of the progress made on each individual claim;

5.5.3 Provide an estimate of savings on each individual claim (income benefits, medical, or both) as a result of the case management activities;

5.5.4 State the case management service charge on each individual claim; and

5.5.5 State what further actions will be taken on the claim, if any.

5.6 Contractor shall fully coordinate its case management activities with bill audit services, pre-authorization services, utilization review services, and with medical providers to achieve comprehensive managed care services and the highest level of savings possible for the City of Houston.

5.7 Case managers must respect the privacy of claimants and must fully comply with all state and federal privacy laws. If a claimant is represented by an attorney, the case manager must secure the attorney's permission before making contact with the employee. If a claimant or attorney refuses to cooperate with a case manager, the case manager must inform the adjuster of the refusal and must make no further efforts to communicate with the claimant or attorney, except that the case manager may send a letter to the claimant and/or attorney explaining that the case management file will be closed due to non-cooperation.

5.8 Contractor will be responsible for the work product of all case managers, and Contractor must ensure the professional competence of each case manager. Contractor shall make every effort to bring about a prompt resolution to all claims referred to case management.

5.9 Case managers may make direct recommendations to claimants to seek treatment from one or more providers in the network if:

5.9.1 Prior approval is received from the Administrative coordinator assigned to the claim;

5.9.2 The claimant is informed that he or she is not required to treat with the recommended provider or providers; and

5.9.3 The claimant is informed that the recommendation is being made by the case manager and not by the City of Houston.

SECTION VI. PRE-AUTHORIZATION SERVICES

Contractor will provide to the City of Houston a list of the pre-authorization requirements as mutually agreed upon by the City of Houston and the Contractor for rendering medical care.

Contractor will provide their process for pre-authorization and review, and how it affects the City of Houston and their bills. Pre-authorizations should include at a minimum treatment in accordance with the current edition of the *Official Disability Guidelines – Treatment in Workers' Comp*, excluding the return to work pathways, (ODG), published by Work Loss Data Institute (Division treatment guidelines), unless the treatment(s) or service(s) require(s) pre-authorization in accordance with 134.600 of this title (relating to Pre-authorization, Concurrent Review and Voluntary Certification of Health Care) or 137.300 of this title (relating to Required Treatment Planning).

SECTION VII. QUALITY ASSURANCE

Contractor will provide to the City of Houston quality assurance services described as follows:

7.1 Contractor shall submit to the City of Houston quarterly reports that objectively monitor and evaluate the quality and appropriateness of care and services as mandated by statute, and rules.

7.2 Contractor must have a quality improvement program and committee.

7.3 Contractor shall have complaint and dispute resolution processes for employees, providers, and other complainants.

7.4 Contractor shall provide the City of Houston's network notice requirement packages for employees and employers to be delivered by the City of Houston at time of implementation of network and as deemed necessary by the City of Houston.

7.5 Contractor shall provide the City of Houston employee acknowledgement letters, informational posters/flyers and additional education notices about the network as deemed necessary by the City of Houston.

7.6 Contractor will provide the City of Houston a summary of doctor and case utilization.

SECTION VIII. MEDICAL BILL REVIEW

The City of Houston shall provide to Contractor the medical bills and reports that have been submitted to the City of Houston for hospital services, physician services, prescription drug services, and other ancillary medical services and supplies. Contractor shall audit the bills as allowed by network contract. If an employee files a claim in a state other than Texas, Contractor will utilize appropriate rules and regulations for that state.

The medical fee audit services to be provided by Contractor under this Agreement shall include the following:

8.1 Contractor's staff of professional bill auditors must be responsible for all bill audits. Data entry personnel will be used only to perform reimbursement schedule reductions.

8.2 Contractor's audit staff must keep apprised of any changes that affect bill processing and Contractor must modify internal procedures to ensure prompt compliance.

8.3 Contractor must assign a team of auditors and data entry personnel to process bills exclusively for the city of Houston's account. Contractor shall ensure that the ratio of auditors to bills reviewed daily must never be less than 1:100, and the ratio of data entry personnel to bills entered daily must never be less than 1:150.

8.4 In performing its services under this Agreement, Contractor must comply at all times with all applicable Texas and federal laws, rules, and regulations, including without limitation, all laws, rules and regulations regarding the confidentiality of medical records. Contractor must not reveal information regarding the City of Houston's claims verbally or in writing to any party other than approved subcontractors or TDI/DWC without the express written consent of the City of Houston.

Claims shall be from day 1 of the Contract. The addition of legacy claims to the Network will be agreed upon by both the City of Houston and the Contractor. In addition, Contractor shall comply with the confidentiality requirements related to the *Health Insurance Portability and Accountability Act of 1996* (commonly known as HIPAA).

HIPAA BUSINESS ASSOCIATE AGREEMENT

This **HIPAA BUSINESS ASSOCIATE AGREEMENT** (the "BAA") is made and entered into by and between _____ ("Business Associate" or "Contractor") and the **CITY OF HOUSTON, TEXAS**, a home rule city of the State of Texas ("Covered Entity" or the "City"). This BAA supersedes and replaces any existing Business Associate Agreement between Covered Entity and Business Associate.

The purpose of this BAA is to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (codified at 45 C.F.R. Parts 160 and 164), as amended ("HIPAA"); privacy and security regulations promulgated by the United States Department of Health and Human Services ("DHHS"); Title XIII, Subtitle D of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, as amended ("HITECH Act"); and TEX. HEALTH & SAFETY CODE ANN. §§ 81.046, as amended, 181.001 *et seq.*, as amended,

241.151 *et seq.*, as amended, and 611.001 *et seq.*, as amended (collectively referred to herein as the "Privacy and Security Requirements").

A. Definitions.

1. Confidential Information is information that has been deemed or designated confidential by law (*i.e.*, constitutional, statutory, regulatory, or by judicial decision).

2. Protected Health Information ("PHI") is defined in 45 C.F.R. § 164.501 and is limited to information created or received by Contractor from or on behalf of the City.

3. Electronic Protected Health Information ("EPHI") shall mean individually identifiable health information that is transmitted by or maintained in electronic media.

4. Security Incident shall mean the unauthorized access, use, disclosure, modification, or destruction of Confidential Information, including, but not limited to, PHI and EPHI, or interference with the systems operations in an information system, including, but not limited to, information systems containing EPHI. This definition includes, but is not limited to, lost or stolen transportable media devices (*e.g.*, flash drives, CDs, PDAs, cell phones, and cameras), desktop and laptop computers, photographs, and paper files containing Confidential Information, including, but not limited to, PHI and EPHI.

B. General.

1. Contractor agrees to hold all PHI and EPHI confidential except to the extent that disclosure is required by Federal or State law, including the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 *et seq.*, as amended.

2. Contractor agrees to be bound by and comply with all applicable Federal and State of Texas licensing authorities' laws, rules, and regulations regarding records and governmental records, including the Privacy and Security Requirements. Compliance with this paragraph is at Contractor's own expense.

3. Contractor agrees to cooperate with state and federal agencies and to make appropriate personnel available for interviews, consultation, grand jury proceedings, pre-trial conferences, hearings, trials, and any other process, including investigations, required as a result of Contractor's services to the City. Compliance with this paragraph is at Contractor's own expense.

4. The terms used in this BAA shall have the same meaning as those terms in the Privacy and Security Requirements.

C. Representation. Contractor represents that it is familiar with and is in compliance with the Privacy and Security Requirements, which include Federal and State of Texas requirements governing information relating to HIV/AIDS, mental health, and drugs or alcohol treatment or referral *(or list any applicable health conditions)*.

D. Business Associate. Contractor is a "Business Associate" of the City as that term is defined under the Privacy and Security Requirements. Contractor specifically agrees to

abide by all requirements of the Privacy Rule and Security Rule made applicable to Business Associate under HITECH as if Business Associate were a covered entity under HIPAA.

1. *Nondisclosure of PHI.* Contractor agrees not to use or disclose PHI received from or on behalf of the City or created, compiled, or used by Contractor pursuant to this Agreement other than as permitted or required by this BAA, or as otherwise required by law.

2. *Limitation on Further Use or Disclosure.* Contractor agrees not to further use or disclose PHI or EPHI received from or on behalf of the City or created, compiled, or used by Contractor pursuant to this BAA in a manner that would be prohibited by the Privacy and Security Requirements if disclosure was made by the City, or if either Contractor or the City is otherwise prohibited from making such disclosure by any present or future State or Federal law, regulation, or rule.

3. *Safeguarding PHI.* Contractor agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this BAA or as required by State or Federal law, regulation, or rule.

4. *Safeguarding EPHI.* Contractor agrees to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains, or transmits on behalf of the City. These safeguards shall include the following:

   a) Encryption of EPHI that Contractor stores and transmits;

   b) Implementation of strong access controls, including physical locks, firewalls, and strong passwords;

   c) Use of updated antivirus software;

   d) Adoption of contingency planning policies and procedures, including data backup and disaster recovery plans; and

   e) Conduct of periodic security training.

5. *Reporting Security Incidents.* Contractor agrees to report to the City any Security Incident **immediately** upon becoming aware of such. Contractor further agrees to provide the City with the following information regarding the Security Incident as soon as possible, but no more than five (5) business days after becoming aware of the Security Incident: (1) a brief description of what happened, including the dates the Security Incident occurred and was discovered; (2) a reproduction of the PHI or EPHI involved in the Security Incident; and (3) a description of whether and how the PHI or EPHI involved in the Security Incident was rendered unusable, unreadable, or indecipherable to unauthorized individuals either by encryption or otherwise destroying the PHI or EPHI prior to disposal. If Contractor determines that it is infeasible to reproduce the PHI or EPHI involved in the Security Incident, the Contractor agrees to notify the City in writing of the conditions that make reproduction infeasible and any information the Contractor has regarding the PHI or EPHI involved.

Contractor agrees to cooperate in a timely fashion with the City regarding all Security Incidents reported to the City.

The City will review all Security Incidents reported by Contractor.

Contractor will take the following steps in response, to the extent necessary or required by law, including, but not limited to, (1) notifying the individual(s) whose PHI or EPHI was involved in the Security Incident, either in writing, via telephone, through the media, or by posting a notice on the City's website, or through a combination of those methods, of the Security Incident; and (2) providing the individual(s) whose PHI or EPHI was involved in the Security Incident with credit monitoring services for a period of time to be determined by the City, at no cost to the individuals.

The City, to the extent necessary or required by law, will provide notice of the Security Incident, as required by law, to the Secretary of the United States Department of Health and Human Services ("HHS").

Contractor agrees to reimburse the City for all expenses incurred as a result of Contractor's Security Incidents, including, but not limited to, expenses related to the activities described above. Contractor agrees that the City will select the Contractors and negotiate the contracts related to said expenses.

6. *EPHI and Subcontractors.* Contractor shall require any agent to whom it provides PHI or EPHI, including a subcontractor, to agree to implement reasonable and appropriate safeguards to protect such PHI or EPHI. Further, Contractor agrees to give the City at least sixty (60) days advance notice of its intent to provide PHI or EPHI to an agent located outside of the United States.

7. *Subcontractors and Agents.* Contractor shall require any subcontractor or agent to whom Contractor provides PHI or EPHI received from or on behalf of the City or created, compiled, or used by Contractor pursuant to this BAA, to agree to the same restrictions and conditions that apply to Contractor with respect to such PHI and EPHI.

8. *Reciprocal Disclosures.* The Parties agree that the Parties may reciprocally disclose and use PHI or EPHI for initial and continuing eligibility and compliance determinations related to the provision of benefits, for auditing and legal compliance purposes, and for compliance with laws, regulations, and rules related to the provision of medical or drug benefits to persons who may be eligible for such benefits under the Medicare Prescription Drug Benefit Program, Part D, or other federal or State of Texas programs. The City agrees:

   a) to be bound by these provisions with regard to PHI or EPHI received from Contractor;

   b) to take disciplinary action against any employee whose willful act violates these provisions and results in an unlawful disclosure of PHI or EPHI.

9. *Mitigation.* Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI or EPHI by Contractor, or by a subcontractor or agent of Contractor, resulting from a violation of this BAA, including violations of the Privacy and Security Requirements stated herein. Contractor also agrees to inform the City in advance of its actual mitigation and of the details of its mitigation plan, unless doing so would cause additional harm.

10. *Notice – Access by Individual.* Contractor agrees to notify the City in writing within three (3) business days of any request by an individual for access to the individual's PHI or EPHI and, upon receipt of such request, direct the individual to contact the City to obtain access to the individual's PHI. Upon request by the City, Contractor agrees to make available PHI and EPHI to the City or, as directed by the City, to an individual in accordance with 45 C.F.R. § 164.524.

11. *Notice – Request for Amendment.* Contractor agrees to notify the City in writing within three (3) business days of any request by an individual for an amendment to the individual's PHI or EPHI and, upon receipt of such request from the individual, direct the individual to the City to request an amendment of the individual's PHI or EPHI. Contractor agrees to make available upon request PHI and EPHI for amendment and to incorporate any amendments to PHI and EPHI agreed to or directed by the City in accordance with 45 C.F.R. § 164.526.

12. *Notice – Request for Accounting.* Upon receipt of any request from an individual for an accounting of disclosures made of the individual's PHI or EPHI, Contractor agrees to notify the City in writing within three (3) business days of any such request, and upon receipt of such request from the individual, direct the individual to the City for an accounting of the disclosures of the individual's PHI or EPHI. Contractor agrees to make available upon request the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528. Pursuant to 45 C.F.R. § 164.528(a), an individual has a right to receive an accounting of certain disclosures of PHI or EPHI in the six (6) years prior to the date on which the accounting is requested.

13. *HHS Inspection.* Upon written request, Contractor agrees to make available to HHS or its designee, Contractor's internal practices, books, and records relating to the use and disclosure of PHI and EPHI received from, or created or received on behalf of, the City in a time or manner designated by HHS for purposes of HHS determining the City's compliance with the Privacy and Security Requirements.

14. *City Inspection.* Upon written request, Contractor agrees to make available to the City and its duly authorized representatives during normal business hours Contractor's internal practices, books, records and documents relating to the use and disclosure of confidential information, including, but not limited to, PHI and EPHI received from, or created or received on behalf of, the City in a time and manner designated by the City for the purposes of the City determining compliance with the Privacy and Security Requirements. Contractor agrees to allow such access until the expiration of four (4) years after the services are furnished under the contract or subcontract or until the completion of any audit or audit period, whichever is later. Contractor agrees to allow similar access to books, records, and documents related to contracts between Contractor and organizations related to or

subcontracted by Contractor to whom Contractor provides confidential information, including, but not limited to, PHI and EPHI received from, or created or received on behalf of, the City.

15. *PHI or EPHI Amendment.* Contractor agrees to incorporate any amendments, corrections, or additions to the PHI or EPHI received from or created, compiled, or used by the City pursuant to this BAA when notified by the City that the PHI or EPHI is inaccurate or incomplete, or that other documents are to be added as required or allowed by the Privacy and Security Requirements.

16. *Documentation of Disclosures.* Contractor agrees to document disclosure of PHI or EPHI and information related to such disclosures as is necessary for the City to respond to a request by an individual for an accounting of disclosures of PHI or EPHI in accordance with 45 C.F.R. § 164.528, as amended.

17. *Termination Procedures.* Upon termination of this BAA for any reason, Contractor agrees to deliver all PHI or EPHI received from the City or created, compiled, or used by Contractor pursuant to this BAA within thirty (30) days from the date of termination, or, if specially requested to do so by the City in writing, to destroy all PHI or EPHI within the time frame determined by the City, which will be no less than thirty (30) days from the date of the notice of termination. This provision applies when Contractor maintains PHI or EPHI from the City in any form. If Contractor determines that transferring or destroying the PHI or EPHI is infeasible, Contractor agrees:

    a) to notify the City of the conditions that make transfer or destruction infeasible;

    b) to extend the protections of this BAA to such PHI or EPHI; and

    c) to limit any further uses and disclosures of such PHI or EPHI to those purposes that make the return, or transfer to the City, or destruction infeasible.

18. *Notice-Termination.* Upon written notice to Contractor, the City may terminate any portion of the Agreement under which Contractor maintains, compiles, or has access to PHI or EPHI. Additionally, upon written notice to Contractor, the City may terminate the entire Agreement if the City determines, at its sole discretion, that Contractor has repeatedly violated a Privacy or Security Requirement.

E. Survival of Privacy Provisions. Contractor's obligations with regard to PHI and EPHI shall survive termination of this BAA and the Agreement.

F. Amendment Related to Privacy and Security Requirements. The Parties agree to take such action as is necessary to amend this BAA if the City, in its reasonable discretion, determines that amendment is necessary for the City to comply with the Privacy and Security Requirements or any other law or regulation affecting the use or disclosure of PHI or EPHI. Any ambiguity in this BAA shall be resolved to permit the City to comply with the Privacy and Security Requirements.

G. Indemnification. Contractor agrees to indemnify and hold harmless the City and its officers, employees, and agents (individually and collectively "Indemnitees")

against any and all losses, liabilities, judgments, penalties, awards, and costs (including costs of investigations, legal fees, and expenses) arising out of or related to:

1. **a breach of this BAA relating to the Privacy and Security Requirements by Contractor; or**

2. **any negligent or wrongful acts or omissions of Contractor or its employees, directors, officers, subcontractors, or agents, relating to the Privacy and Security Requirements, including failure to perform their obligations under the Privacy and Security Requirements.**

H. Electronic Mail Addresses. Contractor affirmatively consents to the disclosure of its e-mail addresses that are provided to the City, including any agency or department of the City. This consent is intended to comply with the requirements of the Texas Public Information Act, TEX. GOV'T CODE ANN. § 552.137 *et seq.*, as amended, and shall survive termination of this BAA. This consent shall apply to e-mail addresses provided by Contractor and agents acting on behalf of Contractor and shall apply to any e-mail address provided in any form for any reason whether related to this BAA or otherwise.

I. Except as otherwise limited in this BAA, Contractor may use or disclose Protected Health Information it creates or receives from or on behalf of the City to provide the services to or on behalf of the City set out in the Agreement to which this BAA is attached.

J. This BAA survives the termination of the Agreement and expires when all of the PHI provided by the City to Contractor is returned to the City.

The Parties have executed this BAA in multiple copies, each of which is an original.

WITNESS:

By:_____
Name:
Title:

(BUSINESS ASSOCIATE)

By:_____
Name:
Title:
Tax Identification No._____

ATTEST/SEAL:

(COVERED ENTITY)
CITY OF HOUSTON, TEXAS
Signed by:

_____
City Secretary

_____
Mayor

APPROVED:

_____
Director Human Resources Department

COUNTERSIGNED BY:

_____
City Controller

APPROVED AS TO FORM:

_____
Assistant City Attorney
L.D. File No.

DATE COUNTERSIGNED:

_____

8.5 Contractor must ensure that charges on medical bills are adjusted in compliance with reimbursement schedules adopted by the network or other applicable state workers' compensation agencies, or usual, customary and reasonable levels in states not governed by such reimbursement schedules.

8.6 Bill reviews performed by Contractor shall, at a minimum, screen for the following:

8.6.1 Relationship of treatment to injury;
8.6.2 Code "unbundling;"
8.6.3 Billing for incidental procedures;
8.6.4 Upcoding;
8.6.5 Duplicate billing for services, procedures, or equipment;
8.6.6 Over-utilization;
8.6.7 Treatments, services, or equipment not pre-authorized;
8.6.8 Treatments or services rendered by an unauthorized provider (that is, treatments or services rendered by a doctor other than the treating doctor or his/her referral, except in the case of an emergency).

8.7 Contractor must pre-screen all bills to ensure that they are properly completed. Contractor must return all improperly completed bills to the providers within seven (7) days of the date indicated by City of Houston's date stamp.

8.8 Contractor must maintain paper copies of all hospital, physician, and pharmacy bills for the City of Houston in an organized and readily accessible system.

8.9 Contractor must return processed bills to the City of Houston within twenty one (21) calendar days of receipt thereof via the Internet or in an EDP format mutually agreed upon. Contractor must provide paper copies of Explanation of Benefits ("EOBs") to the City of Houston on request.

8.10 In the event Contractor begins processing checks, seven (7) calendar days will be added to the allowable processing time specified in this section.

8.11 The City of Houston will monitor the timeliness of bill processing and will provide written notice to Contractor of all bills processed late. Contractor will not be entitled to any audit fees for bills processed after twenty-one (21) days as described above. Contractor's repeated failure to process bills within the allowable processing time specified in this section will be a material default in its obligations under this Agreement.

8.12 Contractor must send paper copies of EOBs to claimants.

8.13 Contractor must send paper copies of EOBs to medical providers. When no payment is due on a bill, Contractor must mail an EOB form and annotated bill or approved alternate to the provider.

8.14 Contractor must comply with Vendor Identification ("VID") requirements of the City of Houston, and must maintain accurate VID information.

8.15 Contractor must arrange and pay for the daily transportation of all medical bills,

EOBs, and medical reports from the City of Houston to Contractor and from Contractor to the City of Houston. The method of delivery selected by Contractor must not delay the timely payment of bills.

8.16 Contractor must provide a toll-free telephone number for inquiries and complaints from providers and the City of Houston. Contractor must accept calls on the toll-free number during the hours of 8:00 a.m. to 5:00 p.m. Central Time each weekday not a state or national holiday. Contractor must respond either verbally or in writing within five working days to all inquiries or complaints from health care providers.

8.17 Contractor must use a computer system to maintain an on-line history of a minimum of 48 months worth of claim history for the City of Houston of all bills processed for the City of Houston to prevent duplicate payments, payments for unrelated charges, unbundling of charges, charges for surgery follow-up care, and over-utilization.

8.18 Contractor must provide monthly and annual statistical reports to the City of Houston showing the number of bills reviewed, dollar amounts reviewed, amounts of recommended reductions, total charges, net savings, percentage of gross and net savings, and return on investment ratio.

8.19 If necessary, Contractor must accumulate all data necessary for reporting medical payments to TDI/DWC. Contractor must comply with all TDI/DWC requirements regarding submission of data.

8.20 Contractor must develop and provide to the City of Houston the written materials and/or oral presentations necessary to respond effectively to inquiries from the City of Houston institutions, health care providers, and/or state regulatory agencies regarding the medical cost management program.

8.21 Contractor acknowledges that the actual number of bills to be processed under this Agreement during any selected time period is indefinite, and that its obligations under this Agreement are not subject to any minimum or maximum number of bills per week, per month, or for any other time period.

8.22 Contractor must fully coordinate its bill audit services with pre-authorization services, utilization review services, case management services, and with the medical providers to achieve the highest level of savings possible for the City of Houston.

8.23 Contractor must provide a method for medical providers to dispute Contractor's recommended bill reimbursements at no additional charge to the City of Houston. For each dispute, Contractor will make three (3) attempts to resolve the disputed issue(s). Thereafter, Contractor will advise the provider of statutory appeal processes. Authorized representatives of Contractor must be available to participate (by phone or in person, as required by the City of Houston) in the appeals process and/or hearings as a representative of the City of Houston at no additional charge.

8.24 At the sole discretion of the City of Houston, Contractor will begin directly making payments to providers on a controlled disbursement account in accordance with guidelines established by and agreed to by the City of Houston and Contractor.

8.25 Ad hoc Consulting - The City intends to contract with a firm(s) who will either

provide all related services or a portion of the related services. Preference will be given to those firms providing a proposal encompassing all related services. However, the City reserves the right to unbundle any and all services. Each of the services to be provided will be for at least one year but for no longer than the balance of the present contract term.

SECTION IX. REGULATORY COMPLIANCE

9.1 Contractor shall maintain certification as required by the Act and perform all services pursuant to this Agreement in compliance with all applicable laws including rules implemented pursuant to the Texas Workers' Compensation Health Care Network Act and the Texas Workers' Compensation Act.

SECTION X. NETWORK MANAGEMENT

Contractor will provide to the City of Houston the network management services described as follows:

10.1 Contractor shall provide an organizational chart of its employees and resumes of key personnel.

10.2 Contractor shall designate a single point of contact for the City of Houston accountable for the day-to-day administration of the network.

10.3 Contractor shall have appropriate personnel reasonably available through a toll-free telephone service at least 40 hours per week during normal business hours in both time zones in Texas.

10.4 Contractor shall provide to the City of Houston a contingency plan, in the event of termination of the contract or a failure to perform, reassume one or more functions of the network under the agreement, including functions related to:

10.4.1 payments to providers and to notification to employees;

10.4.2 quality of care;

10.4.3 utilization review;

10.4.4 retrospective review; and

10.4.5 continuity of care, including a plan for identifying and transitioning employees to new providers.

10.5 Contractor shall inform an injured employee if his/her physician is terminated from the network within 24 hours.

10.6 Contractor shall designate for the City of Houston a medical director who is:

10.6.1 an occupational medicine specialist;

10.6.2 licensed to practice medicine in the United States;

10.6.3 available at all times to address complaints, clinical issues, and any quality improvement issues on behalf of the network;

10.6.4 actively involved in all quality improvement activities; and

10.6.5 comply with the network credentialing requirements.

10.7 Contractor shall provide to the City of Houston or submit for the City of Houston monthly data necessary to comply with reporting requirements of TDI in an EDP format prescribed by the City of Houston.

10.8 Contractor shall provide to the City of Houston monthly report cards on the following:

10.8.1 employee access to care;

10.8.2 return-to-work outcomes;

10.8.3 health-related outcomes;

10.8.4 employee satisfaction with care;

10.8.5 health care costs; and

10.8.6 utilization of health care.

10.9 Contractor shall provide monthly financial reports that demonstrate costs and savings.

SECTION XI. ELECTRONIC BILLING/DIGITAL IMAGING CAPABILITIES

Contractor will provide to the City of Houston the following services:

11.1 Contractor shall provide the mechanisms for the electronic submission and processing of medical bills by health care providers.

11.2 Contractor must have the capabilities to provide an integrated digital imaging system.

SECTION XII. GENERAL DUTIES OF THE PARTIES

12.1 Contractor shall perform the following general duties:

10.1.1 Assume responsibility for all services described in the preceding provisions of this Agreement, including payments of its subcontractors' fees. The City of Houston will establish a method by which to review or audit Contractor's performance to determine sufficiency of performance and compliance with the requirements of this Agreement, and may, in its discretion, establish sanctions for non-compliance in addition to those sanctions specified in this Agreement.

12.2 The City of Houston shall perform the following general duties:

12.2.1 Provide Contractor with an initial claim file built on historical claims in the record layout format mutually agree upon.

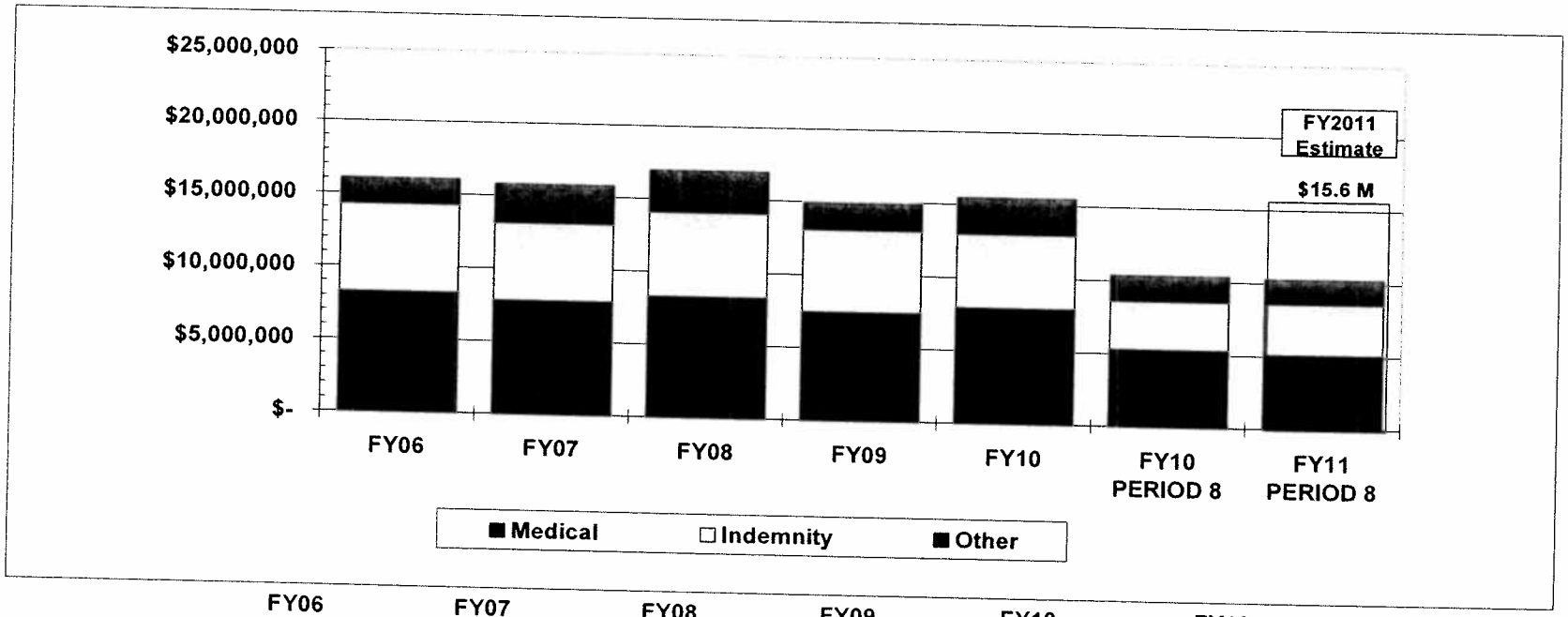
12.2.2 Provide Contractor with a weekly update of new claim adds and existing claim status.

12.2.3 Provide Contractor with a weekly list of vendors and acceptable vendor identification numbers.

12.2.4 Provide Contractor with bills and medical reports on a daily basis that are stamped with the City of Houston's date stamp. Each bill will be numbered with the City of Houston claim number, adjuster identification, and sequence number.

12.2.5 Advise Contractor of any changes to the City of Houston's data processing methods that may affect the ability of Contractor to perform services described in the preceding provisions of this Agreement in a timely manner so as to enable Contractor to provide uninterrupted services.

Attachment A
Workers' Compensation Program Overview



	FY06	FY07	FY08	FY09	FY10	FY10 PERIOD 8	FY11 PERIOD 8	
Medical	$ 8,267,692	$ 7,801,997	$ 8,314,895	$ 7,456,095	$ 7,933,594	$ 5,296,001	$ 5,085,824	
Indemnity	$ 5,994,411	$ 5,310,645	$ 5,772,254	$ 5,625,690	$ 5,086,318	$ 3,333,903	$ 3,519,328	
Other	$ 1,763,595	$ 2,698,436	$ 2,863,612	$ 1,838,946	$ 2,480,041	$ 1,774,770	$ 1,695,146	*
Total	$ 16,025,698	$ 15,811,078	$ 16,950,761	$ 14,920,731	$ 15,499,954	$ 10,404,674	$ 10,300,298	

* Other includes fees for case management, legal services, investigations, TPA, TWCC representation, legal retainer, medical director, loss prevention, bank charges and recoveries.
As of 03/07/11
** Averages Lost Time are calculated by dividing Total Cost by number of Lost Time.

ATTACHMENT B

City of Houston
FY09 Workers' Compensation
Ancillary Vendor Audit
And Program Consultant

Demographics Questionnaire

Part I

Please answer the questions below and provide narrative if additional information is requested. Narratives should be typed on a page titled "Narrative Responses to Questions" and numbered the same as the questions below.

DEMOGRAPHIC/OVERVIEW

General Questions	Answer/Explanation
1. Name of Your Company	
2. Contact Name/Title	
3. Home Office Address	
4. City/State/Zip	
5. Phone Number	
6. Fax Number	
7. E-mail Address	
8. How long has your company: • **been in this type of business**	
• **been in Texas**	
• **been in Houston**	

ATTACHMENT C

Instructions
for the
Scope of Services Questionnaire
Part 2

This section contains requirements and queries your proposal should address in your response to this RFP. You must respond to each item/question separately. If additional information is required please provide that portion of the response on a separate typed page entitled "Narrative Response to Questions" and complete the matrix as appropriate. The narrative page must be numbered the same as the questions below. Please restate the question prior to providing your response.

Each response should consider all information provided in the other sections. As the requirements are to address City of Houston's specific needs, standard application descriptions and literature will not be considered to be responsive. Responses should be clear and concise, and should address the issue directly. The matrices will be provided to each proposer in its original format.

SCOPE OF SERVICES QUESTIONNAIRE

Questions	Yes	No
1. Is your company affiliated with another company, including ownership and financial arrangements with ancillary service providers with whom you are proposing? If so, describe the "affiliate relationship". "Affiliated" means owned by another company, owned by a common controller, shareholder, or interest, or inter-tied by contract as to be under the dominion or influence of another.		
2. Are you licensed to do business in the State of Texas?		
3. Do you now have all the necessary licenses and registrations to perform the proposed activities? If answer is no, please explain fully.		
4. Does your company or any individual, who owns 5% or more of this firm, owe any delinquent taxes, fees, etc. to the City?		
5. What former City employees (executive level) are working for your firm and for how long?		
6. Is your firm involved with any current litigation against or by the City? If yes, please describe.		
7. Describe fully the experience of your company in providing service to public employers. Specify two (2) of the largest public employers (by employee count) for each component that you propose.		
8. Please identify the individual(s) (name, address, phone number, and title) who would be assigned responsibility for the City's account, and include a resume of his or her experience and qualifications.		
9. Does your company have staff and facilities located in the Houston area? If so, describe your local staff and facilities. Will additional staff and/or facilities be necessary to complete this engagement?		
10. Do you have an audit procedure manual? Please provide a copy.		
11. Is your company and/or any individuals who own or control at least 5% of your company's assets or stocks currently indebted to the City (this includes ad valorem taxes, hotel occupancy taxes, city issued permits, or miscellaneous items such as weed cutting, demolition, or paving)?		
12. Do you have a program for assuring equality of contracting opportunity for Minority and Women Business Enterprises? If you are successful in obtaining this contract, identify all anticipated opportunities (in dollars, annually) to contract for services and supplies with Minority and Women Business Enterprises certified by the City.		
13. Do you anticipate any mergers, transfers of company ownership, sales management reorganizations, or departures of key personnel within the next three years that might affect your ability to carry out your proposal if it results in a contract with the City of Houston?		
14. Provide the names of any clients who have terminated contracts with your firm since January 1, 1999, for cause or under dispute for any services that you propose to provide. Provide the names and telephone numbers of the former clients' contact person(s) who engaged and managed your services.		
15. Describe your firm's experience in performing claims audits for Workers' Compensation TPA firms or accounts.		

SECTION XIV. PROPOSAL OUTLINE AND CONTENT

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. Proposers are encouraged to include additional relevant information.

14.1 Title Page:

14.1.1 The title page should include the title of the RFP and number, the name and address of the Proposer, and the date of the proposal.

14.2 Submittal Form:

14.2.1 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.

14.3 Letter of Transmittal:

14.3.1 A letter of transmittal shall include the following:

14.3.1.1 The names, titles, addresses, and telephone numbers of the individuals who are authorized to make representations on behalf of the Proposer.

14.3.1.2 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.

14.3.1.3 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 in Section I of this RFP.

14.4 Expertise/Experience/Qualification Statement:

14.4.1 A brief statement describing the Proposer's background information, history, resources and/or track record. Please limit to three (3) pages.

14.4.2 An Organizational Chart.

14.4.3 Provide resumes of key personnel whom will be responsible for the delivery of the services/project.

14.4.4 Provide copies of key personnel certifications and/or licenses.

14.5 Proposed Strategy & Operational Plan:

14.5.1 Provide a detailed description and methodology of the proposed plan for a Network

14.5.1.1 A brief statement of the Proposer's understanding of the work to be done.

14.5.1.2 A detailed description that clearly defines the method of approach that will be utilized in the successful achievement of the RFP intended Scope of Work.

14.6 Financial Statement:

14.6.1 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.

14.7 Contents:

14.7.1 The contents should be identified by section, description, and page number and should include, at a minimum, the following sections:

14.7.1.1	Title Page
14.7.1.2	Signed and Notarized Submittal Form (Exhibit II)
14.7.1.3	Letter of Transmittal
14.7.1.4	Expertise/Experience/Reliability Statement
14.7.1.5	Organizational Chart, Resumes & Certifications/Licenses of proposed key personnel.
14.7.1.6	Proposed Strategy/Operational Plan
14.7.1.7	Financial Statement and Dunn & Bradstreet Reports or Federal Tax Forms Filed for past two years.
14.7.1.8	Signed M/WBE Forms: Attachment "A" Schedule of M/WBE Participation and Attachment "B" Letter of Intent (Exhibit I) **(NOTE: TO BE SUBMITTED IN SEALED ENVELOPE WITH PRICING SHEET).**
14.7.1.9	List of Previous Customers and List of Proposed Subcontractors (Exhibit II)
14.7.1.10	Pricing Form (Exhibit III) **(NOTE: TO BE SUBMITTED IN SEALED ENVELOPE WITH PRICING SHEET).**
14. 7.1.11	Fair Campaign Ordinance Form "A" (Exhibit V)
14.7.1.12	Affidavit of Ownership or Control (Exhibit VI)
14.7.1.13	Drug Compliance Agreement Attachment "A" and Contractor's Certification of No Safety Impact Positions Attachment "C" (Exhibit VII)
14.7.1.14	Anti Collusion Statement (Exhibit VIII)
14.7.1.15	Conflict of Interest Questionnaire (Exhibit IX – Download Form at http://www.ethics.state.tx.us/forms/CIQ.pdf)
14.7.1.16	City Contractors' Pay or Play Acknowledgement Form (Exhibit X)
14.7.1.17	Requested Information Outlined in the Scope of Work & Other Additional Relevant/Supporting Information or Alternate Proposals.

SECTION XV. EVALUATION AND SELECTION PROCESS

15.1 Evaluation Summary:

15.1.1 An evaluation committee will develop a short list of respondents and those short listed respondents may be scheduled for a structured oral presentation and interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation and interview, the evaluation of the short listed respondents will be completed. The oral interview may be recorded and/or videotaped.

15.2 Selection Process

15.2.1 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 to provide workers' compensation audits, vendor management and benchmarking review services to clients with over 10,000 employees. The Proposer 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 fails to satisfy the City that the Proposer is properly qualified to provide the services contemplated. Each respondent will be evaluated on the basis of the following evaluation criteria that are listed in order of importance below:

15.2.1.1 Proposed Strategy & Operational Plan:	30%
15.2.1.2 Expertise/Experience/Qualifications:	20%
15.2.1.3 Conformance to RFP Requirements:	15%
15.2.1.4. Cost:	25%
15.2.1.5 M/WBE Participation	10%
Total:	**100%**

EXHIBIT I

Goal Oriented Minority/Women Business Enterprises Contract Requirements

ATTACHMENT "A"
CITY OF HOUSTON
SCHEDULE OF M/WBE PARTICIPATION

DATE OF REPORT: _____

BID No.: _____

FORMAL BID TITLE: _____

NAME OF MINORITY/ WOMEN SUBCONTRACTOR	AFFIRMATIVE ACTION DIVISION CERTIFICATION No.	STREET ADDRESS AND CITY, STATE, ZIP CODE	TELEPHONE No.	SCOPE OF WORK	AGREE PRICE

TOTAL. . . . . $_____

M/WBE PARTICIPATION AMOUNT. . . . . $_____%

TOTAL BID AMOUNT. . . . . $_____

ATTACHMENT "A" (CONTINUED)

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 AFFIRMATIVE ACTION 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 AFFIRMATIVE ACTION DIVISION.
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 OF PRINT)

_____
TITLE

ATTACHMENT "B"

LETTER OF INTENT

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 Affirmative Action Division. 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 and 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

ATTACHMENT "C"

CITY OF HOUSTON CERTIFIED M/WBE SUBCONTRACT TERMS

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:

1. _____ (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 Affirmative Action Director ("the Director")

2. _____ (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.

3. 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.

4. 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:

    a. Upon the decision of the Director or upon written notice to the Director form either party that a dispute ahs 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.

    b. 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 other wise required by the City's contract with American Arbitration Association on file in the Office of the City's Affirmative Action Division.

    c. 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.

    d. In the event the American Arbitration Association no longer administers Affirmative Action 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 MBEs 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 Affirmative Action Division at (713) 837-9000, 611 Walker, 20th Floor, Houston, Texas.

ATTACHMENT "D"

CITY OF HOUSTON

Affirmative Action and Contract Compliance
M/WBE Utilization Report

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 AA CERTIFICATION	DATE OF SUBCONTRACT	SUBCONTRACT AMOUNT	% OF TOTAL CONTRACT	AMOUNT 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/WBEs to reflect up/down variances on contract amount

Affirmative Action Division
ATTN: Velma Laws 713-
611 Walker, 20th Floor
Houston, Texas 77002

EXHIBIT II

LIST OF PREVIOUS CUSTOMERS/LIST OF SUBCONTRACTORS/SUBMITTAL FORMS

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: _____

LIST OF SUBCONTRACTORS

The following is a list of subcontractors we propose to engage on the following items of Work. Any item of Work which does not designate a subcontractor will be done by the firm submitting the Proposal.

SEGREGATED PART OF WORK	SUBCONTRACTOR/SUPPLIER

SUBMITTAL FORM

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)

By: _____
(signature of authorized officer or agent)

Name: _____

Title: _____

Date: _____

Address of Contractor: _____

_____

_____

Telephone No. of Contractor: (_____) _____

_____
(signature, name and title of Affiant)

_____
Notary Public in and for

_____ County, Texas

My Commission Expires: _____ day of _____ 20_____

EXHIBIT III

PRICING SHEET

ITEM No.	EST. QTY.	DESCRIPTION	UNIT COST	TOTAL COST
			TOTAL	

Pricing shall be specified for each of the years of the contract. Failure to supply all information required on the Price Summary Form may result in rejection of the proposal.

Pricing shall be in effect for six months.

EXHIBIT IV

City of Houston Insurance Requirements for Contracts

To comply with the terms and 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 on page 12 hereof and in Section C hereof:

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): -

==========C A N C E L L A T I O N==========

SHOULD ANY OF THE ABOVE DESCRIBED NON-RENEWED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE OF SUCH CHANGE.

==========

AUTHORIZED REPRESENTATIVE OF INSURER _____

==========

- O R -

2. 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.

Revised - 03/09/95

CERTIFICATE OF INSURANCE EXPLANATIONS

1. Certificate must not be more than 90 days old.

2. Name and Address of Producer writing coverage.

3. 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.

4. Name and address of Insured (as shown on policy)

5. Letter in the column must reference the insurer of the policy being described

6. Must be a policy number; no binders will be accepted

7. Date policy became effective

8. Expiration date must be at least **60** days from date of delivery of certificate

9. Name and file number of project

10. Name of project manager

11. Signature or facsimile signature of authorized representative of Producer (blue ink preferred)

12. All required endorsements must accompany the certificate.

SAMPLE FOR AWARD OVER $50,000.00

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

PRODUCER

ISSUERS OF POLICIES. THE ISSUER SHALL HAVE A RATING OF AT LEAST B + AND FINANICAL 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.

COMPANIES AFFORDING COVERAGE

COMPANY A

INSURED

COMPANY B

SAMPLE FORM

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.	**General Liability** (X) Commercial General Liabilitv 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.	**Automobile Liability** (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 $ $ $
	Excess Liability			Each Occurrence Aggregate	$ $
	Worker's Compensation and Employee Liability **Other**	Statutory Limits	(X)	**Statutory Limits** Each Accident Disease - Policy Limit Disease - Each Employee	$ 100.000 $ 100.000 $ 100,000

DESCRIPTION OF OPERATION/LOCATIONS/VEHICLES/SPECIAL ITEMS

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

CERTIFICATE HOLDER

DEPARTMENT – PROCUREMENT SERVICES DIVSION

P.O. BOX 1562
HOUSTON, TEXAS 77251

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

AUTHORIZED REPRESENTATIVE

K:\DEBT\RDC2353A

EXHIBIT V

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 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% of 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.

FORM A
CONTRACTOR SUBMISSION LIST
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 venturers 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_____ _____
Proprietor Address

[ ] **A PARTNERSHIP**

List each partner having equity interest of 10% or more of partnership (if none state "none")

Name_____ _____
Partner Address

Name _____ _____
Partner Address

[ ] **A CORPORATION**

LIST ALL DIRECTORS OF THE CORPORATION (IF NONE STATE "NONE")

Name_____ _____
Director Address

Name_____ _____
Director Address

Name _____ _____
Director Address

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 VI

CITY OF HOUSTON CONTRACTOR OWNERSHIP DISCLOSURE ORDINANCE:

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.

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

_____

_____

_____

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]* _____

Orig. Dept.: _____ **File/I.D. No.:** _____

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 VII

Drug Detection And Deterrence Procedures For Contractors

(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.

DRUG POLICY COMPLIANCE AGREEMENT

ATTACHMENT A

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

DRUG POLICY COMPLIANCE DECLARATION

ATTACHMENT "B"

I, _____ as an owner or officer of
(Name) (Print/Type) **(Title)**

_____ (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_____.

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

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

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

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

_____ ***Initials*** From _____ to _____ the following testing has occurred:
(start date) (end date)

	Random	Reasonable Suspicion	Post Accident	Total
Number of Employees Tested	_____	_____	_____	_____
Number of Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

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

_____ ***Initials*** I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines 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

Contractor's Certification Of No Safety Impact Positions In Performance Of A City Contract
ATTACHMENT "C"

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 VIII

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 IX

CONFLICT OF INTEREST QUESTIONNAIRE:

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 1st** 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 1st and September 1st 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 X

CITY CONTRACTORS' PAY OR PLAY PROGRAM

City of Houston
Pay or Play Program
Acknowledgement Form

Form POP-1A

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

_____
Email Address

CERTIFICATION OF AGREEMENT TO COMPLY WITH PAY OR PLAY PROGRAM

Contractor Name: _____ $ _____
(Contractor/Subcontractor) (Amount of Contract)

Contractor Address: _____

Project No.: [GFS/CIP/AIP/File No.] _____

Project Name: [Legal Project Name] _____

In accordance with the City of Houston Pay or Play Program authorized by Ordinance 2007-534, Contractor 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 each covered employee, including those of subcontractors subject to the program.

[ ] Yes [ ] No Contractor agrees to Pay $1.00 per hour for work performed by covered employees, including covered subcontractors' employees, under the contract with the City.

[ ] Yes [ ] No Contractor agrees to offer health benefits to each covered employee, including covered subcontractors' employees that meet or exceed the following criteria:
(1) the employer will contribute no less than $150 per employee per month toward the total premium cost; and
(2) the employee contribution, if any amount, will be no greater than 50% of the total premium cost.

[ ] Yes [ ] No Contractor agrees to pay of behalf of some covered employees and play on behalf of other covered employees, in accordance with program requirements, including subcontractors' employees, if applicable.

[ ] Yes [ ] No Contractor will comply with all provisions of the Pay or Play Program and will furnish all information and reports requested to determine compliance with program provisions.

[ ] Yes [ ] No For Prime Contractors Only: Contractor will file compliance reports with the City, which will include activity for subcontractors subject to the program, in the form and to the extent requested by the administering department or the Affirmative Action and Contract Compliance Office. Compliance reports shall contain information including, but not limited to, documentation showing employee health coverage and employee work records.

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

_____ _____
CONTRACTOR (Signature) DATE

_____
NAME AND TITLE (Print or type)

K:\DEBT\RDC2353A