

**REQUEST FOR PROPOSAL ("RFP") FOR BENEFITS ADMINISTRATION FOR  
MUNICIPAL GOVERNMENT  
Specification No. 100356**

Required for use by:

**CITY OF CHICAGO  
(Department of Finance/Revenue)**



This RFP distributed by:

**CITY OF CHICAGO  
(Department of Procurement Services)**

All proposals and other communications must be addressed and returned to:

Jamie L. Rhee, Chief Procurement Officer  
Attention: Jacoby Radford, Assistant Procurement Officer  
Department of Procurement Services  
Bid and Bond Room - Room 301, City Hall  
121 North LaSalle Street  
Chicago, Illinois 60602

A Pre-Proposal Conference will be held on **November 8, 2011** at 2:00 p.m.. Central Standard Time, at Department of Procurement Services, 121 N. LaSalle St, City Hall, Room 403 B, Chicago, Illinois 60602.

Attendance is Non-Mandatory, but encouraged.

**PROPOSALS MUST BE RECEIVED NO LATER THAN 4:00 P.M., CENTRAL STANDARD  
TIME, ON DECEMBER 1, 2011**

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**RAHM EMANUEL  
MAYOR**

**JAMIE L. RHEE  
CHIEF PROCUREMENT OFFICER**

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**REQUEST FOR PROPOSAL ("RFP") FOR BENEFITS ADMINISTRATION FOR MUNICIPAL GOVERNMENT**

Specification No. 100356

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	3. Schedule B: Affidavit of Joint Venture (M/WBE)
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EXHIBIT 7	Key Personnel
EXHIBIT 8	Insurance Requirements and Insurance Certificate
EXHIBIT 9	City of Chicago Sample Professional Services Agreement

**REQUEST FOR PROPOSAL ("RFP")**

*for*

**BENEFITS ADMINISTRATION FOR MUNICIPAL GOVERNMENT**

Specification No. 100356

**I GENERAL INVITATION**

**1.1 PURPOSE OF THE REQUEST FOR PROPOSAL**

The City of Chicago ("City"), acting through its Department of Finance/Revenue ("Department") invites the submission of proposals from firms with expertise and experience in providing the administration of employee benefits, including customer service, eligibility, and data management to provide the services described in this RFP.

Companies with demonstrated experience in this area, and with an interest in making their services available to the City of Chicago, are invited to respond to this RFP. For purposes of this RFP, **Chief Procurement Officer ("CPO")** means the Chief Procurement Officer for the City of Chicago. **"Comptroller"** means Chief Executive Officer of the City Department of Finance/Revenue. **"Respondents"** means the companies or individuals that submit proposals to this RFP. The documents submitted will be referred to as **"Response"** or **"Proposal."**

The purpose is to find a qualified company to provide services identified in this RFP and to improve overall efficiency and effectiveness in the most cost-effective, professional, and efficient way to its employees and retiree base, both now and in the future.

The Services contemplated are professional in nature. The selected Respondent ("Contractor," also referred to as "Consultants") acting as an individual, partnership, corporation or other legal entity, must be of professional status, licensed to perform in the State of Illinois and licensed for all applicable professional discipline(s) requiring licensing and be governed by the professional ethics in its relationship to the City.

All reports, information, or data prepared or assembled by the Contractor under a contract awarded pursuant to this RFP ("Contract," also referred to as "Agreement") are confidential in nature and will not be made available to any individual or organization, except the City, without the prior written approval of the City. Any Contract resulting from this RFP document will contain a provision requiring confidentiality on the part of Contractor.

The Contractor must be financially solvent and each of its members if a joint venture, its employees, agents or subcontractors of any tier must be competent to perform the Services required under this RFP document.

## II OVERVIEW

### 2.1 Scope of Services

The City of Chicago offers a variety of health and welfare benefits to its employees, their dependents, and certain retirees. Currently, there are approximately 36,000 full-time City employees; 32,417 employees with benefits which extend to their 52,513 covered dependents; 25,601 retirees with benefits which extend to 11,367 dependents.

The City of Chicago is evaluating options for delivering benefits administrative services. The service delivery model ultimately implemented should be flexible and modular and include all process and technology managed through a third party vendor, where the vendor provides technology and contact center services. In all instances, the City of Chicago requires that its resources will have access to view and change data within defined security profiles.

The City of Chicago is looking to explore both a phased approach to benefits administration, where functions are gradually moved over to the successful bidder, and a complete outsourcing approach, with all functions moved over to a successful bidder at time of implementation. In both approaches the City will expect to have retained staff at the city to interface with the successful bidder.

At the present time, these services are being provided by the City of Chicago. Due to the complexity of the services, the target date for implementation to begin is February 15, 2012 and be completed in time to commence delivery of the services on January 1, 2013.

The Benefits Administration Services that the City seeks to acquire are described in detail in Exhibit 1 to this RFP.

### 2.2 Term of Contract

The initial contract term will be **five (5) years** from the date on which a Contract is awarded by the City. In addition, the Contract may provide that the City may elect to extend the Contract in one year increments up to an **additional 3 years** to provide for ongoing Services. A copy of the City of Chicago Professional Services Agreement is attached as Exhibit 9. The City may from time to time revise its terms and conditions. **Respondent must identify any objections that it has to this Professional Services Agreement in its response to this RFP.**

## III GENERAL INFORMATION AND GUIDELINES

### 4.1 Communications between the City of Chicago and Respondents

#### A. Submission of Questions or Requests for Clarifications

**Respondents must communicate only with the Department of Procurement Services.** All questions or requests for clarification must be submitted to the following e-mail address: [jacoby.radford@cityofchicago.org](mailto:jacoby.radford@cityofchicago.org). All questions and requests for clarification must be submitted no later than 4:00 p.m. Central Standard Time on November 8, 2011 or no response will be provided except at the discretion of the City. All questions and requests for clarification must be submitted using the provided template "Clarifying Questions Template". A Respondent that deviates from any of these requirements is subject to immediate disqualification from this RFP process.

Respondents are directed to use the "Clarifying Questions Template", file name "Spec\_100356\_Clarifying\_Questions\_Template.xls", on CD-Rom.

The subject line of the email must clearly indicate that the contents are "Questions and Request for Clarification" about the RFP, and are "Not a Proposal" and must refer to "Request for Proposal ("RFP") for Benefits Administration for Municipal Government, Specification No. 100356." No telephone calls or e-mails will be accepted unless the questions are general in nature.

**B. Pre-Proposal Conference**

The City will hold a Pre-Proposal Conference at the Department of Procurement Services, 121 N. LaSalle St, City Hall, Room 403-B, Chicago, Illinois 60602 at 2:00 p.m. Central Standard Time on **November 8, 2011**. All parties interested in responding to this RFP are urged to attend in person. The City will answer questions and clarify the terms of the RFP at the Pre-Proposal Conference. The City may respond both to questions raised on the day of the conference and to questions emailed prior to the deadline for receipt of questions per Section 4.1.A.

**C. Downloadable RFP Documents**

Respondents should obtain this RFP from the Bid and Bond Room located at City Hall, 121 N. LaSalle St., Room 301, Chicago, Illinois 60602.

Respondents may request the Bid and Bond Room personnel mail them a copy of the RFP by providing the Bid and Bond Room a Federal Express account number or make arrangements with Bid and Bond Room personnel to have a package ready for pickup by another courier service. The Bid and Bond Room telephone number is (312) 744-9773. The City accepts no responsibility for the timely delivery of materials.

In the alternative, Respondents may download the RFP from URL address: <http://www.cityofchicago.org/content/dam/city/depts/dps/ContractAdministration/Specs/2011/Spec100356.pdf>.

If Respondent chooses to download the RFP document, the Respondent must contact the Bid and Bond Room by faxing a legible copy of Respondent's business card, referencing Specification No. 100356 to (312) 744-5611 or by calling the Bid & Bond Room at (312) 744-9773 to register Respondent's company as an RFP document holder, which will better enable Respondent to receive any future clarifications and/or addenda related to this RFP. Respondents are responsible for obtaining all RFP materials.

Under no circumstances shall failure to obtain clarifications and/or addenda relieve a Respondent from being bound by any additional terms and conditions in the clarifications and/or addenda, or from considering additional information contained therein in preparing a Proposal. Furthermore, failure to obtain any clarification and/or addendum shall not be valid grounds for a protest against award(s) made under this RFP.

**4.2 Deadline and Procedures for Submitting Proposals**

A. To be assured of consideration, Proposals must be received by the City of Chicago in the City's Bid and Bond Room (Room 301, City Hall) no later than 4:00 p.m. Central Standard Time on **December 1, 2011**. The Bid and Bond Room can be reached at telephone number 312-744-9773.

B. The City may, but is not required to accept Proposals that are not received by the date and time set forth in Section 4.2.A above. Only the Chief Procurement Officer ("CPO") is empowered to determine whether to accept or return late Proposals. No additional or missing documents will be accepted after the due date and time, except as may be requested by the Chief Procurement Officer.

Failure by a messenger delivery service or printing service to meet the deadline will not excuse the Respondent from the deadline requirement. Hand-carried Proposals must be placed in the depository located in the Bid and Bond Room located in Room 301, City Hall. The time of the receipt of all Proposals to this RFP will be determined solely by the clock located in the Bid and Bond Room of City Hall. It is Respondent's sole responsibility to ensure that the Proposal is received as required.

C. Proposals must be delivered to the following address:

Jamie L. Rhee, Chief Procurement Officer  
City of Chicago  
Department of Procurement Services  
Bid and Bond Room  
Room 301, City Hall  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Jacoby Radford, Assistant Procurement Officer

D. Respondents must submit the following Proposal Items:

	<u>Proposal Item</u>	<u>Quantity</u>
1.	Original Copy - Paper	1
2.	Duplicate Copy - Paper	2
3.	Electronic Copy - CD-ROM (in PDF format)	10

The original Proposal must be clearly marked as "ORIGINAL". All documents requiring a signature must bear the original signature of Respondent's authorized signatory. Respondent must enclose all documents in clearly labeled sealed envelopes or boxes.

E. The outside of each sealed envelope or package must be labeled as follows:

Proposal Enclosed  
Request for Proposals (RFP) for Benefits Administration for Municipal  
Government  
Specification No.: 100356  
**Due: 4:00 p.m., December 1, 2011**  
Submitted by: (Name of Respondent)  
Package \_\_\_\_ of \_\_\_\_

The City's opening of Respondent's sealed envelope(s) or package(s) containing a Proposal shall neither be deemed nor constitute acceptance by the City of Respondent's Proposal. The City reserves the right to open and inspect all such sealed envelope(s) or package(s), regardless if the same were submitted by the due date and time specified herein, for any purpose, including without limitation, determining the particular RFP to which Respondent has responded, determining if a Proposal was submitted by the date and time specified in this RFP, and in order to determine a Respondent's return address.

F. FEES FOR THE SUBMISSION OF PROPOSALS. Section 2-92-418 of the Municipal Code of the City of Chicago requires for each competitively bid contract and each request for proposal where the estimated dollar value of the Contract, as determined by the Chief Procurement Officer, exceeds \$10,000,000.00 that each bidder or proposer submit with its proposal a non-refundable "submittal fee" in the amount of \$900.00. The submittal fee must be submitted no later than the date and time on which the bid or proposal is due. The submittal fee must be in the form of a certified check, cashier's check or money order payable to the City of Chicago. The CPO has determined the value of the contract for the

Services required under this Contract does not exceed \$10,000,000.00. **As a result, a submittal fee to the City with its Proposal to this RFP is not required.**

#### **4.3 RFP Information Resources**

Respondents are solely responsible for acquiring the necessary information or materials. Information for preparing a response to this RFP can be located in the following areas of the City's website: [www.cityofchicago.org/Procurement](http://www.cityofchicago.org/Procurement):

- Search MBE/WBE Directory Database
- Pre-Bid/Proposal Conference Attendees
- Addendums and Exhibits, if any.

#### **4.4 Procurement Timetable**

The timetable for the RFP solicitation process is summarized below. Note that these are target dates and are subject to change by the City.

Key Activity	Target Date
City Issues RFP	<b>October 28, 2011</b>
Non-Mandatory Pre-Proposal Conference	<b>November 8, 2011</b>
Pre-Proposal Questions Due	<b>November 8, 2011</b>
Proposals Due	<b>December 1, 2011</b>
Finalists Announced	<b>December 16, 2011</b>
Oral Presentations	<b>January 5 - 6, 2012</b>

#### **4.5 Confidentiality**

Respondent may designate those portions of the Proposal, which contain trade secrets or other proprietary data that must remain confidential. If a Respondent includes data that is not to be disclosed to the public for any purpose or used by the City except for evaluation purposes, the Respondent must:

- A. Mark the title page as follows: "This RFP proposal includes trade secrets or other proprietary data ("data") that may not be disclosed outside the City and may not be duplicated, used or disclosed in whole or in part for any purpose other than to evaluate this Proposal. The data subject to this restriction are contained in sheets (insert page numbers or other identification)." The City, for purposes of this provision, will include any consultants assisting in the evaluation of Proposals. If, however, a contract is awarded to this Respondent as a result of or in connection with the submission of this data, the City has the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the City's right to use information contained in the data if it is obtained from another source without restriction.
- B. Mark each sheet or data to be restricted with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this Proposal."

**All submissions are subject to the Illinois Freedom of Information Act (FOIA).**

## V PREPARING PROPOSALS: REQUIRED INFORMATION

Each Proposal must contain all of the following documents and must conform to the following requirements.

### 5.1 Format of Proposals

Proposals must be prepared on 8 ½" X 11" letter size paper, printed double-sided, and bound on the long side. The City encourages using reusable, recycled, recyclable and chlorine free printed materials for bids, proposal, reports and other documents prepared in connection with this solicitation. Expensive papers and bindings are discouraged, as no materials will be returned.

Proposals must be submitted in two separately-bound volumes. The first volume must contain the Respondent's Statement of Qualifications and must be labeled "Volume I, Statement of Qualifications"; the second volume must contain representations and certifications as described herein and must be labeled "Volume II, Representations and Certifications".

Each separate volume and individual sections should be clearly identified and/or separated by labeled tabs and organized in accordance with subject matter sequence as set forth below.

Sections should be separated by labeled tabs and organized in accordance with subject matter sequence as set forth below. Each page of the Proposal must be numbered in a manner so as to be uniquely identified.

### 5.2 Required Content of Proposals - Volume I Statement of Qualifications

Respondents are advised to adhere to the submittal requirements of the RFP. Failure to comply with the instructions of this RFP may be cause for rejection of the non-compliant Proposal. Respondent must provide information in the appropriate areas throughout the RFP. Submission of a Proposal in response to this RFP constitutes acceptance of all requirements outlined in the RFP. By submitting a response to this RFP, Respondent is acknowledging that if its Proposal is accepted by the City, its Proposal and related submittals may become part of the contract.

While the City recognizes that Respondents provide costs in varying formats, compliance with the enclosed costing structure in Exhibit 4 is critical to facilitating equitable comparisons and failure to comply may result in rejection of the Proposal. Notwithstanding, in addition to completing the mandatory cost structure in Exhibit 4, Respondents may elect to submit an alternative cost structure for the City to consider.

The Proposal must include the following information:

#### 1. Cover Letter– limit of one page

Respondent(s) must submit a cover letter signed by an authorized representative of the entity committing Respondent to providing the management of employee benefits, including customer service, eligibility, and data management, in accordance with the terms and conditions of any Agreement, which may be awarded pursuant to the RFP process.



**2. Executive Summary – limit of five pages**

Respondent must provide an executive summary, which address the following information:

- A. Outline the number of years Respondent has been in business and identify Respondent's legal name: (a) its headquarters address, its principal place of business, its legal form (i.e., corporation, joint venture, partnership), (b) the names of its principals or partners, and whether Respondent is authorized to do business in the State of Illinois. If Respondent is a business entity comprised of more than one (1) legal entity, Respondent must identify all legal entities comprising Respondent; it must identify each entity's respective ownership percentage of Respondent; and Respondent must summarize the role, degree of involvement and experience of each such separate entity;
- B. Indicate the name, address, email address, and telephone number(s) of the principal contact for oral presentation, and negotiations;
- C. Explain its understanding of the City's intent and objectives and its approach to achieving those objectives;
- D. Provide a brief summary of the qualifications, experience, and background of the team and its committed Key Personnel (as herein defined) in performing the Services as detailed in Exhibit 1;
- E. Summarize Respondent's commitment to comply with the MBE/WBE requirements as stated in the Special Conditions Regarding Minority Business Enterprise ("**MBE**") and Women Business Enterprise ("**WBE**") Commitment, attached to this RFP as Exhibit 5; and
- F. Attached as Exhibit 9 is a sample Professional Services Agreement ("PSA") that may become part of the City contract with the selected Respondent. The terms and conditions attached should not be construed as the sum total of the terms and conditions that will constitute the final contract; furthermore, the City may make changes to the attached terms and conditions in its discretion. Respondent must identify any exceptions or objections to those terms and conditions in the PSA, in its Proposal; if Respondent does not list such in its Proposal, the City will not entertain any such exceptions or objections on these provisions during contract negotiation; and
- G. Acknowledgement of receipt of all Addendum issued by City, if any.

**3. Project Understanding, Approach and Implementation Plan – limit of thirty pages plus a Team Organizational chart and any illustrations, diagrams and/or samples in an Appendix as needed**

Respondent must describe its interest, understanding, and approach to providing the required Services for Benefits Administration with the City as stipulated within this RFP. Respondent must include an explanation of its approach to project management. Also to be included are: a transition plan, efforts for implementing and monitoring the Services; cost containment strategies; sustainability approaches; the roles and responsibilities of team-member firms; validation strategies, tools, and safeguards for ensuring secured information technology environments, timely transactions, and quality performance of all required Services; equipment, software, and hardware considerations; training and on-going support; and any additional

factors for the City's consideration. A brief overview of the proposed business model should be provided;

Any subcontractors who will be performing Services, including their designation as MBE/WBE should be listed along with discussion of their roles and responsibilities.

The Respondent must provide the required information as described below:

- A. Provide an Operating Plan, which is reflective of the specific responsibilities and Level of Service required in the Scope of Services.
- B. Provide a concise narrative response that explains exactly how the Respondent plans to meet the requirements listed. Where applicable, Respondent is encouraged to provide examples of how and where similar requirements are being met (or have been met previously) on other projects. Respondent should use illustrations, diagrams and/or attach sample material in an appendix to provide additional clarity. The Respondent should use this narrative response as an opportunity to convey their understanding of the specific requirement and how their solution has been designed to best meet it.

**Respondent must provide a concise narrative response that addresses each of the requirements described in Exhibit 1, Section II: It is not sufficient to simply restate a requirement and that the Respondent understands and will comply.**

- C. Provide a Team Organizational Chart indicating Management Structure and Subcontractors. Describe all responsibilities and services to be provided by members within your Organizational Chart including subcontractors.

**4. Professional Qualifications and Specialized Experience of Respondent and Team Members**

If Respondent proposes that major portions of the work will be performed by different team members (joint venture partners, subcontractors, etc.), Respondent must provide the required information as described below for **each** such team member.

- A. Company Profile Information (See Form in Exhibit 2 - limit of one page plus any attachments required by the provisions below.)

Identify participants in Respondent's "Team." For example if Respondent is a business entity that is comprised of more than one legal participant (e.g., Respondent is a general partnership, joint venture, etc.), then Respondent must identify or cause to be identified all participants involved, their respective ownership percentages, and summarize the role, degree of involvement, and experience of each participant separately.

If Respondent has a prime contractor/subcontractor relationship instead, this information regarding role, involvement and experience is also required for any subcontractor that is proposed to provide a significant portion of the work.

Provide a chronological history of all mergers and/or acquisitions involving the Respondent team members, including all present and former subsidiaries or divisions and any material restructuring activities, if applicable. Include any such forthcoming actions, if such disclosure has already been made generally available to the public and is permitted by law.

If Respondent is a joint venture or partnership, attach a copy of the joint venture or partnership agreement signed by an authorized officer of each partner. Each partner must execute:

- (i) Schedule B as shown in Exhibit 5, if joint venture or partnership includes City of Chicago certified MBE/WBE firms(s), as applicable.
- (ii) Separate Economic Disclosure Statement and Affidavit ("EDS") completed by each partner and one in the name of the joint venture or partnership as shown in Exhibit 6.
- (iii) Insurance certificate in the name of the joint venture or partnership business entity.

**B. Company Reference / Client Profile Information (See Form in Exhibit 3 - limit of two pages plus ten pages for Company Reference Forms)**

Respondent must provide at least 3 references preferably from cities related to contracts of similar scope and magnitude as described in this RFP. No more than one (1) of these references may be from previous or current contracts between Respondent and the City. We also ask that at least one reference is from a company you are no longer providing the services for currently. Experience will not be considered unless complete reference data is provided. At a minimum, the following information must be included for each client reference:

- Client name, address, contact person name, telephone and email address.
- Description of Benefits Administration Services similar to the Services outlined in Exhibit 1.
- The date when the Service was implemented.
- The location of the Services.
- Nature and extent of Respondent's involvement as the prime contractor (also indicate area of secondary responsibility, if applicable).
- Identify equipment and Services, if any, subcontracted, and to what other company.
- Contract term (Start and End date, or indicate if currently providing services).
- The total dollar value of the Services.

All client reference information must be supported and verified. Reference contacts must be aware that they are being used and agreeable to City interview for follow-up.

The City may solicit from previous clients, including the City of Chicago, or any available sources, relevant information concerning Respondent's record of past performance.

**C. Capacity to Perform City Project - limit of three pages**

Describe how any uncompleted projects and/or contractual commitments to other clients will affect your ability to deliver services, capacity to perform within City's timeline and affect dedicated resources committed to the City's project. Respondent should provide a summary of current and future projects and commitments and include project completion dates. Identify what percentage of

the services will be performed utilizing your own workforce, equipment and facilities. What percentage of the work will be subcontracted?

**5. Professional Qualifications and Specialized Experience of Respondent and Key Personnel Committed to this Project - limit of three pages plus a Staff Organization chart plus Resumes**

Respondent must also provide a summary of the professional qualifications and experience of key personnel who will be dedicated to the services described in this RFP. List key personnel committed to this project in Exhibit 7. For each person identified, describe the following information:

- Title and reporting responsibility.
- Proposed role in this project, including the functions and tasks for which they will have prime responsibility (also indicate areas of secondary responsibility, if appropriate)
- Pertinent areas of expertise and past experience
- Base location
- Resumes or corporate personnel profiles which describe their overall experience and expertise.

Respondent must provide copies of appropriate licenses or certifications required of any individual or entity performing the services described in this RFP in the City of Chicago, County of Cook and State of Illinois, for itself, its partners and its subcontractors, including evidence that Respondent is authorized by the Secretary of State to do business in the State of Illinois. Provide copies with the Proposal submission.

**6. Compensation Schedule Detail**

The City is requesting information regarding the costs for the Services required. In Exhibit 4, provide details in the Compensation Schedule. Respondent is responsible for disclosing any charges or fees not listed on the Compensation Schedule that the City would incur with the Respondent, before, during, and after the implementation.

Respondent must use the provided live Excel worksheet in Exhibit 4 to provide all pricing information and describe relevant assumptions. Pricing information received in any other format will not be considered and may be cause for the Proposal to be rejected.

For purposes of comparing costs between Respondents, Respondents should not deviate from the compensation methods outlined in Exhibit 4. The City reserves the right to negotiate prices, terms, and conditions with selected Respondent.

**7. Minority and Women Business Enterprises Participation Plan and Commitment - limit of three pages**

Respondent must describe its plan for MBE/WBE participation and commitment to achieving meaningful technical and financial goals. The current MBE participation goal is 25% of the total contract value, and the current WBE participation goal is 5% of the total contract value. Consistent with the City's practice of encouraging and facilitating the participation of MBEs and WBEs in prime contractor roles on City projects, the City urges Respondents to partner with MBE and/or WBE firms at the prime contractor level. To be eligible for favorable consideration under the Prime Contractor element of the criteria, proposed MBE and/or WBE participation on a Respondent's team must include well-defined management roles and responsibilities for the MBE and/or WBE team members and must allocate to the MBE and/or WBE

financial risk commensurate with the financial rewards available to be achieved by a successful Respondent.

## **8. General Supplier Requirements**

Respondent must be able to demonstrate its Experience and Expertise in the provision of these services as well as demonstrated evidence of providing these services to similar government agencies.

### **5.3 Required Content of Proposals - Volume II - Representations and Certifications**

#### **1. Minority and Women Business Enterprises Commitment**

Respondent must complete and submit the forms that are attached to this RFP in Exhibit 5 to evidence Respondent's proposed MBE/WBE participation in some aspect of the contract. The current Minority Business Enterprise (MBE) participation goal is 25%, and the current Women Business Enterprise (WBE) participation goal is 5% of the total contract value.

Respondent must submit a completed Schedule D-1 and obtain a separate Schedule C-1 completed and signed by each proposed MBE and WBE firm describing the services to be provided. With each Schedule C-1 form, Respondent should submit a current Letter of Certification issued by the City of Chicago. The proposed MBE or WBE firm must be certified by the City of Chicago at the time of Proposal submission. The City reserves the right to require Respondents to replace any proposed MBE/WBE that is not certified with the City of Chicago.

Further, the percentage participation for each MBE or WBE firm on the individual Schedule C-1s should match the percentages for each MBE or WBE firm listed on the Schedule D-1. All schedules submitted must be original signature. Failure to submit these documents, or incomplete documents, may result in Respondent being declared non-responsive.

In order to determine the best way in which to achieve and document MBE/WBE participation, Respondent must refer to the Special Conditions Regarding Minority Business Enterprise Commitment and Women Business Enterprise Commitment attached to this RFP as Exhibit 5. To locate MBE/WBE firms who are currently certified with the City of Chicago in various areas of specialty, you may search the City's MBE/WBE Directory Database on the City's website: [www.cityofchicago.org/Procurement](http://www.cityofchicago.org/Procurement).

#### **2. Financial Statements**

Respondent should provide a copy of its audited financial statements for the last 3 years. Respondents that are comprised of more than one entity must include financial statements for each entity. The City reserves the right to accept or reject any financial documentation other than the financial statements requested by this section.

If Respondent is unable to provide audited financial statements, state the reasons in your Proposal response and provide financial documentation in sufficient detail to enable the City to assess the financial condition of your company.

Sufficient alternate documentation would be unaudited financial statements from those Respondents not required to have their financial statements audited. At a minimum, the statements need to be the balance sheets and income statements (or equivalent) for the requested three years. Assets/liabilities and income/expenses

must be presented in adequate detail for the City to assess the financial condition of the Respondent.

**3. Economic Disclosure Statement and Affidavit (“EDS”)**

Respondent must submit a completed and executed Economic Disclosure Statement and Affidavit and the Appendix A. **See hardcopy EDS forms and Online City of Chicago EDS Instructions and Attachment A Online EDS Acknowledgement in Exhibit 6.** If Respondent is a business entity other than a corporation, then each member, partner, etc., of Respondent must complete an EDS as applicable, per instructions on the EDS form. In addition, any entity that has an interest in Respondent or in one or more of its members, partners, etc., and is required pursuant to the Municipal Purchasing Act for Cities of 500,000 or More Population (65 ILCS 5/8-10-8.5) or Chapter 2-154 of the Municipal Code of Chicago to provide a disclosure must submit a completed and executed EDS as an “entity holding an interest in an Applicant” as described in the EDS. All affidavits must be notarized. **Upon completion of Online EDS, Respondent shall submit a copy of 2 documents with their proposal: 1) Certificate of Filing printed from system and 2) hardcopy of the executed Attachment A, Online EDS Acknowledgement form in lieu of hardcopy EDS forms.**

Subcontractors may be asked, at the City's discretion, to provide an EDS during the evaluation process.

**4. Respondent's Corporate History**

Respondent must provide a chronological history of all mergers and/or acquisitions (if any) involving the Respondent and each legal entity comprising Respondent, including all present and former subsidiaries or divisions and any material restructuring activities in the last 10 years, if applicable. Include any such forthcoming actions, if such disclosure has already been made generally available to the public and is permitted by law.

**5. Business License/Authority to do Business in Illinois**

Respondent must provide copies of appropriate licenses or certifications required of any individual or entity performing the services described in this RFP in the City of Chicago, County of Cook and State of Illinois, for itself, its partners and its subcontractors, including evidence that Respondent is authorized by the Secretary of State to do business in the State of Illinois. Provide copies with the Proposal submission.

These requirements will vary depending upon the circumstances of each Respondent. See the Department of Business Affairs and Consumer Protection's (BACP) website for additional information: [www.cityofchicago.org/businessaffairs](http://www.cityofchicago.org/businessaffairs)

If required by law, Respondents are required to have an Illinois Business License. See the State of Illinois, Department of Business Services' website for additional information: [www.cyberdriveillinois.com](http://www.cyberdriveillinois.com) (<http://www.cyberdriveillinois.com/>).

Additionally, visit the State of Illinois' Division of Professional Regulation for information regarding the State of Illinois' Professional Certifications: <http://www.idfpr.com/DPR/>

**6. Legal Actions**

Respondent must provide a listing and a brief description of all material legal actions, together with any fines and penalties, for the past 5 years in which (i) Respondent or

any division, subsidiary or parent entity of Respondent, or (ii) any member, partner, etc., of Respondent if Respondent is a business entity other than a corporation, has been:

- (i) A debtor in bankruptcy; or
- (ii) A plaintiff or defendant in a legal action for deficient performance under a contract or violation of a statute or related to service reliability; or
- (iii) A respondent in an administrative action for deficient performance on a project or in violation of a statute or related to service reliability; or
- (iv) A defendant in any criminal action; or
- (v) A named insured of an insurance policy for which the insured has paid a claim related to deficient performance under a contract or in violation of a statute or related to service reliability; or
- (vi) A principal of a bond for which a surety has provided contract performance or compensation to an obligee of the bond due to deficient performance under a contract or in violation of a statute or related to service reliability; or
- (vii) A defendant or respondent in a governmental inquiry or action regarding accuracy of preparation of financial statements or disclosure documents.

The City reserves the right to request similar legal action information from Respondent's team members during the evaluation process.

#### 7. Insurance

Prior to contract award, the selected Respondent will be required to submit evidence of insurance in the amounts specified in the attached Exhibit 8.

## VI EVALUATING PROPOSALS

### 6.1 Evaluating Process

An Evaluation Committee, which will include the representatives of the Department of Finance/Revenue, and the Department of Procurement Services and may include representatives from other departments of the City ("Evaluation Committee" or "EC") will review and evaluate the Proposals, as described below.

In evaluating Proposals, the EC will first consider the completeness and responsiveness of the Respondent's Proposal. The RFP proposal evaluation process is organized into three phases:

- Phase I Preliminary Proposal Assessment
- Phase II Proposal Evaluation
- Phase III Site Visits, System Demonstration, and/or Oral Presentations (if necessary)

#### Phase I - Preliminary Proposal Assessment

Phase I will involve an assessment of the Respondent's compliance with and adherence to all submittal requirements requested in Section 5.2 Volume I, Required Content of Proposals and Section 5.3, Volume II, Representations and Certifications. Proposals which are incomplete and missing key components necessary to fully evaluate the Proposal may, at the discretion of the EC, be rejected from further consideration due to "non-responsiveness" and rated Non-Responsive.

#### Phase II - Proposal Evaluation

In Phase II, the EC will evaluate the extent to which a Respondent's proposal meets the project requirements set forth in the RFP. Phase II will include a detailed analysis of the Respondent's qualifications, experience, proposed implementation plan, preliminary Compensation Schedule and other factors based on the evaluation criteria outlined in Section 6.2 Evaluating Criteria.

As part of the evaluation process, the EC will review the information required by Section V, above, for each Proposal received. The EC may also review any other information that is available to it, including but not limited to information gained by checking references and by investigating the Respondent's financial condition.

The City reserves the right to seek clarification of any information that is submitted by any Respondent in any portion of its Proposal or to request additional information at any time during the evaluation process. Any material misrepresentation made by a Respondent may void the Proposal and eliminate the Respondent from further consideration.

The City reserves the right to enlist independent consulting services to assist with the evaluation of all or any portion of the Proposal responses as it deems necessary.

## **6.2 Evaluation Criteria**

In addition, the Evaluation Committee will review the overall responsiveness and completeness of the Proposal with respect to the requirements outlined in this RFP and Respondent's Proposal using the following criteria (not necessarily listed in order of importance):

### **A. Professional and Technical Competence**

1. Ability to provide the Services described in the RFP, including capacity to achieve the project goals, objectives and Scope of Services described in this RFP.
2. Professional qualifications and specialized experience of Respondent and its team as a Benefits Administration provider for Municipal Government on projects of similar scope and magnitude (e.g., specifically with respect to large organizations and government agencies).
3. Professional qualifications and specialized experience of Respondent's key personnel and local availability of key personnel committed to the City account as shown in Exhibit 7.
4. Past and current performance of respondent (and team members) on other contracts in terms of quality of services and compliance with performance schedules. The Evaluation Committee may solicit from current and/or previous clients including the City, other government agencies, or any available sources, relevant information concerning Respondent's record of performance.

### **B. Quality, comprehensiveness and adequacy of the proposed approach to developing and implementing benefits administrator services, including the staffing plan, local availability and commitment of personnel who will manage and oversee the City's account.**

The Evaluation Committee will review each Proposal for the Respondent's understanding of the objectives of the Services and how these objectives may be best accomplished. Each Respondent will be evaluated on its overall strategy, methodology, and approach to meeting the City's requirements.

### **C. Compensation Schedule relative to information provided in Exhibit 4.**

### **D. The level, relevancy and quality of participation by MBE/WBE firms certified by the City of Chicago. Failure to meet this requirement may be cause for the Respondent to be disqualified.**

### **E. Legal Actions - The EC will consider legal actions, if any, against Respondent and any division, subsidiary or parent company of Respondent, or against any member, partner, etc., of Respondent if Respondent is a business entity other than a corporation.**



- F. Financial Stability – The EC will consider the financial condition of Respondent. Respondent must be financially stable to ensure performance over the duration of the contract.
- G. Compliance with Laws, Ordinances, and Statutes – The EC will consider Respondent's compliance with all laws, ordinances, and statutes governing the contract. See Online City of Chicago EDS Instructions and Attachment A, Online EDS Acknowledgement form in Exhibit 6.
- H. Conflict of Interest – The EC will consider any information regarding Respondent, including information contained in Respondent's Proposal, that may indicate any conflicts (or potential conflicts) of interest which might compromise Respondent's ability to satisfactorily perform the proposed Services or undermine the integrity of the competitive procurement process. As an example, but not limited to, if any Respondent has provided any services for the City in researching, consulting, advising, drafting or reviewing of this RFP or any services related to this RFP, such Respondent may be disqualified from further consideration.
- I. Degree to which the Respondent accepts the City's Sample Professional Services Agreement in Exhibit 9 that will impact contract negotiations.

## VI SELECTION PROCESS

After the Evaluation Committee ("EC") completes its review of Proposals in Phase II, it may submit to the Comptroller of the Department of Finance/Revenue a recommended short list of Respondents (Phase III), or the EC may forego Phase III and submit a recommendation to select a Respondent, or a recommendation to reject any or all Proposals.

### Phase III- Site Visit and/or Oral Presentations

If the EC submits a short list of Respondents for further review, then, in the sole discretion of the Commissioner, those short-listed Respondents may be subject to a site visit and/or be invited to appear before the EC for an oral presentation to clarify in more detail information on what was submitted in Respondent's Proposal; and/or to ask Respondents to respond to additional questions. Afterwards, the EC will make a final evaluation of the Respondents and submit its recommendation to the Comptroller. Such recommendation may be to enter into negotiations with only one Respondent or may be to enter into negotiations with more than one Respondent.

Upon receipt of the EC's recommendation, the Comptroller will submit a decision (concurrence or rejection of the EC's recommendation) to the Chief Procurement Officer. The Chief Procurement Officer shall then consider the Comptroller's recommendation and exercise her authority to either notify the Respondent(s) to enter into contract negotiations or reject the recommendation and offer alternate options (such as rebid, for example).

The City will require the selected Respondent[s] to participate in contract negotiations. In order to award a contract that represents the best value to the City, as determined by the Comptroller and the Chief Procurement Officer, the City reserves the right to enter into concurrent competitive price negotiations with one or more qualified respondent(s). The City's requirement that a selected Respondent negotiate is not a commitment by the City to award a contract.

The City reserves the right to terminate this RFP solicitation at any stage if the Chief Procurement Officer determines this action to be in the City's best interest. The receipt of Proposals or other documents will in no way obligate the City of Chicago to enter into any contract of any kind with any party.

## VII ADDITIONAL DETAILS OF THE RFP PROCESS

### 8.1 Addenda

If it becomes necessary to revise or expand upon any part of this RFP, an addendum will be sent to all of the prospective Respondents listed on the "Take Out Sheet" prior to the Proposal due date. Prospective Respondents are automatically listed when they sign or leave a business card for a copy of the RFP package in the Bid and Bond Room. Each addendum is incorporated as part of the RFP documents, and the prospective Respondent must acknowledge receipt.

Respondents are solely responsible for acquiring the necessary information or materials from the Bid and Bond room.

Copies of the take-out list, and any addenda, are available from the Department of Procurement Services Bid and Bond Room 301, City Hall, 121 North LaSalle Street, Monday-Friday, 8:30 a.m. - 4:30 p.m.; 312-744-9773; and via the Internet at the Department of Procurement website: [www.cityofchicago.org/Procurement](http://www.cityofchicago.org/Procurement)

The addendum may include, but will not be limited to, the following:

1. Responses to questions and requests for clarification sent to the Department of Procurement Services according to the provisions of Section 4.1.A herein; or
2. Responses to questions and requests for clarification raised at the Pre-Proposal Conference or by the deadline for submission of questions.

### 8.2 City's Rights to Reject Proposals

The City of Chicago, acting through its Chief Procurement Officer, reserves the right to reject any and all Proposals that do not conform to the requirements set forth in this RFP; or that do not contain at least the information required by Section V. If no Respondent is selected through this RFP process, then the Chief Procurement Officer may utilize any other procurement method available under the Municipal Purchasing Act and the Municipal Code of Chicago, to obtain the Services described here.

### 8.3 No Liability for Costs

The City is not responsible for costs or damages incurred by Respondents, member(s), partners, subcontractors or other interested parties in connection with the RFP process, including but not limited to costs associated with preparing the Proposal and of participating in any conferences, site visits, product /system demonstrations, oral presentations or negotiations.

### 8.4 Prohibition on Certain Contributions – Mayoral Executive Order No. 2011-4

Pursuant to Mayoral Executive Order No. 2011-4, from the date of public advertisement of this request for qualifications/proposals/information through the date of award of a contract pursuant to this request for qualifications/proposals/information, Respondent, any person or entity who directly or indirectly has an ownership or beneficial interest in Respondent of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Respondent's proposed Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Respondent and all the other preceding classes of persons and entities are together, the "Identified Parties") must not: (a) make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee; (b) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the

Mayor's political fundraising committee; (c) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (d) bundle or solicit others to handle contributions to the Mayor or to his political fundraising committee;

If Respondent violates this provision or Mayoral Executive Order No. 2011-4 prior to the award of an agreement resulting from this request for qualifications/proposals/ information, the Chief Procurement Officer may reject Respondent's proposal.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which is then delivered by one person to the Mayor or to his political fundraising committee.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.
  - 2. The partners have common or joint ownership of a residence.
  - 3. The partners have at least two of the following arrangements:
    - a. joint ownership of a motor vehicle;
    - b. a joint credit account;
    - c. a joint checking account;
    - d. a lease for a residence identifying both domestic partners as tenants.
  - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal code of Chicago, as amended.

Any contract awarded pursuant to this solicitation will be subject to and contain provisions requiring continued compliance with Executive Order 2011-4.

## **8.5 False Statements**

### **(a) 1-21-010 False Statements**

Any person who knowingly makes a false statement of material fact to the city in violation of any statute, ordinance or regulation, or who knowingly falsifies any statement of material fact made in connection with an application, report, affidavit, oath, or attestation, including a statement of material fact made in connection with a bid, proposal, contract or economic disclosure statement or affidavit, is liable to the city for a civil penalty of not less than \$500.00 and not more than \$1,000.00, plus up to three times the amount of damages which the city sustains because of the person's violation of this section. A person who violates this section shall also be liable for the city's litigation and collection costs and attorney's fees.

The penalties imposed by this section shall be in addition to any other penalty provided for in the municipal code. (Added Coun. J. 12-15-04, p. 39915, § 1)

(b) 1-21-020 Aiding and Abetting.

Any person who aids, abets, incites, compels or coerces the doing of any act prohibited by this chapter shall be liable to the city for the same penalties for the violation. (Added Coun. J. 12-15-04, p. 39915, § 1)

(c) 1-21-030 Enforcement.

In addition to any other means authorized by law, the corporation counsel may enforce this chapter by instituting an action with the department of administrative hearings. (Added Coun. J. 12-15-04, p. 39915, § 1)

**EXHIBIT 1  
SCOPE OF SERVICES**

**BENEFITS ADMINISTRATION SERVICES FOR MUNICIPAL GOVERNMENT**

The Consultant must perform management and complete staffing of the benefits administration and operations as detailed in this scope of services.

**I. General Overview**

**GENERAL**

The City of Chicago currently performs all aspects of Benefits Administration with internal staff members. The Benefits Administration Office of the Department of Finance is currently organized into six distinct areas: (i) enrollment and eligibility; (ii) customer service; (iii) direct pay programs, (iv) appeals, (v) audit/finance, and (vi) data management.

- Benefits enrollment data currently resides on the City's mainframe.
- The payroll system runs off an Oracle based application, as does the Department of Human Resources (HR).
- Currently Oracle HR feeds the mainframe for updates to personnel records on the mainframe.
- Direct pay programs run on CobraEas.
- The document management software is Visiflow.

**II. Scope of Services**

**Services Required (See Attachment A for statistics and additional information)**

In general, the functions that are included in this Scope of Services include:

- Data management and reporting
- Policy and document management
- Employee/Retiree and Manager Self Service
- Benefit administration
- Retiree health care benefit administration

The following is a list of service requirements to be provided and managed by the Contractor in accordance with the terms and conditions set forth in the Agreement executed between the City and Contractor. Respondent must provide documentation to support experience in the following areas:

**A. Benefits Administration Services Functional Requirements**

The functional requirements associated with each primary segment of i) Health and Welfare Benefits Administration services, and ii) Requirements common to all services are detailed within the attached excel files. Respondents should complete the attachment for each segment.

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

Respondents are directed to use the "Benefits Administration Functional Requirements", file name "Spec\_100356\_Exhibit\_1\_Functional\_Requirements.doc", on CD-Rom.

## **B. Service Requirements Matrix**

The Service Requirements Matrix associated with each primary segment of i) Health and Welfare Benefits Administration services, and ii) Requirements common to all services are detailed within the attached excel file. Respondents should complete the attachment for each segment.

Respondents are directed to use the provided Excel Worksheet Template, File name:  
Spec\_100356\_Exhibit\_1\_Service\_Requirements\_Matrix.xls

## **C. Technical Requirements**

Listed herein are the overall general solution functions desired by The City of Chicago for its Benefits Administration solution (The System).

- **Modular** The solution should be modular in design so new application components can be integrated to accommodate a phased implementation, if desired. Once implemented, the System must be able to easily expand to include new capabilities without negatively impacting previously implemented functionality
- **Flexible** The proposed solution must be designed to meet The City of Chicago's ever-changing requirements. Flexibility must be provided to meet various departmental requirements in records management and reporting to third party systems. The System must easily accommodate The City of Chicago access to data, changes, additions, or deletions to the database structure without requiring recompilation of programs not directly impacted by the changes. The City of Chicago requires its resources to have access to view and change data within security profiles.
- **Ease of Use** The proposed solution should be a fully integrated one that requires the same data to be entered only once. The solution must be user friendly, offer point and click ability, be intuitive to use, and require a minimal number of screens to complete transactions. Configurable, online help must be available throughout the solution.
- **Administrative Tools** The solution should include administrative tools to monitor utilization, trace database access chains, and optimize file placement and layout. It must permit system audits to determine who has used the system recently and what changes have been made, and must keep a daily transaction journal for recovery purposes should that become necessary(See Audit Trail of Databases Updates below). It must also support performance monitoring tools and activity statistics reporting features. Statistics should be available on database access rates (both update and query) by operator ID, and by time of day. The system must provide restart capabilities, as well as database access activity logging and backup.
- **Workflow** The solution should facilitate teamwork and simplify business processes by automating the flow of information, documents, notifications, approvals, and tasks. The workflow applications must be capable of connecting to document management and e-mail systems(currently Outlook by Microsoft).
- **Audit Trail of Database Updates** Comprehensive audit trail capability should be provided where appropriate, including a listing of before and after values of data elements that were changed.
- **Data Import/ Export Facility.** The solution must permit the import and export of information to and from other systems and must integrate with other desktop and server applications such as Microsoft Office, query and reporting tools.
- **Data Files and schedules are below:**

1.Data files currently prepared/exchanged:

- a. **Monthly Eligibility Files**
  - i. Prudential (group term life basic and optional)
  - ii. Met Life (universal life)
- b. **Monthly Processes**
  - i. Process a file from each of the 4 pension funds, and use it to maintain or terminate annuitant coverage.
  - ii. Create extensive set of reports and spreadsheets showing totals and activity and error conditions.
  - iii. Provide monthly totals to Blue Cross and Davis Vision.
- c. **Weekly Eligibility Files (Full File Refresh is required on all except COBRA)**
  - i. Blue Cross (PPO and HMO)
  - ii. Encompass (Utilization Review for PPO plans)
  - iii. CompBenefits (Dental)
  - iv. Davis Vision (Vision)
  - v. Caremark (PBM)
  - vi. Wageworks (CTA and METRA Passes)
  - vii. Cobra to HCSC
- d. **Weekly Processes**
  - i. Process any new Diabetes Wellness Additions for evidenced based plan design
  - ii. Take data from Direct Pay system to term or maintain coverage for people on leave
  - iii. Send data to Direct Pay system for people newly on leave
  - iv. Run programs that automatically update coverage, turning-on or -off coverage depending upon a person's current HR status.

#### **D. Transition and Implementation**

Respondent must provide a written transition and implementation plan in a separate attachment (referencing this section number) detailing their approach to transition the services from the City operating staff to themselves. The proposed transition and implementation plan must provide the following information:

- The total timeline to implement (including start and end dates) System readiness testing (UAT & SAT)
- Specific project milestones and risks.
- The resource requirements of The City of Chicago (number of personnel, skill set of personnel and role of personnel).
- A dedicated project manager during the first ninety (90) days after the Agreement has been executed. The project manager will be available during the transition period and cannot be the account manager.
- The project manager's name and a brief biography that includes experience levels within the industry.
- The recommended number of additional resources that will be dedicated to the transition of The City of Chicago's account to your company. Include the job titles, years of industry experience, years of experience with this system, etc. for the additional resources.
- The recommended equipment/services, and its support. This should explain how the service and any proposed process changes will be implemented for each service you are assuming.
- Information on training required for the appropriate City of Chicago employees on your company's systems.
- The required number and qualifications of The City of Chicago employees to support development and transition.

- Commitment to prepare, update and email a transition status spreadsheet daily during the transition process.
- Commitment to participate in a daily conference call, if needed, during the transition period to discuss any problems.
- Requirements for data transfer and associated implementation process requirements for each Service area.
- Commitment to conduct sufficient testing

Respondents should take into consideration that The City of Chicago intends for the services to commence January 1, 2013. More detailed project milestones and schedules will be required within three (3) weeks after selection of the successful Respondent.

### III. General Information

#### Part A—City Requirements and Respondent's Response Towards Meeting the Requirements as Contractor

1. Contractor must assess the City's current benefits operations. Describe the process and estimated timeline to perform the assessment process.
2. The Contractor must ensure that appropriate standards and protections are in place to maintain strict confidentiality of City employee and retiree information and that any system(s) that may be used to perform administrative functions are sufficiently managed, monitored, and controlled to ensure confidentiality, accuracy, and currency. Contractor shall maintain confidentiality of the City's employee and retiree records in compliance with all federal, state, and local laws and regulations. Any data provided by the City, or by City employees or retirees, to the Contractor, or any data encountered by Contractor during the performance of services relating to any City employees or retirees, must be kept strictly confidential, and may not be sold, marketed, furnished or otherwise made available to any person or entity for any purpose except as required by law or regulation and except to Contractor's subcontractors solely for purposes of performing Contractor's obligations under an agreement with the City. Describe how your organization ensures the confidentiality of City employee and retiree information. Describe how your organization's system resources meet the City's criteria.
3. The City must be assured that as of the "go live" date for any function, there is a seamless transition and that the established processes have been adequately documented and tested to ensure compliance with legal, benefit plan, collective bargaining, and other such agreements. How will you ensure that the City's goals in this regard are obtained? (See Part F – Implementation of Services, #1.)
4. The City must be assured that all communications whether verbal, written, or web-based are appropriate to the recipient population and complies with relevant benefit plans, the law, and the City's collective bargaining agreement terms and conditions relevant at the time. Describe how you will insure that the City's goals in this regard are obtained.
5. The City must be assured that services provided to City employees, dependents, and retirees are accurate and were performed in accordance with the City's benefit plans, collective bargaining agreements, and applicable laws. What processes do you have in place to assure accuracy that such services had been provided, retrospectively? How often would you audit, and what percentage of records would you audit, in order to determine conformance with City requirements had been met? Generally, how do you audit the accuracy of customer service communications and enrollment processing?



More specifically, if your company fails to update a family status change accurately, i.e., fails to update Medicare eligibility on a retiree, describe the steps you would take to rectify the mistake. If claims were paid incorrectly, what is your process? If dates of service are prior to Medicare timely filing requirements, what responsibility, how would you remedy this?

Likewise, if an employee notifies customer service of a divorce, outline your process to update records. What is the follow up? If claims are paid for dates of service after the divorce, due to the failure of you, the Contractor, to make the update, what is the remedy?

6. Describe the data migration plan, for transferring all current Benefits Administration mainframe data, into your system. Provide an Exit Plan - a summary of the steps and technological conditions that would need to be taken in order to ensure a smooth transition and migration of files to a successor provider(s) at the end of a contract period or, in the event of contract default, to the City of Chicago's IT environment. Include the activities necessary for an orderly and controlled transition, the timeframe required for such a transition, the key business areas that would be involved and consideration required for the turnover of benefit plan records to the successor provider(s). Be specific about record transfer protocols and assumptions. If you require a standard transfer/termination protocol, please provide a copy of it.
7. It is the expectation of the City that there would be no additional charges for termination services. Please confirm your agreement with this provision and provide a detailed breakdown of all Termination Services you provide.
8. Payroll deductions are taken twice per month during the full year for most employees. There are some employees (e.g. crossing guards) who do not pay premium in the summer months when school is not in session; their premiums are adjusted so that they pay the cost of coverage over the shorter time frame. All employees pay based on a percentage of base pay and the number of eligible dependents (single, couple and family are different percentages). There are minimum and maximum salaries. As raises are given, the amount of the deduction is changed concurrently. Currently the payroll system does not "store" these amounts but relies solely on the deduction file for instruction on what amount to take. Currently the Benefits Office prepares the deduction file each pay period to insure up-to-date salary and coverage level information. Confirm your ability to calculate this deduction file and provide it to payroll.
9. The Benefits Administration Office currently produces certain letters to retirees and "actives," including the following letters listed below. Confirm that you can create these required letters and conduct appropriate eligibility processing based on the information received in return.
  - i. "Happy 65<sup>th</sup> Birthday" letter sent 90 days in advance of the birth date to request a copy of the Medicare identification card and advise annuitant that Medicare Part B enrollment is advisable.
  - ii. "Happy Birthday" your dependent has met the limiting age, will be terminated and may elect to enroll in PHSA coverage.
  - iii. For retirees, student status letters are sent twice a year to request documentation to verify attendance at a full-time college or university accredited by the North Central Accreditation Association. Full-time attendance is verified by a paid tuition receipt and a statement from the school that the student is a full-time student in good standing.
10. The City currently outsources COBRA (PHSA) administration. Do you provide PHSA administration services? Describe your services and include costs if the City were to add.

11. The Benefits Administration Office provides notifications, billing and payment processing services for people on the Direct Pay Program. Employees who are on certain leaves of absence including FMLA leave, Workers' Compensation, and Pension Disability are eligible for the program. Also, certain collective bargaining agreements provide for continuation of coverage following termination at the contribution rate for four months. Are you able to administer this program? Describe your services.
12. For the Direct Pay Program described above, Eligibility is downloaded from the direct pay system (currently CobraEas) to the eligibility files processed to the vendors each week. Confirm your ability to include these persons on the vendor eligibility files.
13. If a collective bargaining agreement has a retro-active effective date for a change in payroll deductions for healthcare, or if raises are given retroactively, the Benefits Office calculates the amount of deductions owed by the employee under the new contract terms and deducts that amount from the retroactive paycheck. (Retroactive raises are paid in a single check.). Confirm your ability to provide this retroactive deduction file.
14. Please provide additional comments, cautions, or additional suggestions towards the adoption of best practices or services you believe the City has omitted and that you would recommend.

**Part B — Describe Benefits Administration Experience of the Respondent**

1. Do you currently provide benefit management services to companies comparable in size to the City? To comparably sized government employers? Please provide evidence of successful prior performance of comparable services in the public sector. Detail your experience with providing these services to government employers and unionized employee groups.
2. How long have you provided the benefit management services described above?
3. Do you outsource or subcontract any of the services you provide? If yes, which services requested by the City would be provided by a subcontractor, if any?
4. Where is your company's headquarters?
5. Do you have staff and facilities located in Chicago? If so, where are they located?
6. Indicate the total number of employer groups for which you provide benefit management services in the format listed below:

<b>Size of Employer Groups</b>	<b>Enrollment and Eligibility Services</b>	<b>Open Enrollment Services</b>	<b>Data Transmission Services</b>	<b>Customer Service Representative Services</b>	<b>Payroll Deductions</b>
<b>1-100</b>					
<b>101-1,000</b>					
<b>1,001 – 5,000</b>					
<b>5,001 – 20,000</b>					
<b>20,001 – 40,000</b>					
<b>40,000 – plus</b>					

7. List the following for each of your five (5) largest clients for which you are currently providing benefit management services:
  - i. Name of client
  - ii. Address, telephone number and name of contact person
  - iii. Number of eligible employees
  - iv. Number of enrolled employees
  
8. List the following for each of the five (5) largest clients that have terminated business with your company within the last three (3) years
  - i. Name of client
  - ii. Reason for termination
  - iii. Address, telephone number and name of contact person
  - iv. Number of eligible employees
  - v. Number of enrolled employees
  
9. Within the last three (3) years has your firm, or subcontractors proposed for this response, ever defaulted on a contract to provide services? If so, have any such contracts been cancelled or failed to be renewed for alleged fault on the part of your firm? If yes, provide specifics.
  
10. Do you now have or have you ever had a contract with the City of Chicago or its sister agencies to provide any product or services? If so, list each such contract with the date of inception and termination, including a brief description of the services provided.
  
11. If a contract, pursuant to this RFP process, is executed between the City and Contractor, there may be a provision written into the contract that would permit other City of Chicago

sister agencies and other such governmental bodies to participate under the terms of the contract with the City of Chicago (e.g. Chicago Public Schools (CPS); Board of Education; Cook County; Chicago Transit Authority (CTA)).

12. Are you involved in any litigation arising out of your performance under any contract?
13. Are you involved in any current litigation against the City of Chicago?
14. Has your organization ever been cited or named in a litigious citation within the last five (5) years by federal or state regulators?
15. Do you anticipate any mergers, transfers of company ownership, management reorganizations or departures of key personnel within the next 3 years?
16. How many accounts did you implement with an effective date of January 1, 2011? Please provide the type of account and the number of eligible employees. Do you have clients scheduled for implementation for January 1, 2012? Do you have clients scheduled for implementation for January 1, 2013? If yes, how many? How many eligible employees?
17. What is your largest, smallest, and average client, based upon the number of benefit eligible employees? How many open enrollment seasons have they completed? For other clients of similar size and complexity who have been with your firm for at least three years, how much have the fees paid to your firm increased on a percentage basis? To what would you attribute the increases?
18. How many generations of open enrollment election data do you have available and will it be easily accessible?
19. Describe the types of marketing and promotional materials your company will use to introduce the services you will provide to City employees and retirees. Include copies of all materials you would propose to use. How will such materials be distributed?
20. Would any of your staff conduct open enrollment meetings or make other suggested employee contacts? If other than your employed staff who (or what other entity) may contact City participants per your direction, and for what purposes?
21. Describe your recruitment process and credentialing standards.
22. How do you measure employee performances?
23. Are either the PHSA or direct pay type programs outsourced to another vendor? If yes, who provides the service? Do you bill for the service at invoice price or do you bill including a mark-up? For how long have you been providing the services?

**Part C — Describe Performance of Services of Respondent**

1. Please prepare a matrix of performance standards that includes an amount of fees put at risk as performance guarantees.
2. Provide screenshots of all screens that employees and retirees may see using your web-applications. Provide samples of enrollment communications, including written materials and web-based materials.
3. Describe the process for review and approval of all printed material.

**Part D — Account Management**

1. Provide the name, address, telephone number, title, years of experience and number of clients managed for each of the following persons you would expect to assign to the City account:
  - i. Key Account Executive
  - ii. Manager of Service Representatives
  - iii. Account Coordinator (Day to day City contact person)
2. Provide resumes of key staff describing their education and work experience with respect to the services included in this RFP. Include detailed information about key staff who would be responsible in each of the following areas: customer service including eligibility and enrollment, appeals, and IT support.
3. Provide an organizational chart of your staff and subcontractors who will provide services to the City that identifies their place in your organization including department names and reporting relationships.
4. Please describe in detail your education and experience requirements for staff committed to this account.

#### **Part E — Recordkeeping and Reporting**

1. The City currently stores about 900,000 records in a data storage system known as Visiflow. This system stores records as TIFF files with a “wrap”. Please describe your understanding of the Visiflow application, and your technical approach toward accepting and processing the City’s Visiflow data.
2. The City requires that employees provide certified copies of all birth certificates, marriage licenses and divorce decrees. Your staff will be required to verify that the certification is authentic - from a validly authorized entity. (For example, a raised seal that says “from the library of” is not a valid form of certification.) Your staff will have to be appropriately trained to recognize the indicia of a certified document. For how many other employer groups do you require certified documents?
3. Given that the City requires certified documents and would not agree to allow employees to submit non-certified scanned documents or copies of certified documents, how will you collect and maintain all such required documents?
4. Provide a copy of all forms to be used in providing these services, including, enrollment, requests for evidence of insurability and change in family status forms.
5. Describe the process you typically follow to resolve claim and eligibility issues raised by retirees and employees. Describe the extent of research you would conduct for a first-level claim appeal:
  - i. Do you require access to the PPO provider’s claim system?
  - ii. What claim and other information would you make available to the City’s appeal coordinator?
  - iii. What role would you expect the City to play in support of your process?
  - iv. Is it typical for an external resource to become a claim fiduciary?

6. The City requires monthly, quarterly, and annual Management Information Reports, including, at a minimum, the following listed items:
  - i. Number of eligible employees
  - ii. Number of enrolled employees
  - iii. Employee dependent and retiree dependent totals
  - iv. Annuitant numbers by billing code (Billing codes indicate the correct premium based on the Medicare status, length of service as an employee, and number of covered dependents)
  - v. Primary Medicare and non-Medicare, Means and Non-Means
  - vi. Number of new hire transactions
  - vii. Family status changes
  - viii. Annuitant applications processed
  - ix. Medicare status verification
  - x. Number of calls presented, answered, and abandoned
  - xi. Average length of call
  - xii. Calls by category (categories to be developed)
7. Please provide a copy of your standard reporting package.
8. Describe the proposed ad hoc reporting system for the City's use. (During the evaluation process, the City may require a demonstration of the proposed report-writer tool.)
9. What are the different levels of system access authority available for City management?
10. Data transfers to vendors for eligibility information are HIPAA compliant, meaning they are encrypted, using either PGP or HTTPS.
11. The City requires full access to its records resident on your system. Describe the access protocols required to provide such access?
12. The City currently has a vendor authorized to provide subrogation services to the City's PPO. From time to time, the vendor requires demographic information on City-covered beneficiaries. Describe the access protocols required to provide such access?
13. Is all participant data maintained on a single system database?

#### **Part F — Implementation of Services**

1. Describe in detail the steps that would be taken to ensure a smooth transition of the program from the Benefits Administration Division to your operations. Provide a work plan and schedule identifying the tasks, time frames, responsible parties, and expected work effort required to complete this transition. If you have a survey document or other standard instrument that you use to document a transition of service, please provide a copy of the document.

2. Provide a detailed description and history of similar successful program conversions performed (for clients similar in size to the City of Chicago's and which included collective bargaining agreements in place, and retirees). Provide references for whom these services were provided and contact information.
3. Why do implementation plans go awry? Provide examples of less than successful implementations and describe how you have changed your process of implementation in response to problems you have experienced.
4. Provide the names and resumes for the personnel who would be primarily responsible for the City of Chicago implementation process.
5. Will the implementation team also act as the ongoing service team?
6. The City currently allows walk-in traffic to have their documents reviewed by a staff person to verify that they are certified documents. At the conclusion of the review, the documents are returned to the participant. (They are also scanned and marked as verified by the staff person). For clients who had similar processes prior to implementation of your services, how were these services transitioned? Do clients maintain an on-site presence? What is your solution for providing walk-in traffic services for City of Chicago customers?
7. In the event the one or more sister agencies of the City of Chicago City request participation under the City contract, the increase in the aggregate number of employees (and related dependents and retirees) should result in decreased costs for both the City and the sister agencies. The City requests a supplemental price proposal from the Contractor to include provisions for increased number of employees, retirees and dependents.

Provide a supplemental price proposal for initial set-up and on-going costs and set of major assumptions for the below listed theoretical group sizes, assuming that the services provided would be basic employee benefits services as described in this RFP:

- i. Group size: 50,000 employees and retirees, additional 66,000 dependents: cost per employee
  - ii. Group size: 90,000 employees and retirees, additional 106,000 dependents: cost per employee
  - iii. Group size: 140,000 employees and retirees, additional 145,000 dependents: cost per employee
  - iv. To the extent that each sister agency would likely have some differences in technology, requirements, location, etc., and yet share commonality as a City of Chicago body, what conditions would need to be met in order for all parties to achieve economies of scale resulting from aggregated volumes, in order to achieve the lowest per-employee rate relative to per-employee rates if separately contracted with each agency?
8. Describe the process by which you intend to handle the following tasks:
- i. Eligibility and enrollment
  - ii. Dependent eligibility verification
  - iii. Document capture and storage
  - iv. Audit for accuracy of information provided and/or verification of eligibility documents.
  - v. Family status changes/life events. How do you insure that life events are accurately

reported by the participant and have in fact occurred as reported?

- vi. The retiree plan requires that any retiree previously covered who dropped coverage or was not enrolled when first eligible must provide proof of insurability to be covered. Explain how you would handle that process. Who would make determinations? In accordance with what guidelines?

### **Part G--Customer Service**

1. Describe the proposed customer service telephone system, in detail, as contemplated for implementation for the City of Chicago.
2. Describe how web-based services are integrated with telephone services, as contemplated for implementation for the City of Chicago.
3. Provide access to a web demo of your current capabilities.
4. Describe the organization of your customer service operations proposed for serving the City of Chicago.
5. Describe the training requirements and training processes provided to your customer service representatives and how those processes would be managed under the City of Chicago contract. Do they receive training on benefits and training specific to the City of Chicago?
6. Describe the levels of responsibility/authority/escalation as relates to the proposed customer service operations, and, what are the escalation levels to be provided?
7. If a participant is dissatisfied with the answer provided by a CSR, to whom is the participant referred? How many levels of authority exist to which an aggrieved participant might speak?
8. Describe your training program for handling customers who are dissatisfied, angry, vulgar, aggressive, abusive, or hostile.
9. Describe your organization's procedures for routing telephone, email, fax ,and written inquiries and complaints. How do you ensure that all inquiries are responded to on a timely basis?
10. The City shall require all customer service calls to be recorded; be sent as a .wav form to the authorized representative from the City; and be archived and retrievable for a period consistent with then-current record retrievable storage requirements, if applicable. Describe how you shall provide this requirement.
11. The City may require screen prints of information used to respond to inquiries and complaints; be sent as a pdf or TIFF file to the authorized representative from the City; and be archived and retrievable for a period consistent with then-current record retrievable storage requirements, if applicable. Describe how you shall provide this requirement.
12. What staff is assigned to respond to these requirements and where are they located? Based on your understanding of the size of the City account, will you need to hire additional staff or will you be able to meet the City's needs with existing staff?
13. Please provide the number of full-time equivalent employees you determine would be needed in order to provide the required services.
14. The City requires CSR availability during normal business hours (Monday through Friday 8:30 AM through 4:30 PM, excluding City Holidays.) Will your customer service personnel be available during these hours?



15. Do you use an outside service for handling calls after normal business hours? If yes, describe the services provided by the outside service provider.
16. The City requires a 1-800 customer service line at no additional charge. How many such lines will be provided to the City?
17. The City requires a tracking system to log-in customer service calls and content of customer service calls. Describe the system proposed to meet this requirement.
18. Is the same telephone number used for customer service, billing, eligibility, and complaints? The City requires a separate access number for City inquiries and a "hot line" for very important City issues? How will this separate access be provided?
19. Identify the specific services, systems access, screen-shots, etc., and information an employee, dependent, and/or Vendor could expect (and what resources the CSR would have access to) during a customer service call, regarding:
  - i. Enrollment
  - ii. Eligibility verification/questions on status of application
  - iii. Benefit Information
  - iv. Claim denial
  - v. Appeal process
20. The City requires its participants to be provided multi-lingual service availability, if required. Describe the multi-lingual access process and timing your customer service department can provide to participants.
21. The City requires its participants to be provided email customer service correspondence. Describe how your company provides email customer service. What is the guaranteed turn-around-time on email customer service correspondence?
22. How will your customer service team be trained on the specifics of the City's benefit programs? Does your company outsource any Customer Service functions? If yes, provide reference-contact name of the provider, address, phone number, website, and email address.
23. Describe your process for replacing Key Account Team personnel.
24. Describe your Philosophy and Quality Commitment to customer service.
25. Describe Client and Participant Satisfaction Monitoring Practices.
26. Provide Flowchart of complaint resolution and escalation process.
27. Describe how you would address volume surge(s) (e.g., during holidays, special mailings, etc.) for your call center and the administration in general.
28. What controls and practices are in place to ensure the services are rendered confidentially, according to HIPAA guidelines, accurately and within scheduled time limits?
29. Describe how you monitor the answers given by your customer service representatives and what frequency.
30. Can your call center provide warm transfer calls to other providers as required?

31. Do you currently offer an interactive voice response unit for members? If yes:
32. What are its hours of operation?
33. What functions can members perform?
34. Do you currently offer an Internet Web site for members? If yes, what functions can members perform?
35. Do you currently offer an Internet Web site for plan administrators? If yes, what functions can administrators perform?
36. Using the IVR and the Web site, propose how the City could measure the degree of satisfaction of callers or users?
37. How would members access customer service? Telephone? Internet? IVR?
38. What type of On The Job Training does your customer service representatives receive? Do they receive training on benefits and training specific to the City of Chicago?
39. Can your call center provide warm transfer calls to other providers as required?
40. Please describe how your call center refers callers to the appropriate resource(s) to answer their query
41. Please describe how your call center assists with self-service tools?
42. Do you currently offer an Internet Web site for plan administrators? If yes, what functions can administrators perform?
43. Please confirm you agree any transition of customer or employee facing services to a subcontractor or offshore resources must be approved by the City of Chicago.

#### **Part H — Technology**

1. Describe the proposed System and software tools to be used in order to provide benefits services to the City of Chicago.
2. Is the nature of the software you are proposing to use proprietary software or commercially available off-the-shelf software?
3. To the extent that there have been customizations made to the software that you use, can those customizations be licensed for use by the City of Chicago? If so, what are the per seat license costs? Generally, what are the maintenance and support fees associated with the software usage?
4. How will authorized City of Chicago personnel be provided remote access into this system?
5. To the extent that business workflow changes need to be made to your current application, indicate the workflow tool and technical expertise required to perform workflow changes.
6. Upon termination of the Contract with the City of Chicago, what software would be required in order for the City to be able to receive and use the transmitted data, if any?
7. Provide a high-level overview of a business resumption plan in the event of an emergency, such as natural disaster, or another significant event that results in business interruption for more than 24 hours. Include contingency plans for continuation of all business functions

during an emergency, including a summary of the provisions for backup and recovery of all electronic information systems.

8. The City shall require an on-line enrollment service. Describe how an employee will view both the current benefit elections and prospective elections for the next benefit period.
9. For web-based applications, provided that accurate and timely verification quality controls are provided, the City shall require the following:
  - i. Employees only to view the plans for which they are eligible. Describe the steps required for an employee to view their plan and the degree of security the software provides which prohibits access to unauthorized views. Has there ever been an instance of cyber security breaches, hacking, or other incidents of virus, worms, or malware attacks to any system involving services your company supports?
  - ii. Employees to enroll dependents. Specifically address how documentation requirements will be achieved with web-based enrollment.
  - iii. Describe how dental enrollment for one year post employment is processed. That is, does your system permit future dated transactions for dental enrollment?
  - iv. The City currently requires new employees to enroll for a minimum of 18 months in the PPO plan. They are first eligible to enroll in an HMO plan effective with the start of the plan year occurring immediately after they have completed 18 months of service. Describe the process in order to limit plan selection during the first 18 months of enrollment as required.
  - v. If a retiree attains age 65 and states that he/she is not eligible for Medicare, the retiree must submit documentation from the Social Security Administration that indicates that he/she is not eligible for Medicare based on any of the following that apply: a) the person's own work record; b) the work record of a current spouse; or, c) the work record of a former spouse if the marriage was of at least ten years duration. Depending on the age of a presumptively eligible spouse, it may be necessary to require additional documentation when the spouse attains age 62. Describe how such plans will be administered with this requirement. What difficulties, if any, may be encountered by administering this eligibility provision?
  - vi. Describe you dental enrollment would be limited to those with medical enrollment only?
10. If a dependent has future-dated eligibility, what is the process for the employee to see the future date? For example, a dependent is not effective until January 1, 2012 and the current date is December 12, 2011, how will the employee see the effective date of coverage for the dependent?
11. Describe how your company provides for telephone/IT eligibility fax correspondence.
12. How does the eligibility information get transferred to carriers? Describe the process including discussing file formats, procedures and security.
13. Describe you data validation and audit procedures with payroll and insurance company systems.
14. Describe the computer and data processing facilities that your company currently owns and would use to administer the Agencies' benefits included in this RFP. Include a description of any system resources that would be available to Agency staff for inquiry and information exchange. Describe the training for City personnel that would be included.

15. Describe the internal controls you will institute to protect the security and privacy of program data, records, forms and data processing operations. Describe your policy, procedures and plans for these areas. Are transmissions HIPAA compliant?
16. Was all of your software built internally, purchased or leased?
17. How many administrative data bases do you use?
18. When was the last system upgrade and what was upgraded?
19. When was your last system rebuild or significant upgrade and what was rebuilt or upgraded?
20. Describe your software systems. Are flexible software workflow tools included?
21. Which of the following web browsers are supported: Internet Explorer 7 and above, Firefox, Safari, Others (specify)?
22. Does the browser application require Java?
23. Does the browser application use Active X or Flash controls? If yes, specify for what purpose.
24. Does the browser application store cookies or files locally to maintain persistence between user and application host? If yes, specify for what purpose, what type of information is stored, and how it is secured.
25. Are there any additional browser plugins required to run the application. If yes, please specify? If yes, specify for what purpose.
26. Are there any specialized browser add-ons or settings required to run the application. If yes, please specify which ones, and for what purpose.
27. Does the application use HTTPS/SSL 128 bit security to protect the application's web based communication channels? If no, please specify how web based communication is secured and/or how web trust is established.
28. Is strong password protection deployed within the application? Describe the level of password protection designed within the application.
29. Are database/network level security measures in place? Describe security measures taken to ensure no unauthorized access to hosted data.
30. Describe security measures in place to ensure secure capture of regularly scheduled City of Chicago Interface data .
31. Is physical security in place at the data center level for your solution? What physical security measures are in place to protect hosted City of Chicago data?
32. What hosting data center characteristics are in place to ensure protection of City of Chicago data and minimize down time?
33. Is the hosted solution architected as a "service based cloud solution" where software components may be shared by, or subscribed to, by multiple clients or is it a stand-alone deployment provided solely for the City of Chicago?
34. What percentage system availability is assured?

35. What is the return to operation (RTO) time in the event of a failure at the primary processing site?
36. What types of backup practices will be in place for the City of Chicago data?
37. What redundancy is designed into your hosting service which allows for failover or disaster recovery to be invoked in the event of a failure?
38. In the event of a mid day failure, what would the restore point be (previous night, time of failure, etc?).
39. Are there any companion products required to run the application or linkages between the application and other 3rd party tools? If yes, please state product and supported product versions.
40. What are the minimum client workstation hardware requirements needed to run the application?
41. What security features are available to provide varying levels of reporting capability for different user types?
42. Do you use a formal methodology for development of custom solutions? What are the major steps that involve clients?
43. Is a test / demo system available for clients to test custom features and/or releases prior to deployment?
44. What steps will you undertake in order to migrate data from the current system to your hosted system?
45. What security procedures will be followed to protect data during the migration?
46. What is the current version of the product? What new versions of the product are planned? What new features are included? What are the timeframes of future releases? What is the usual frequency of releases?
47. In general, what is your short-term and long-term strategic direction for your commitment of improving your technology?

#### **Part I — HIPAA Compliance**

The Contractor must strictly comply with all relevant HIPAA requirements.

1. What programs are in place to ensure HIPAA compliance with respect to Health Plan activities?
2. How are customer service representatives and other personnel trained on HIPAA?
3. Are all transmissions/email/correspondence HIPAA compliant and secure?
4. What assistance are you able to provide on health care reform and PPACA and the many plan restrictions with respect to plan design and implementing plan design changes?

#### **Part J — Changes Affecting Cost**

1. Identify the terms or circumstances under which the amounts submitted in the Pricing Schedule would be subject to change.

2. The City recognizes that the list may not be exhaustive and that during implementation discussions additional services may be identified that would add to the scope of services
3. The City of Chicago has a Labor Management Cooperation Committee (LMCC) that is charged with making recommendations to improve the performance of the City's Employee Benefit Plans. There is also a separate Commission that makes recommendations on the Annuitant Settlement Health Care Plans. In addition, there may be changes in Federal or State laws that will effect Plan terms. Hence, there will likely be changes in plan terms, enrollment and eligibility requirements during the term of any agreement. These changes will require communication with employees, changes in plan documents and eligibility files, and customer service staff scripts. Please confirm your understanding of these requirements and provide information of which of these events, if any, would require a change in either the Scope of Services or the fee basis as of the date of implementation of the contract. If any of the enumerated items are not typically performed by your firm, please so state, and provide an explanation of the solution for meeting and managing all City of Chicago requirements. For example, if you do not typically prepare plan amendments, describe the business process for preparing amendments to one or more plans.
4. With respect to changes required in plan operation, coverage terms, or eligibility rules that are a direct result of federal or state legislation any separate charges would have to be negotiated separately with the City and be memorialized via the contract amendment process, if necessary.

## **GLOSSARY OF TERMS**

**Contractor** – The Respondent awarded the contract pursuant to this RFP process.

**CSR** – Customer Service Representative

**Evidence Based Plan Design (EBPD)** – A plan with incentives built in for participating in certain programs, such as the diabetes management program in the PPO plan for active employees.

**FSA** – Flexible Spending Account Plan

**HCSC** – Health Care Services Corporation. The company that currently provides COBRA services for the City of Chicago.

**HEW** – the HIPAA Eligibility Wrapper associated with VDSA

**HMO** – Health Maintenance Organization

**LTD** – Voluntary Long Term Disability Benefits Plan

**MSP** – Medicare Secondary Payer laws and regulations governing order of benefits payments for individuals covered by group health plans and Medicare.

**PBM** – Pharmacy Benefit Manager. A company that provides pharmacy claims processing and services, such as mail order pharmacy.

**PPO** – Preferred Provider Organization

**Respondent(s)** – A Benefits Administration managed service provider submitting a response to this RFP.

**RDS** – Retiree Drug Subsidy program. This is a program that the federal government implement to subsidize employers who still offer prescription drug coverage for Medicare covered retirees, provided it is coverage equal to or better than a standard Medicare drug plan.

**Vendor** – Unless otherwise specified, a Vendor is one of the third-party business entities having an agreement with the City to provide City employees, retirees, and City employee dependents, a benefit (e.g. Blue Cross HCSC; CVS Caremark; Met Life; etc.)

**ATTACHMENT A**

Attachment A, provides processing statistics for your review and use in preparing a response to this RFP.

**Activity Measures/Statistics**

1. Medical Coverage Enrollment as of June 2, 2011:

Category	Member	Spouse	Non-Spouse Dependent	Total
Employees	32,417	17,403	35,110	84,930
Retirees	25,601	9,597	1,770	36,968
<b>Total</b>	<b>58,018</b>	<b>27,000</b>	<b>36,880</b>	<b>121,898</b>

2. 2010 Enrollment/Termination/Change Transactions for Active Employees

Transaction	Members	Spouses	Children	Total
Newly Eligible	1,170	717	495	2,382
Termination	2,037	1,367	2,118	5,522
Open Enrollment Plan Changes	1,435	NA	NA	1,435
Other Changes	1,673	647	2,746	5,066
<b>Total</b>	<b>6,160</b>	<b>3,005</b>	<b>7,036</b>	<b>16,201</b>

3. 2010 Enrollment/Termination/Change Transactions for Retirees

Transaction	Members	Spouses	Children	Total
Newly Eligible	1,170	717	495	2,382
Terminations	636	198	284	1,118
Death with Surviving Spouse	609			609
Open Enrollment Changes	150	NA	NA	150
Other Changes	1,086	502	78	1,666
<b>Total</b>	<b>3,516</b>	<b>1,417</b>	<b>857</b>	<b>5,790</b>

4. Walk-in traffic: 894 per month average
5. Correspondence from all sources including enrollment information requests, claim review correspondence and other individual correspondence not including any open enrollment or other mass mailings: 10,429 (annual)
6. Documents Imaged: 39,704 totaling 85,002 pages (annual)
7. Telephone call volume including both eligibility and claims review unit:  
  
For 2010: 69,010 presented,  
For 2009: 73,691 calls presented
8. Insurability evaluations: 134 new applicants; 258 renewals (annual)

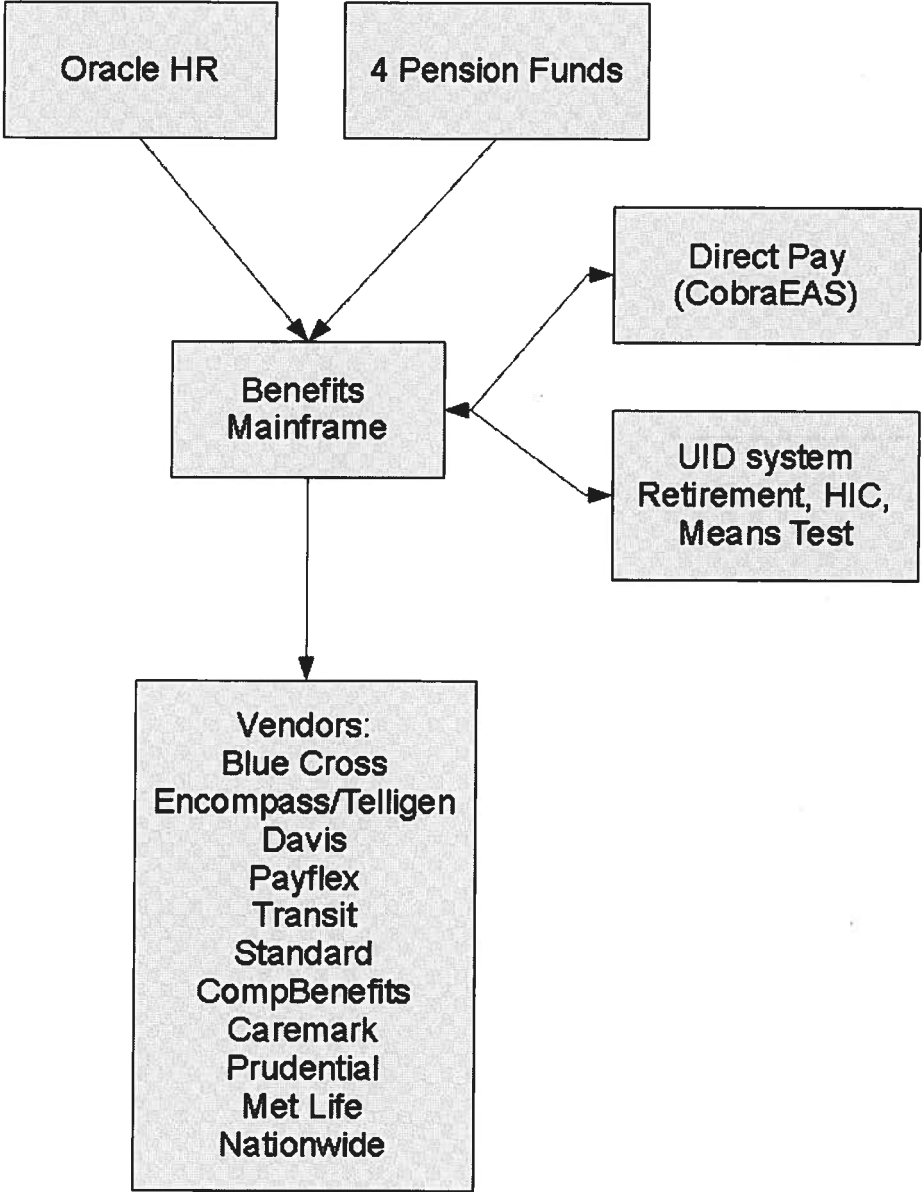


9. Retiree premium and co-pay reduction approvals: 151 (annual)
10. Retiree co-pay reductions (no premium reduction): 618 (annual)
11. Number of PHSA (COBRA) participants: 522 (currently enrolled)
12. Number of Direct Pay participants: 866; annuitant direct pay 15 (currently enrolled)
13. Weekly and/or monthly eligibility files to: Blue Cross, Unicare (vision), Encompass (medical management), CompBenefits (dental), Davis Vision (vision), Caremark (PBM), Wageworks (transit benefit), Cobra vendor (HCSC)); Payflex (FSA); Standard Long Term Disability; Prudential; Met Life, Nationwide.
14. Semi-Monthly: calculate payroll deductions for pre-tax health, post-tax health, LTD. All are based on a percentage of the employee's salary. Update deduction files for FSA and Dependent Care deductions. Send change data to Payroll; send data summed by age band to LTD carrier in lieu of eligibility file; send deductions detail to Payflex for FSA and Dependent Care.
15. Benefits Bulletins 3-4 bulletins per year are distributed with paystubs
16. Mailings:
  1. Retiree advance notice of 65<sup>th</sup> birthday and information about applying for Medicare – monthly
  2. End of dependent eligibility for children – monthly
  3. May—notice to Retirees of change in premium rates effective for July 1 of any year (annual)
  4. Spring—notice to employees and annuitants in any self funded medical plan of the City's HIPAA exemptions (annual)
  5. Means Test mailing – post April 15<sup>th</sup> to retirees (annual)
  6. Active employees – one year anniversary – time to enroll in dental plan - monthly
  7. October—RDS creditable coverage notice with notice of plan changes for co-pays and deductibles for plan year (calendar year) for retirees (annual)
  8. ERRP Notice as required
  9. Open Enrollment mailing late October/early November for active employees. Changes effective January 1 of following year. Open enrollment materials include a listing of current dependents for each employee. (annual)

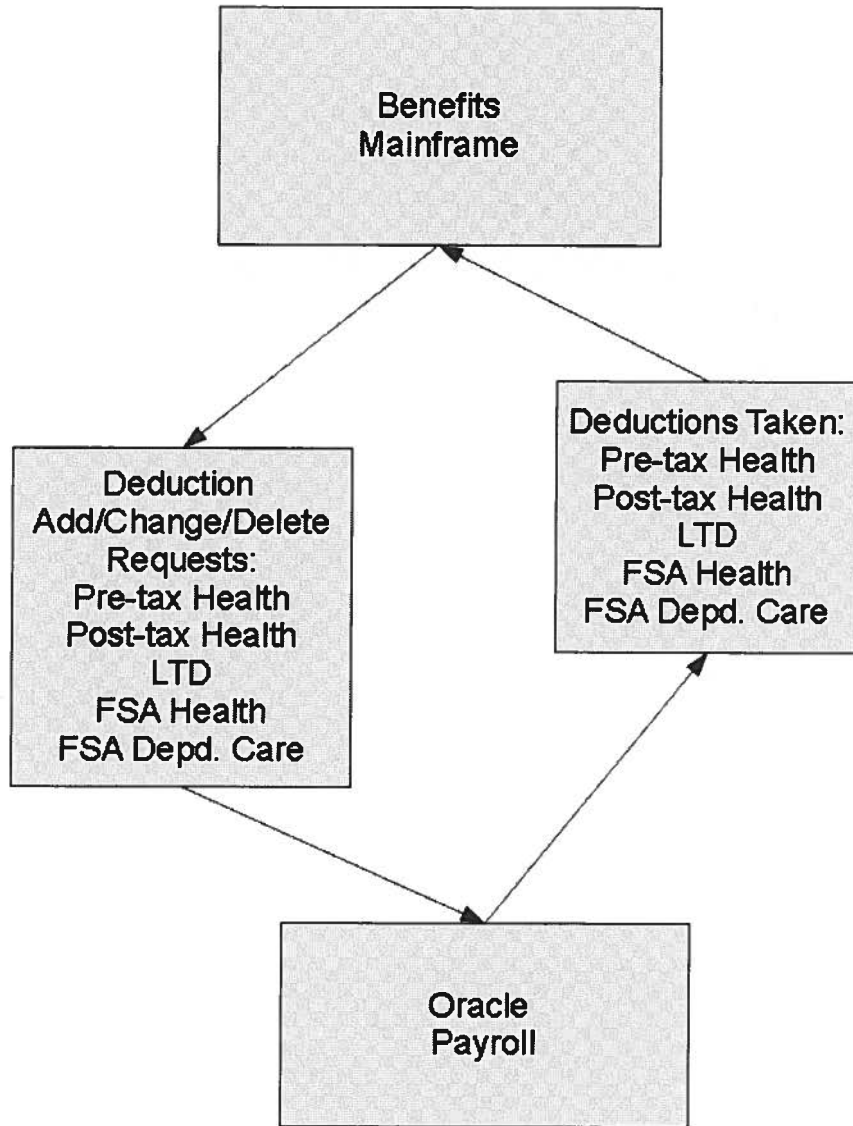
**ATTACHMENT B**

**Current Technical Architectural Relationships**

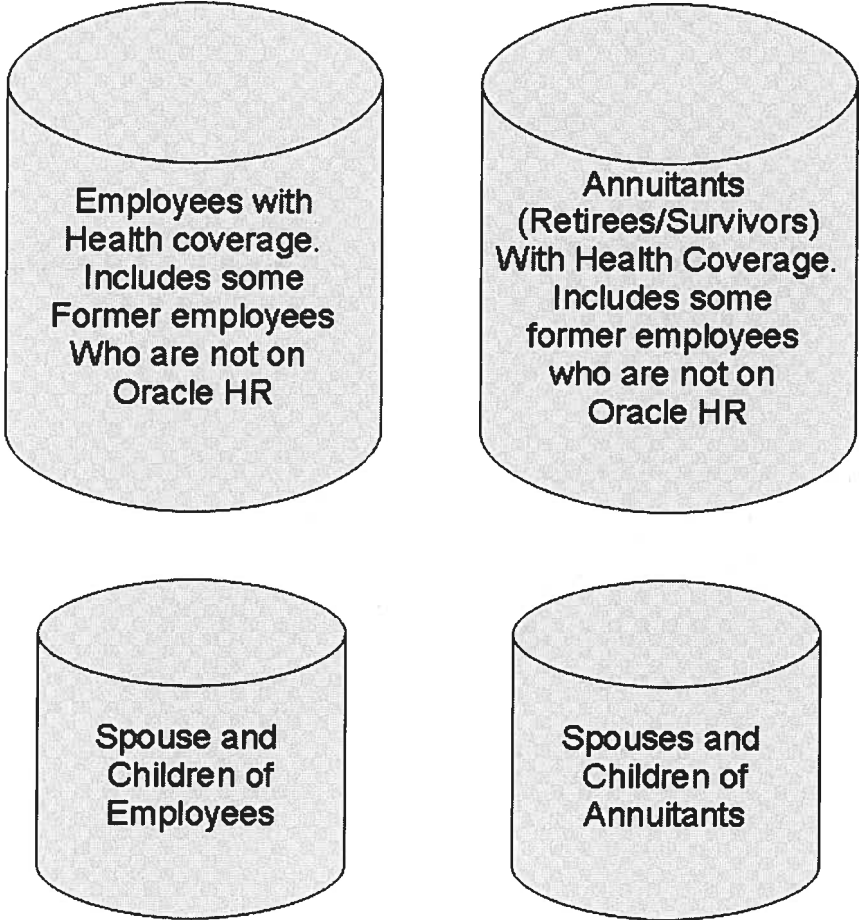
**Eligibility**



Payroll



### Benefits Mainframe Master Files



## **SOFTWARE AND SYSTEMS**

The following are current City of Chicago Benefits Administration related software, systems, and programs used to manage current City benefit requirements.

**Claims Reconciliation**– Set of programs used to reconcile invoices from Blue Cross and Caremark with their monthly claims files. Written in Visual Basic with Access.

**Cobraeas** – The software system used by the Benefits Administration Office to notify inactive employees of their right to continue coverage, enroll said inactive employees, bill and process payments for coverage. This eligibility information is integrated into the benefits system to provide ongoing updates to benefit providers.

**Cobra Spouse/Children Extract**- Set of programs used to prepare terminated dependent data to be sent to HCSC for Cobra notices. Written in Visual Basic with Access.

**HIC** – A subsystem of UID used for tracking and maintaining a list of HIC numbers (Medicare numbers) for retiree drug subsidy purposes as well as for drug and medical claims processing.

**Main Frame** – The City of Chicago benefits division's current primary Benefits Administration system used to provide near-real-time Benefits Administration information on an individual basis for each covered employee, retiree, and covered dependents. The operating system is z/OS.

**Means Test** – This is a program written to provide automation in processing the Means Test for annuitants, part of the Annuitant Settlement Agreement for Healthcare. Written in Visual Basic with Access.

**Open Enrollment Letter Reprint**- This set of programs reprints Open Enrollment forms for requested individuals for years 1999-2011. Written in Visual Basic with Access.

**PGP - Pretty Good Privacy – method for encrypting data**

**Public Aid**- This program automates the answering of eligibility requests from Public Aid. Written in Visual Basic with Access.

**Retirement Application**- This is a program used to streamline processing of annuitant applications for healthcare. Written in Visual Basic with Access.

**UID** – A system to track open enrollment telephone activity; annuitant refunds, and plan telephone numbers. Written in Visual Basic with the data stored in Access databases.

**VDSA**- Voluntary Data Sharing Agreement – The data sharing agreement between the City of Chicago and the Federal government to keep Medicare information on active employees over 55 years of age in sync with Medicare. Written in Visual Basic with Access.

**Visiflow** – The City of Chicago benefits division's current document management system in place at Benefits Administration. This includes scanned images of certified marriage licenses, certified birth certificates, indexing, and storing the images.

## **APPENDIX A**

### **Copies of Referenced Documents**

The Documents identified in this section can be found on CD-Rom. Respondents are encouraged to contact the City's Bid and Bond Room to request and obtain a copy of the CD-Rom.

- a. Clarifying Questions Template
- b. Functional Requirements
- c. System Requirement Matrix

**City of Chicago  
Benefits Administration Request for Proposal  
Clarifying Questions Template**

**Key**

Question Input
No Input

Clarifying Questions		Question	RFP Reference Document Name	Reference Document Section
CQ-001				
CQ-002				
CQ-003				
CQ-004				
CQ-005				
CQ-006				
CQ-007				
CQ-008				
CQ-009				
CQ-010				
CQ-011				
CQ-012				
CQ-013				
CQ-014				
CQ-015				
CQ-016				
CQ-017				
CQ-018				
CQ-019				
CQ-020				
CQ-021				
CQ-022				
CQ-023				
CQ-024				
CQ-025				
CQ-026				
CQ-027				
CQ-028				
CQ-029				

**City of Chicago  
Benefits Administration Request for Proposal  
Clarifying Questions Template**

**Key**

Question Input
No Input

**Clarifying Questions**

ID	Question	RFP Reference Document Name	Section
CQ-030			
CQ-031			
CQ-032			
CQ-033			
CQ-034			
CQ-035			
CQ-036			
CQ-037			
CQ-038			
CQ-039			
CQ-040			
CQ-041			
CQ-042			
CQ-043			
CQ-044			
CQ-045			
CQ-046			
CQ-047			
CQ-048			
CQ-049			
CQ-050			



Benefits Administration Functional Requirements

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

Functional Requirements	Essential	Nice to have	Comments
<b>Data Maintenance</b>			
1) Automation of benefit changes arising from pending HRIS personal data and employment-related transactions at the appropriate future date/processing cycle	X		
2) Automation of benefit changes arising from retroactive HRIS personal data and employment-related transactions when allowed and/or notification to administrators of need for exception processing	X		
3) Ability to create retroactive personal data changes ("life events") only in accordance with policy, business rules, and IRS section 125 regulations	X		
4) Ability to create pending future-dated transactions and/or transactions with future-dated triggering elements (e.g., marriage date)	X		
5) Ability to use effective dates associated with data changes as criteria in business rules, eligibility logic, workflow, and data validations	X		
6) Ability to perform batch transactions through file imports (i.e., LTD benefit elections); batch transactions should be able to utilize all the same business logic and validation rules as the equivalent single record, online event, and should be able to trigger all the same downstream activities	X		
7) Daily setup and update of employee records in Benefits module based on changes to core HRIS employment information –	X		
8) Automation of benefit changes arising from pending HRIS employment-related transactions at the appropriate future date/processing cycle	X		
9) Automation of benefit changes arising from retroactive HRIS employment-related transactions when allowed and/or notification to administrators of need for exception processing	X		
10) Ability to maintain history on all personal data element changes and produce a report of who made the changes and	X		

Benefits Administration Functional Requirements

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

when			
11) Ability to save a benefits transaction in progress so that employees may return to finish the transaction later	X		
12) Automation of benefit changes arising from pending HRIS personal data transactions at the appropriate future date/processing cycle	X		
<b>Annual Enrollment</b>			
13) Ability to support The City of Chicago's plan design for employee populations, as outlined in the instructions document	X		
14) Ability to suppress or include employer cost amounts on employee benefits confirmation	X		
15) Ability to add unlimited custom verbiage to each benefit screen	X		
16) Ability to capture an election for a standard flexible spending account (FSA) versus a limited purpose FSA	X		
17) Ability to adjust eligibility guidelines for state-based exceptions , if necessary	X		
18) Ability to determine eligibility start and end dates for employees, which may vary based on benefit and/or employee status	X		
19) Ability to process exceptions for annual enrollment (e.g., ZIP code eligibility overrides)	X		
20) Ability to track dependent eligibility against full-time student status requirements	X		Only need for retirees
21) Ability to monitor coverage level selected for benefits against the number of covered dependents on record (e.g., cannot select family coverage if only one spouse is listed as covered)	X		
22) Ability to determine and highlight default coverage for employees who do not make an active election	X		
23) Ability for users to compare current benefit elections to benefit options	X		
24) Ability to process dual-year events (e.g., if an employee transfers during open enrollment, he/she is instructed to make changes for the current year, as well as for annual enrollment)	X		

Benefits Administration Functional Requirements

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

25) Ability to manage domestic partner benefit elections and taxation; ability to handle civil union spouse and taxation	X		
26) Ability for users to save partial elections for benefits and return to those elections to modify them during the enrollment period	X		
27) Enrollment interface files generated for vendors	X		
28) Notify users toward the end of the enrollment period if they have not submitted elections	X		
29) Trigger appropriate e-forms for employees to complete as the result of their elections and instructions on changes to beneficiaries to appropriate vendor)	X		
30) Ability to process applications for continuation of coverage for incapacitated dependents reaching end of eligibility	X		
31) Provide confirmation statements from the enrollment period (via email confirmations and capability to print confirmation statements from Web site)	X		
32) Provide migration analysis of plan switching during open enrollment by plan, demographics and/or location	X		
<b>Employee Related Life Events</b>			
33) Ability to set which benefits can change for each type of life event	X		
34) Ability to do all life events online	X		
35) Ability to show benefit in pended status on confirmation statement if documentation is required to complete life event	X		
36) Ability to attach documentation during life event election		X	
37) Ability to guide users through a specific event with changes they can/cannot apply as a result of the event	X		
38) Ability to determine eligibility start and end dates for each type of event	X		
39) Ability to initiate specific events as a result of updated data received (e.g., transfers, new hires, terminations)	X		
40) Ability to limit types of transactions a user can make to be consistent with the life event	X		

**Benefits Administration Functional Requirements**

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

41) Ability to access and review current election information, and make modifications to supporting data such as dependent indicative data	X		
42) Ability to pend elections until supporting documentation received/approved	X		
43) Enrollment files generated for vendors accurately reflect additions, changes, and terminations of coverage resulting from ongoing event processing	X		
44) Trigger appropriate forms for employees to complete as the result of their elections	X		
45) Provide confirmation of employees elections	X		
46) Ability to notify employee after 1 year for dental enrollment	X		
47) Reamortize changes to FSAs and Transit Commuter Reimbursement based on the remaining number of pay periods	X		
<b>Employer Related Life Events</b>			
48) Ability to notify the user of a change to benefits eligibility based on employer-owned data (e.g., transfer, change in hours worked, terminations)	X		
49) Ability to process continuation of coverage for incapacitated dependent – i.e. review of disabling condition through underwriting			
50) Ability to process evidence of insurability approvals (only applicable for the Retiree Plan)	X		
51) Ability to access and review current election information, and make modifications to supporting data such as dependent indicative data	X		
52) Notify users of changes to benefits eligibility	X		
53) Process default enrollments if appropriate	X		
<b>Miscellaneous</b>			
54) Ability to provide "pop up" verbiage based on certain elections or key strokes			
55) Ability for administrator to see the employee view as well as administrator view	X		
56) Ability to suppress any demographic data item from employee view	X		

Benefits Administration Functional Requirements

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

57) Ability to produce total compensation statements		X	
<b>Retiree</b>			
58) Ability to accept files from pension funds to update retiree eligibility on a monthly basis	X		
59) Ability to track pension healthcare contribution	X		
60) Ability to trigger certain annuitant notifications for student status updates, age 65 Medicare eligibility	X		
61) Ability to provide eligibility file for retiree drug subsidy application and reconciliation	X		
62) Ability to provide VDSA file to Medicare COB coordinator	X		
63) Ability to provide HEW eligibility wrapper file	X		

Functional Requirements Common to all Functions	Essential	Nice to Have	Comments
<b>Employment Event Maintenance</b>			
1) Ability to provide self-service capabilities to allow managers to initiate transactions and approve (or deny) transactions initiated by others	X		
2) Ability to provide self-service capabilities allowing employees to initiate requests, such as leave of absence or reduction in hours worked in a matrix environment (with multiple reporting relationships)	X		
3) Automation of workflow to multiple managers for a single employee around approval processes for status, job and HR organizational information	X		
4) Ability to save a transaction in progress so that a manager may return to finish the transaction later	X		
5) Ability to apply data validations "up front" to prevent managers and other users from omitting required information relevant to the specific transaction (e.g., effective date) or entering invalid data combinations (e.g., job code vs. department)	X		

Benefits Administration Functional Requirements

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

6) Ability to support workflow relevant to specific transactions for approvals, notifications, and other activity triggers	X		
7) Ability to vary approval requirements and workflow based on type of transaction (status change vs. job code change vs. transfer) or specific values of data elements in transaction (certain job codes, effective dates outside of range, personal leave status vs. FMLA)	X		
8) Ability to assign proxy rights to others for initiating transactions	X		
a. Ability to assign proxy rights to others for approving transactions	X		
9) Ability to set data access levels (view, update, delete) by user/user group at both the record level (using criteria such as all records for a specific location) and at the data element level (defining which fields are visible for a given record)	X		
10) Ability for administrators and CSRs to access employee information through a search on any field through full or partial matching returning one or multiple records	X		
<b>Employee Personal Data Maintenance</b>			
11) Ability to provide self-service capabilities to allow employees to maintain personal data and request corrections to SSN, birth date, and gender	X		
12) System workflow functionality integrated with email to multiple recipients; ability to designate alternate email recipients for employees without access or on vacation/leave	X		
13) Ability to save a personal data transaction in progress so that employees may return to finish the transaction later	X		
14) Ability to maintain history on all personal data element changes and produce a report of who made the changes and when	X		
<b>Miscellaneous</b>			
15) Ability to generate and distribute periodic reports at a unit, division and corporate level and matrixed across multiple dimensions	X		

Benefits Administration Functional Requirements

**INSTRUCTIONS:**

Please briefly describe within the comments column, your ability to address each of the listed requirements. Your solution must be able to meet the requirements of the items denoted "Essential". Items denoted as "Nice to Have" are not mandatory.

16) Ability to allow City of Chicago to create customized reports	X		
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**INSTRUCTIONS:**

All respondents are required to indicate their agreement and acceptance to the requirements as detailed

Respondents shall ONLY enter their responses in the cells shaded light green



Benefits and Information Technology

**Process Definition:** Benefits Information Systems and Information Technology are the work areas in which the Company collects and maintains critical data elements, applications, self-service tools and applications, and other data concerning its employees, retirees, dependents and stakeholders. Benefits and DOIT also deal with vendor and carrier interfaces, data security, disaster recovery and other IT integrity issues specifically relevant to benefits data.

ID	Principle Activity	Responsible Party Service Provider The City of Chicago	Vendor Acceptance Y/N	Comments
<b>1</b>	<b>Policies and Infrastructure</b>			
1.1	Provide hosting for all technologies required to deliver in-scope Services.	X		
1.2	Support and maintain the technologies required to deliver in-scope Services.	X		
<b>2</b>	<b>Infrastructure Operations and Management</b>			
2.1	Develop and Implement The City of Chicago technical architecture		X	
2.2	Provide and maintain network connectivity		X	
2.3	Manage and operate the IT environment (i.e., processing infrastructure, servers, communications equipment, local area networks, wide area networks, desktop support, common office environment, WEB services). includes:			
	o Manage system software levels and perform upgrades per guidelines	X		
	o Monitor batch jobs, job outputs, print queues for successful completion. If not successful issue "problem" notification to designated party	X		
	o Monitor the network availability	X		
	o Provide network connectivity and communications test	X		
	o Monitor the production data base activity for performance	X		
	o Manage database integrity	X		
	o Perform data backup and restore	X		
	o Manage off-site backup data storage	X		
<b>3</b>	<b>Application Systems Management</b>			
3.1	Resolve on-line application related problems	X		
3.2	Respond to "problem" notification and perform emergency application maintenance	X		
3.3	Perform scheduled applications support	X		
3.4	Respond to user inquiries and service requests and provide user assistance and problem resolution on problem ticket	X		
3.5	Perform user acceptance testing [Note: The City of Chicago Comptroller/Benefits designs, validates and approves]		X	

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptances Y/N	Comments
3.6	Support user acceptance testing	X			
3.7	Perform application production control and scheduling for batch processing	X			
3.8	Determine and apply patches and minor release upgrades that a package software vendor issues (Notification and coordination to The City of Chicago Benefits is required for impact controls)	X			
3.9	Follow change control procedures for moving any change into production (Notification and coordination to the City of Chicago Benefits is required)	X			
3.10	Maintain interfaces to and from supported applications (Note: Interfaces to benefit providers will be supported by the service provider. Specialized interfaces related to The City of Chicago supported applications i.e. HR, payroll, will be supported by The City of Chicago Department of Innovation and Technology)	X	X		
3.11	Administer and maintain support, training, testing and production environments	X			
3.12	Maintain source code and version control for the purpose of conducting IT support services	X			
3.13	Perform and document root cause analysis and implement correction not requiring software development or enhancement	X			
3.14	Conduct scheduled change control meetings to identify impacts and coordinate changes with The City of Chicago Benefits representatives.	X			
3.15	Maintain applications technical documentation and operational procedures	X			
3.16	Maintain applications functional documentation	X			
3.17	Provide assistance and documentation to third party vendors as required	X			
3.18	Define and implement changes to production batch schedule. Provide advance notification to Benefits representatives at the City.	X			
4	<b>Software License Administration</b>				
4.1	Administer software licenses for software executing on systems provided by The City of Chicago or by third parties contracted directly by The City of Chicago	X	X		

ID	Principia Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Comments
4.2	Administer software licenses for software executing on systems provided by Provider or by third parties contracted directly by Provider [Note: The City of Chicago Department of Innovation and Technology to administer software licenses that are encompassed by The City of Chicago contracts that are not transferred to the Service Provider.]	X			
4.3	Negotiate new software licenses for software licensed to The City of Chicago		X		
4.4	Negotiate new software licenses for software licensed to Provider	X			
4.5	Document, report and track all software vendor problem reports for software licensed to The City of Chicago	X			
4.6	Document, report and track all software vendor problem reports for software licensed to Provider	X			
<b>5 Disaster Recovery</b>					
5.1	Define technical disaster recovery requirements for the applications, including identifying critical and non-critical requirements by application. Includes business resumption plan.		X		
5.2	Define Benefit data retention requirements		X		
5.3	Define, test and execute the technical disaster recovery plan	X			
5.4	Participate in The City of Chicago business resumption plan tests	X			
<b>6 Data Security and Integrity</b>					
6.1	Define application security requirements including user profiles and access rights		X		
6.2	Monitor and safeguard server-level access to data including compliance with security policies and data protection compliance	X			
6.3	Define "exceptional" data protection, data security or encryption requirements for The City of Chicago data		X		
6.4	Approve employee and third party access to Provider supported applications		X		
6.5	Administer employee and approved third party access to Provider supported applications	X			
6.6	Providing and implementing reasonable data and systems security	X			
6.7	Designing and implementing data management process improvements	X			
6.8	Designing and implementing systems improvements	X			
<b>7 Physical Security Services</b>					
7.1	Provide security controls for the Benefit Services consistent with the The City of Chicago security policy and objectives	X			
7.2	Review security policies and procedures for effectiveness, and recommend improvements	X			

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Comments
7.3	Notify The City of Chicago of any security breaches or significant changes to the security infrastructure	X			
7.4	Maintain and update the security section of the procedures manual	X			
7.5	Provide physical security controls at Supplier facilities	X			
7.6	Protect servers and infrastructure devices, at Supplier premises from unauthorized access	X			
7.7	Implement controls and secure storage to protect all data (in all formats) from unauthorized access	X			
7.8	Restrict access to the premises to authorized personnel only	X			
7.9	Protect servers and infrastructure devices from unauthorized access	X			

**Employee and Manager Self Service**

**Process Definition:** Employee and Manager Self Service are those vehicles that are used to deliver access to services via direct access vehicles (e.g., IVR, WEB).

ID	Principle Activity	Responsible Party Service Provider	The City of Chicago	Vendor Acceptance Y/N	Vendor Comments
<b>8 Employee and Manager Self Service – Strategy and Policy</b>					
8.1	Provide web-enabled solution that allows multiple options for network access (intranet, extranet, internet, virtual private network) to Benefit services.	X			
<b>9 Self Service – Employee</b>					
9.1	Provide online company information, policies, notices, and content updates		X		
9.2	Provide access to online corporate information, policies, notices, and update capabilities	X			
9.3	Provide links to other defined sites/services as requested by the client	X			
9.4	Provide online inquiry capabilities for employee benefit information	X			
<b>10 Self Service – Manager</b>					
10.1	Provide online management resources and tools	X			
10.2	Provide the ability for manager initiated data change tools	X			
10.3	Provide online management reporting/reporting tools	X			
10.4	Provide contents of communications and distribution via internal corporate portal		X		

**Employee Services**

**Process Definition:** Employee services are the processes that deliver query and problem resolution services to employees. This may be delivered via a call center or it may be distributed to various business HR functions.

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Comments
ID	Principle Activity	Responsible Party Service Provider	The City of Chicago	Vendor Acceptance Y/N	Vendor Comments
<b>11 Call Center Services</b>					
11.1	Provide and manage a single-point-of-contact (SPOC) Call Center, includes: <ul style="list-style-type: none"> <li>o Maintain sufficient information to facilitate knowledge of the caller's HR services environment</li> <li>o Support mandated language requirements: English and Spanish with additional languages in the future</li> <li>o Record, analyze and report on a regular basis, as and when required by client on calls received by the Customer Call Center, including details of call volumes and duration, problem trends, abandon rate and wait times, Level 1 resolution rate, problem resolution time</li> <li>o Provide and publish a single, menu-driven primary Call Center toll free contact telephone number</li> <li>o Maintain and manage menu options and messages associated with this primary Call Center contact number</li> <li>o Provide problem resolution tools and aids</li> </ul>	X			
11.2	Perform full case management for requests/problems received	X			
11.3	Close the call, with the employee's agreement	X			
11.4	Escalate delays in problem resolution	X			
<b>12 Inquiry/Problem Resolution</b>					
12.1	Provide problem management services for problems/issues/collections/requests (includes case management, escalation, reporting) from both employees and client including reporting on open items.	X			
12.2	Communicate errors and corrective actions on problems, requests, inquiries, etc. -should show trends and peak needs	X			
12.3	Provide analytical reporting showing metrics on problems, requests, inquiries, etc. -should show trends and peak needs	X			
12.4	Provide final "tier" problem resolution support/services		X		
<b>13 Problem Management Services</b>					
13.1	Interface and coordinate problem determination and resolution with client's appropriate support personnel and third party vendors	X			
13.2	Monitor and track problem status to facilitate problem closure	X			
13.3	Determine severity impact level based upon pre-determined definitions	X			
13.4	Escalate to next level as appropriate	X			

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Comments
13.5	Develop second and third level contact lists	X			
13.6	Perform problem analysis, trending and reporting	X			
13.7	Report failures and notify designated client contact	X			
13.8	Confirm resolution with end user prior to closing problem report	X			
13.9	Communicate problem status and time to resolution to affected personnel	X			
13.10	Establish and agree with client appropriate problem severity levels and associated escalation procedures	X			
13.11	Use problem management information proactively to assist in the recognition and prevention/resolution of recurring problems	X			
13.12	Provide required information related to SLA commitments and of status of problems, including impact on service levels	X			
13.13	Maintain and manage the problem management system and process, including providing documentation and training to all support staff	X			
13.14	Provide Level 2 and Level 3 support responsibilities as required (Note: Level 3 support for most functions will be joint)	X			
<b>14 Change Management Services</b>					
14.1	Accept and enter authorized change requests into an information data base for tracking and managing in accordance with agreed processes, procedures and methodologies	X			
14.2	Plan Design Changes and approve changes	X			
14.3	Assess the scope and impact of the requested change	Joint	Joint		
14.4	Determine the feasibility, resources, timing, financial impact of the requested change	X			
14.5	Develop plan to develop, test and implement change	X			
14.6	Ensure all potential and/or actual business impacts expected as a consequence of the implementation of the change are communicated and understood by the relevant business units	X			
14.7	Ensure potential conflicts are identified and resolved in advance of implementation	Joint	Joint		
14.8	Identify and Prioritize Changes	X			
<b>15 Documentation Services</b>					
15.1	Create update and maintain the Procedures Manual in consultation with the client	X			
15.2	Review any subsequent changes with the client for approval	X			
15.3	Review operations documentation for adherence to operational procedures and standards	X			

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Comments
15.4	Update and maintain Customer call center documentation and procedures, and distribute to the appropriate personnel	X			
15.5	Maintain a register of documentation including vendor, technical, procedural, operational and other	X			
<b>16 Quality Assurance Program</b>					
16.1	Ensure compliance with the quality assurance procedures	X			
16.2	Maintain delivery of the Services consistent or better than industry practices	X			
16.3	Maintain change control system	X			
16.4	Install and monitor project planning tools and methods	X			
16.5	Perform audits and respond to external audits as required	X			
16.6	Quality Assurance checks		X		
16.7	Document and implement process improvements	X			
16.8	Identify and implement best practices	X			
16.9	Process management methodologies to enhance and continuously improve performance of the services	X			
16.10	Develop with the client, and implement, customer satisfaction surveys to assess the delivery and management of the services	X			
16.11	Defines what is to be measured, content of surveys		X		
16.12	Produce reports for review with client for the purpose of reducing events and improving customer satisfaction	X			
16.13	Training provided for call center staff that meets customer requirements	X			
16.14	Provide call recording capabilities	X			
16.15	Provide call monitoring capabilities	X			

Miscellaneous service requirements as required.

ID	Principle Activity	Responsible Party Service Provider	The City of Chicago	Vendor Acceptance Y/N	Vendor Comments
<b>17 Miscellaneous Compliance Items</b>					
17.1	Business Continuity and Disaster Planning Oversight	X			
17.2	Sarbanes Oxley and Control Oversight	X			
<b>18 Physical Employee Records, Files and Documents</b>					
18.1	Forward/ship physical documents for processing		X		
18.2	Store physical documents according to client-defined requirements for statutory and regulatory compliance	X			

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Comments
18.3	Store physical documents received at client locations according to client-defined requirements for statutory and regulatory compliance and agreed client requirements	X			
19	<b>Reports</b>				
19.1	Provide ad hoc reports as requested by client	X			
19.2	Provide Client Users access to standard reports.	X			
19.3	Provide designated Client Users access to Providers standard reporting tools to perform ad-hoc reports.	X			
19.4	Produce on-demand reports in accordance with Change Control process.	X			



Benefits Administration, Leave and Retiree Services

**Process Definition:** Benefits Administration is the process in which non-cash remuneration and rewards is defined, managed and administered. Benefits administration

ID	Principle Activity	Responsible Party			Vendor Comments
		Service Provider	The City of Chicago	Vendor Acceptance Y/N	
<b>20</b>	<b>Benefits Strategy and Benchmarking</b>				
20.1	Determine competitive level and mix of benefits for appropriate employee populations		X		
20.2	Participate in surveys and competitive analyses		X		
20.3	Conduct trend analysis and best practices research and communicate findings to Company		X		
20.4	Develop and maintain tools and materials for benefits administration processes	X			
<b>21</b>	<b>Communications and Training</b>				
21.1	Develop benefits communication strategy		X		
21.2	Structure and develop communications for planned and ad-hoc events		X		
21.3	Provide training on benefits programs as changes occur	X			
21.4	Distribute and manage routing of communications materials	X			
<b>22</b>	<b>Benefits Eligibility Coordination and Administration</b>				
22.1	Administer or coordinate with third party service providers to confirm eligibility	X			
22.2	Coordinate identification card production and distribution with third party service providers	X			
22.3	Manage dependent tax eligibility process	X			
<b>23</b>	<b>Claims Processing (medical, dental, vision, prescription)</b>				
23.1	Manage day-to-day activities and relationships with carriers processing medical, dental or vision claims.	X			

ID	Principle Activity	Service Provider	The City of Chicago	Vendor Acceptance Y/N	Vendor Comments
23.2	Monitor benefits claims processing for quality, cost control and compliance	X	X		
23.3	Provide inquiry capability for employee status inquiry on claims including inquiries on claims adjudication.	X			
23.4	Provide supporting data for claims appeals to the Company.	X			
23.5	Manage appeals committee or retain fiduciary responsibilities		X		
23.6	Collect employee premiums in cases where employee pay deductions are not possible. Manage overpayments and uncollected receivables	X			
<b>24</b>	<b>Life Insurance and AD&amp;D Plan Administration</b>				
24.1	Verify life insurance carrier and route caller to appropriate carrier	X			
24.2	Assist employee in resolving any disputes	X			
<b>25</b>	<b>Open Enrollment</b>				
25.1	Collect and validate employee benefits election data consistent with eligibility rules	X			
25.2	Communicate process for completion of enrollment procedures	X			
25.3	Provide inquiry capability for employee inquiry on benefit elections	X			
25.4	Perform benefits reporting and event management	X			
25.5	Administer annual open enrollment process: active, retiree, & disability & cobra	X			
<b>26</b>	<b>Benefits Accounting and Cost Distribution for all plans and programs</b>				
26.1	Perform cost distribution to cost centers and perform benefits accounting		X		

**EXHIBIT 2**  
**COMPANY PROFILE INFORMATION**

**Submit a completed company profile information sheet for prime, each joint venture partner and subcontractor(s), as applicable.**

(1) Legal Name of Firm: \_\_\_\_\_

(2) Doing Business under Other Company Name?

If yes, Name of Company: \_\_\_\_\_

(3) Headquarters Address: \_\_\_\_\_

(4) City, State, Zip Code: \_\_\_\_\_

(5) Web Site Address: \_\_\_\_\_

(6) Proposed Role:     Prime             Subcontractor/Subconsultant     Joint Venture Partner

Supplier or     Other: \_\_\_\_\_

(7) Number of Years in Business: \_\_\_\_\_

(8) Total Number of Employees: \_\_\_\_\_

(9) Total Annual Revenues separated by last 3 full fiscal years: \_\_\_\_\_

(10) Major Products and/or Services Offered:

1. \_\_\_\_\_

2. \_\_\_\_\_

(11) Other Products and/or Services:

\_\_\_\_\_  
\_\_\_\_\_

(12) Briefly describe your firm's approach to providing Benefits Administration for Municipal Government:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(13) Briefly describe your firm's demonstrated experience as a benefits manager for clients:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT 3  
COMPANY REFERENCES/CLIENT PROFILE INFORMATION**

**Submit a completed client profile information sheet for each company reference. Provide a minimum of 3 references.**

(1) Client Name: \_\_\_\_\_

(2) Address: \_\_\_\_\_

(3) City, State, Zip Code: \_\_\_\_\_

(4) Project Manager: \_\_\_\_\_

(5) Telephone Number: \_\_\_\_\_

(6) E-mail: \_\_\_\_\_

(7) Number of Employees in Client Organization: \_\_\_\_\_

Number of Employees dedicated to the Organization: \_\_\_\_\_

(8) Project Scope of Services/Goals: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(9) Contract Award Date: \$ \_\_\_\_\_ Cut over Date: \_\_\_\_\_

(10) Initial Contract Amount: \$ \_\_\_\_\_ Final Contract Amount: \$ \_\_\_\_\_

(11) Describe how the client's goals were met. What was the outcome of the project?. Attach additional pages, as necessary.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(12) Discuss significant obstacles to implementation and how those obstacles were overcome:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(13) Is the client still utilizing your company as a Benefits Administration for municipal government?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(14) What was the cost/financing structure of the contract?

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT 4**  
**COMPENSATION SCHEDULE**  
*(per five year contract term)*

**PRICE SCHEDULE SUMMARY**

Respondents are directed to use the provided Excel Worksheet Template, File name:  
***Exhibit Spec\_100356\_Exhibit\_4\_Price\_Workbook.xls***

Respondent must use the provided Excel worksheet to provide all pricing information and assumptions. Pricing information received in any other format will not be considered and may be cause for the Proposal to be rejected. In addition, Respondent must provide a narrative response that addresses each of the requirements:

Respondent must propose a separate one-time price for transitioning and implementing the proposed solution and a steady-state annual price for providing the ongoing Services required after transition and implementing. Pricing for each year must include total costs, including any ongoing maintenance costs.

Any amendment required to perform a change as described in Part I, may be at a time-and-material rate, per a proposed Rate Card schedule of fees.

There are two other mandatory tabs that must be completed. The first is associated with other ad hoc costs. The second is associated with transition and implementation fees. Implementation costs must include forecasted costs for all related components - hardware, software, network, training, travel, consulting, subcontractors etc. Where applicable, please be sure to provide a detailed explanation of your licensing model for your solution. Show clearly in your response the cost of the mandatory components and the cost of each optional component as well as all assumptions.

Respondents must complete the applicable tabs within the spreadsheet (failure to do so may disqualify you). All assumptions must be included within your fee structure.

Please also include any Implementation credit you are willing to provide, if you are selected as the successful Respondent.

Respondents are also required to submit their standard service levels and key performance measures that are normally offered to other clientele.

The City will not be under any obligation to accept any alternative fee structures submitted.

For purposes of comparing costs between Respondents, Respondents should not deviate from the compensation methods outlined in Exhibit 4. Provide additional documentation as needed. The City reserves the right to negotiate a final fixed price, terms and conditions with selected Respondent.

## COMPENSATION SCHEDULE

The City is requesting a fully-loaded fixed fee price proposal, per employee, based on the current City of Chicago benefit-eligible employee population (indicated in Exhibit 1 Attachment A), Scope of Service requirements described in this RFP, and all other boilerplate terms and conditions as set forth in the attached sample Professional Services Agreement. The fully-loaded fixed fee shall begin being paid on a monthly basis, following a one-time initial start-up transition fee to be paid following the completion of the agreed-upon transition period, at the following rates as follows:

All prices are subject to negotiation prior to contract award.

## Instructions to Complete Fee Quote Worksheets

Respondents are required to provide a binding quote for services. There is a separate tab for each of:

- 1) Benefit Administration Service Fees
- 2) Ad hoc request fees
- 3) Implementation fees

### Notes:

It is mandatory that you provide a quote for the implementation (if any) as well as ongoing provision of services over the term or the contract.

In order to complete each worksheet, enter your quotes only into the cells shaded green. Do NOT add or delete rows or columns (unless otherwise indicated within a sheet)!

All fees to be quoted in accordance with the unit rates stated within each worksheet.

The City of Chicago will pay Vendor actual expenses paid by Vendor for postage, delivery, and courier services incurred at the City of Chicago's written request. The City of Chicago will pay Vendor's actual and reasonable travel and living expenses including applicable travel agency fees for travel undertaken at the City of Chicago's written request. Travel will be pre-approved in writing by the City of Chicago and pursuant to the City of Chicago's travel policy attached as an exhibit to the contract. Vendor's travel to the City of CHicago for normal account governance activities is an expense of Vendor. Vendor should base their pricing based on this approach to expenses and reimbursements.

All assumptions must be clearly stipulated within the worksheet below the templates.

In addition to the mandatory pricing structure detailed within each sheet, respondents may also provide alternative

Cost Proposal

Service	Monthly Fee Year 1	Monthly Fee Year 2	Monthly Fee Year 3	Monthly Fee Year 4	Monthly Fee Year 5
Benefits Administration for Employees					
*Eligibility					
*Billing and Collections					
Benefits Administration for Retirees					
*Eligibility					
*Billing and Collections					
Other Administrative Fees					
*800 Number (specify if shared or dedicated)					
*Postage					
*Printing of Forms					
*Other - specify					
Total Monthly fees					
Total Annual fees					
Other- Please List					

Implementation Fees  
(from sheet 3)

List of services included in fees



Respondents are to provide a fee for each item in Tables 1 and 2 below. Table 1 is associated with hourly rates for various resources that City of Chicago may require/request on an ad hoc basis across any area of service. Table 2 is associated with service requirements that City of Chicago may require on an adhoc basis for any of the service areas. All assumptions must be included in Table 3 (NOTE: You may increase the number of rows required in this table as required to document all assumptions)

Table 1: Ad Hoc Hourly Service Rates

Resource	Description	Hourly Fee (\$US)	Vendor Comments
Systems Architect	Used for infrastructure definition, design of system data flow and integration, develop SQL procedures and alerts, provides updates to system documentation and translates business rules into requirements.		
Project Manager	Orchestrate all internal resources to develop a project or activity plan that accomplishes the client's request. Manage the project to ensure that all dates and functional requirements are met. Define, plan, launch, manage and close the project.		
Senior Consultant	Tenured subject matter expert who has an expertise with payroll, benefits, self service etc. Will assist the project manager and the system architect to ensure that the proposed solution integrates successfully with all processing systems and that the pro		
Business Analyst/Data Base Analyst	Develops the system specification by translating business rules into functional specifications.		
Change Management Consultant	Provides change management consulting as it relates to the introduction of outsourced services to key customer stakeholders. Areas of focus include Impact Assessment and Change Management Planning, Planning and Developing the Communication Campaign and O		
Training Consultant	Provides training sessions to include direct instruction and Train-the-Trainer		
Quality Assurance Analyst	Understands business requirements and ensures that the upgrade software release or patch meets the specified requirements. Develops and executes a test plan and necessary test scripts and evaluates the results.		
Software Support Analyst	Supports the business analyst in defining the solution and reviewing existing client configuration to ensure successful integration. This would also include writing SQL statements.		
Operations Manger	Involved with developing and reviewing the solution to ensure that it will integrate in a production environment adequately. This includes all aspects of integration work such as process definition write-ups and team training.		
Application Support Specialist	Will be involved in configuration, training and reporting needs definition.		
General Training Services	Please describe the various training services provided and the cost associated with each		

Table 2: Ad Hoc Services, Unit Rates

<i>Item Description</i>	<i>Fee Basis</i>	<i>Rate (\$)</i>	<i>Vendor Comments</i>
Applicable Data Base Extract(s) (ad hoc request)	Per Data Base Extract		
Contact Center Call volumes in excess of agreed threshold which are already included in the base fees (NOTE: please provide an explanation where this charge would occur).	per call		

Table 3: Pricing assumptions

<i>Item #</i>	<i>Vendor Assumptions</i>
1	
2	
3	
4	
5	

**INSTRUCTIONS:**

You are required to complete the template within this worksheet. This implementation fee quote should be directly related to the transition and implementation plan you submit per Section 7 of the RFP. For each major activity within your plan you are required to list the following:  
 1- a detailed breakdown of the hourly rate charged for each role along with the number of hours required (by month) for each role. The total costs for each role within each 3-A grand total cost for each major task.  
 2- a detailed breakdown of expenses such as travel, licenses fees, non-labor third party costs. These expenses should be totaled by task.  
 3-A grand total cost for each major task.

The cost of all activities should be summed to arrive at the total implementation cost that is then entered into the implementation box in sheet 1

The contents of the tabs within this template have been provided as an example only. Respondents are required to replace this with the relevant task names, skill sets, expense items, etc. specific to their

NOTE: In this worksheet, it is acceptable to add or delete rows, columns and cells as you require to properly document your transition and implementation fees.

**Implementation Cost Template (EXAMPLE)**

Labor Costs/Role Title	Implementation Timeline										Total Cost (\$)	
	Hourly Rate (\$/Hr)	Hrs Month 1	Hrs Month 2	Hrs Month 3	Hrs Month 4	Hrs Month 5	Hrs Month n	Total Hrs	Total Cost (\$)			
Activity #1 (Development)												
Senior Executive	\$ 200.00	8	8	0	0	0	0	16	\$ 3,200			
Project Manager	\$ 150.00	150	150	0	0	0	0	300	\$ 45,000			
Analyst	\$ 120.00	100	100	0	0	0	0	200	\$ 24,000			
Administration	\$ 80.00	160	160	0	0	0	0	320	\$ 25,600			
Total Labor Hours	\$ 40.00	20	20	0	0	0	0	40	\$ 1,600			
Expenses Costs		448	448	0	0	0	0	896	\$ 105,600			
One time license fees	\$ 5,000		\$ 5,000						\$ 10,000			
Travel	\$ 1,000		\$ 1,000						\$ 2,000			
Insert other relevant expense line detail	\$ 1,500		\$ 1,500						\$ 3,000			
Other	\$ 500		\$ 500						\$ 1,000			
Total Expense Costs	\$ 8,500		\$ 8,500						\$ 17,000			
Total All Costs Activity #1 (Development)	\$ 27,500		\$ 27,500						\$ 113,200			
Activity #2 (Set Up and Customization)												
Senior Executive	\$ 200.00	0	0	8	8	0	0	16	\$ 3,200			
Project Manager	\$ 150.00	0	0	150	150	0	0	300	\$ 45,000			
Analyst	\$ 120.00	0	0	80	80	0	0	160	\$ 19,200			
Administration	\$ 80.00	0	0	100	100	0	0	200	\$ 16,000			
Total Labor Hours	\$ 40.00	0	0	20	20	0	0	40	\$ 1,600			
Expenses Costs		0	0	388	388	0	0	776	\$ 91,200			
One time license fees	\$ -		\$ 4,500		\$ 4,500				\$ 9,000			
Travel	\$ 1,000		\$ 1,000		\$ 1,000				\$ 2,000			
Insert other relevant expense line detail	\$ 400		\$ 400		\$ 400				\$ 800			
Other	\$ -		\$ 5,900		\$ 5,900				\$ 11,800			
Total Expense Costs	\$ -		\$ 11,800		\$ 11,800				\$ 23,600			
Total All Costs Activity #2 (Set Up and Customization)	\$ -		\$ 61,500		\$ 61,500				\$ 103,000			
Activity #3 (Testing)												
Senior Executive	\$ 200.00	0	0	0	0	12	0	12	\$ 2,400			
Project Manager	\$ 150.00	0	0	0	0	150	0	150	\$ 22,500			
Analyst	\$ 120.00	0	0	0	0	150	0	150	\$ 18,000			
Administration	\$ 80.00	0	0	0	0	20	0	20	\$ 1,600			
Total Labor Hours	\$ 40.00	0	0	0	0	20	0	20	\$ 800			
Expenses Costs		0	0	0	0	372	0	372	\$ 49,600			
One time license fees	\$ -		\$ 4,000		\$ 4,000				\$ 8,000			
Travel	\$ -		\$ 1,500		\$ 1,500				\$ 3,000			
Insert other relevant expense line detail	\$ -		\$ 1,000		\$ 1,000				\$ 2,000			
Other	\$ -		\$ 6,500		\$ 6,500				\$ 13,000			
Total Expense Costs	\$ -		\$ 13,000		\$ 13,000				\$ 26,000			
Total All Costs Activity #3 (Testing)	\$ -		\$ 13,000		\$ 13,000				\$ 69,100			
Activity #n (Report Customization)												
Senior Executive	\$ 200.00	0	0	0	0	0	20	20	\$ 4,000			
Project Manager	\$ 150.00	0	0	0	0	0	100	100	\$ 15,000			
Analyst	\$ 120.00	0	0	0	0	0	150	150	\$ 18,000			
Administration	\$ 80.00	0	0	0	0	0	0	0	\$ -			
Total Labor Hours	\$ 40.00	0	0	0	0	0	10	10	\$ 400			
Expenses Costs		0	0	0	0	0	350	350	\$ 49,200			
Travel	\$ -		\$ 2,000		\$ 2,000				\$ 4,000			
One time license fees	\$ -		\$ -		\$ -				\$ -			
Insert other relevant expense line detail	\$ -		\$ -		\$ -				\$ -			
Other	\$ -		\$ -		\$ -				\$ -			
Total Expense Costs	\$ -		\$ -		\$ -				\$ -			
Total All Costs Activity #n (Report Customization)	\$ -		\$ -		\$ -				\$ -			
<b>GRAND TOTAL ALL COSTS ALL-AC IVITIES</b>		\$ 27,500	\$ 61,500	\$ 13,000	\$ 61,500	\$ 13,000	\$ 69,100	\$ 52,700	\$ 275,300			

## EXHIBIT 5

### SPECIAL CONDITIONS REGARDING MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE (MBE/WBE) COMMITMENT AND SCHEDULES

#### I. Policy and Terms

- A. It is the policy of the City of Chicago that Local Businesses certified as Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in accordance with Section 2-92-420 et seq. of the Municipal Code of Chicago and Regulations Governing Certification of Minority and Women-owned Businesses, and all other Regulations promulgated under the aforementioned sections of the Municipal Code shall have the maximum opportunity to participate fully in the performance of this agreement. Therefore, the contractor shall not discriminate against any person or business on the basis of race, color, national origin or sex, and shall take affirmative action to ensure that women and minority businesses shall have the maximum opportunity to compete for and perform subcontracts for supplies or services.

**The Chief Procurement Officer has established a goal of awarding not less than 25% of the annual dollar value of all non-construction contracts to certified MBEs and 5% of the annual dollar value of all non-construction contracts to certified WBEs.**

- B. Failure to carry out the commitments and policies set forth herein shall constitute a material breach of the contract and may result in the termination of the contract or such remedy as the City of Chicago deems appropriate.
- C. Accordingly, the contractor commits to expend at least the following percentages of the total contract price (inclusive of any and all modifications and amendments), if awarded, for contract participation by MBEs and WBEs:

MBE Contract Goal: 25.0

WBE Contract Goal: 5.0

- D. The commitment is met by the contractor's status as an MBE or WBE, or by a joint venture with one or more certified MBEs or WBEs that will perform work on the project, or by subcontracting a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the performance of the contract from one or more MBEs or WBEs, or by the indirect participation of MBEs or WBEs in other aspects of the contractor's business (but no dollar of such indirect MBE or WBE participation shall be credited more than once against a contractor's MBE or WBE commitment with respect to all contracts of such contractor), or by any combination of the foregoing.

**Note: MBE/WBE participation goals are separate and those businesses certified with the City of Chicago as both an MBE and WBE shall not be credited more than once against a contractor's MBE or WBE commitment in the performance of the contract.**

- E. As noted above, the contractor may meet all or part of this commitment by contracting with MBEs or WBEs for the provision of goods or services not directly related to the performance of this contract. However, in determining the manner of MBE/WBE participation, the contractor shall first consider involvement of MBEs/WBEs as joint venture partners, subcontractors, and suppliers of goods and services directly related to the performance of this contract. In appropriate cases, the Chief Procurement Officer will require the contractor to demonstrate the specific efforts undertaken to involve MBEs and WBEs in direct participation in the performance of this contract.

- F. The contractor also may with prior approval of the Chief Procurement Officer or designee, meet all, or part, of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in private sector projects.

**II. Definitions**

- A. **“Area of Specialty”** means the description of an MBE or WBE firm\*s business which has been determined by the Chief Procurement Officer to be most reflective of the MBE or WBE firm\*s claimed specialty or expertise. Each MBE/WBE letter of certification contains a description of the firm’s Area of Specialty. This information is also contained in the Directory. Credit toward this contract\*s MBE and WBE participation goals shall be limited to the participation of firms performing within their Area of Specialty.

**NOTICE:** The City of Chicago does not make any representation concerning the ability of any MBE/WBE to perform work within their Area of Specialty. It is the responsibility of all contractors to determine the capability and capacity of MBEs/WBEs to satisfactorily perform the work proposed.

- B. **“Directory”** means the Directory of Certified “Disadvantaged Business Enterprises,” “Minority Business Enterprises” and “Women Business Enterprises” maintained and published by the Contract Compliance Administrator. The Directory identifies firms that have been certified as MBEs and WBEs, and includes both the date of their last certification and the area of specialty in which they have been certified. Contractors are responsible for verifying the current certification status of all proposed MBE and WBE firms.

- C. **“Executive Director”** means the executive director of the Office of Compliance or his or her designee.

- D. **“Minority Business Enterprise”** or **“MBE”** means a firm awarded certification as a minority owned and controlled business in accordance with City Ordinances and Regulations.

- E. **“Women Business Enterprise”** or **“WBE”** means a firm awarded certification as a women owned and controlled business in accordance with City Ordinances and Regulations.

- F. **“Joint Venture”** means an association of two or more businesses to carry out a single business enterprise for profit, and for which purpose they combine their expertise, property, capital, efforts, skill and knowledge. Contractors may develop joint venture agreements as an instrument to provide participation by MBEs and WBEs in contract work.

**III. Joint Ventures**

Bidders may develop joint venture agreements as an instrument to provide participation by certified MBEs and WBEs in contract work. A joint venture seeking to be credited for MBE and/or WBE participation may be formed among MBE and/or WBE firms or between an MBE and/or WBE firm and a non-MBE/WBE firm.

A joint venture is eligible for MBE or WBE credit if the MBE/WBE joint venture partner(s) share in the ownership, control and management responsibilities, risks and profits of the joint venture, and are responsible for a clearly defined portion of work to be performed, in proportion with the MBE and/or WBE ownership percentage.

**Notice:** The City requires that, whenever a joint venture is proposed as the prime contractor, each joint venture partner must separately sign the proposal to the City, in the pages captioned, **TO BE EXECUTED BY A CORPORATION; TO BE EXECUTED BY A PARTNERSHIP; and/or TO BE EXECUTED BY A SOLE PROPRIETOR**, as applicable.

**IV. Counting MBE/WBE Participation Toward the Contract Goals**

- A. The inclusion of any MBE or WBE in the contractor's MBE/WBE Utilization Plan shall not conclusively establish the contractor's right to full MBE/WBE credit for that firm's participation in the contract. Once an MBE or WBE is determined to be eligible in accordance with these rules, the total dollar value of the work awarded to the MBE or WBE may be counted toward the MBE or WBE goal except as indicated below:
- B. The Chief Procurement Officer reserves the right to deny or limit MBE/WBE credit to the contractor where any MBE or WBE is found to be engaged in substantial subcontracting or pass-through activities with others. A contractor may count toward its MBE and WBE goals only expenditures to firms that perform a commercially useful function. A firm is considered to perform a commercially useful function when it is responsible for the performance of a clearly defined and distinct element of work and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a commercially useful function, the Chief Procurement Officer shall evaluate the amount of work subcontracted, industry practices, and other relevant factors. The amount of MBE/WBE participation credit shall be based upon an analysis by the Chief Procurement Officer of the specific duties that will be performed by the MBE or WBE. Each MBE/WBE shall be expected to actually perform a substantial (i.e., more than eighty-five percent (85%)) portion of the work contemplated for it by any subcontract or agreement through the use of its own employees and equipment.

Requested information may include, without limitation: (1) specific information concerning brokers' fees and/or commissions; (2) intended sub-suppliers or other sources of goods and/or services; and (3) specific financial or other risks to be assumed by the MBE/WBE.

- C. MBEs and WBEs who have been certified as "brokers" shall no longer be considered eligible to participate for any consideration of MBE or WBE credit on contracts awarded by the City in 1993 and thereafter, until further notice.
- D. A joint venture may count toward its MBE or WBE goal the dollar value of the actual work performed by the MBE and/or WBE joint venture partner with its own resources.
- E. When a MBE or WBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work may be counted toward the contract specific goals only if the MBE's or WBE's subcontractor is itself a MBE or WBE. Work that a MBE or WBE subcontracts to a non-MBE or WBE does not count towards the contract specific goals.

**The Chief Procurement Officer reserves the right to disallow goal credit for all, or any portion, of work performed by an MBE or WBE joint venturer based on evaluations of non-compliance with these Special Conditions or any other City, State and/or Federal regulation.**

**V. Regulations Governing Reduction or Waiver of MBE/WBE Goals**

The following Regulations set forth the standards to be used in determining whether or not a reduction or waiver of the MBE/WBE commitment goals of a particular contract is appropriate. If a bidder or proposer determines that it is unable to meet the MBE and/or WBE goal percentage on a City of Chicago contract, a written request for the reduction or waiver of the commitment must be included in the bid or proposal.

The written request for reduction or waiver from the commitment must be in the form of a signed petition for grant of relief from the MBE/WBE percentages submitted on the bidder/proposer's letterhead, and must demonstrate that all required efforts as set forth in this document were taken to secure eligible Minority and Women Business Enterprises to meet the commitments. The Chief

Procurement Officer or designee shall determine whether the request for the reduction or waiver will be granted.

**Bidders/proposers will be considered responsive to the terms and conditions of these Regulations if a waiver request and proof of notification to an assist agency is submitted at the time of bid/proposal opening.** Once the bids have been opened, the lowest responsive and responsible bidder so deemed by the Chief Procurement Officer or authorized designee will have no more than fourteen (14) calendar days to submit to the Department of Procurement complete documentation that adequately addresses the conditions for waiver described herein. **Proposers responding to Request for Proposals (RFPs) who have been identified as a short listed candidate and/or a prospective awardee will be given a designated time allowance, but no more than fourteen (14) calendar days to submit to the Department of Procurement Services complete documentation that adequately addresses the conditions for waiver described herein. Respondents to Request for Information and or Qualifications (RFI/RFQs) deemed by the Chief Procurement Officer or authorized designee to be the most responsive and responsible shall submit documentation that adequately addresses the conditions for waiver described herein during negotiations.** Failure to submit documentation sufficient to support the waiver request will cause the bid/proposal to be found non-responsive by the Chief Procurement Officer, and the bid/proposal will be rejected. In such cases the remedies to be taken by the Chief Procurement Officer, in his discretion, may include, but are not limited to, forfeiture of bid deposit; negotiating with the next lowest bidder/proposer; or re-advertising the bid/proposal. All bidders/proposers are encouraged to submit all required documents at the time of bid opening to expedite the contract award.

**A. Direct/Indirect Participation**

Each of the following elements must be present in order to determine whether or not such a reduction or waiver is appropriate.

1. The bidder/proposer has documented the unsuccessful solicitation for either subcontractors or joint venture partners of at least 50% (or at least five when there are more than eleven certified firms in the commodity area) of the appropriate certified MBE/WBE firms to perform any direct or indirect work identified or related to the advertised bid/proposal. Direct participation involves subcontracting a portion of the goods/services specifically required in the bid/proposal. Indirect participation is the subcontracting of goods/services not specifically related to the performance of this contract. Documentation must include but is not necessarily limited to:
  - a. A detailed statement of efforts to identify and select portions of work identified in the bid solicitation for subcontracting to certified MBE/WBE firms;
  - b. A listing of all MBE/WBE firms contacted that includes:
    - (1) Names, address and telephone numbers of MBE/WBE firms solicited;
    - (2) Date and time of contact;
    - (3) Method of contact (written, telephone, facsimile, etc.)
  - c. Copies of letters or any other evidence of mailing that substantiates outreach to MBE/WBE vendors that includes:
    - (1) Project identification and location;
    - (2) Classification/commodity of work items for which quotations were sought;
    - (3) Date, item and location for acceptance of subcontractor bid proposals;
    - (4) Detailed statement which summarizes direct negotiations with appropriate MBE/WBE firms for specific portion of the work and indicates why negotiations were unsuccessful;

- (5) Affirmation that good faith efforts have been demonstrated by choosing subcontracting opportunities likely to achieve MBE/WBE goals by not imposing any limiting conditions which were not mandatory for all subcontractors; or denying the benefits ordinarily conferred on MBE/WBE subcontractors for the type of work that was solicited.

OR

2. Subcontractor participation will be deemed excessively costly when the MBE/WBE subcontractor proposal exceeds the average price quoted by more than twenty percent (20%). In order to establish that a subcontractor's quote is excessively costly, the bidder/proposer must provide the following information:
  - a. A detailed statement of the work identified for MBE/WBE participation for which the bidder/proposer asserts the MBE/WBE quote(s) were excessively costly (in excess of 20% higher).
    - (1) A listing of all potential subcontractors contacted for a quotation on that work item;
    - (2) Prices quoted for the subcontract in question by all such potential subcontractors for that work item.
  - b. Other documentation which demonstrates to the satisfaction of the Chief Procurement Officer that the MBE/WBE proposals are excessively costly, even though not in excess of 20% higher than the average price quoted. This determination will be based on factors that include, but are not limited to the following:
    - (1) The City's estimate for the work under a specific subcontract;
    - (2) The bidder/proposer's own estimate for the work under the subcontract;
    - (3) An average of the bona fide prices quoted for the subcontract;
    - (4) Demonstrated increase in other contract costs as a result of subcontracting to the M/WBE or other firm.

## **B. Assist Agency Participation**

Every waiver and/or reduction request must include evidence that the bidder/proposer has provided timely notice of the need for subcontractors to an appropriate association/assist agency representative of the MBE/WBE business community.

The notice requirement of this Section will be satisfied if a bidder/proposer contacts at least one of the associations on Attachment A when the prime contractor seeks a waiver or reduction in the utilization goals. Attachment B provides the letter format that a prime contractor may use. Proof of notification prior to bid submittal (e.g. certified mail receipt or facsimile transmittal receipt) will be required for any bid/proposal submitted to be deemed responsive on the date of bid opening. If deemed appropriate, the Chief Procurement Officer or Executive Director may contact the assist agency for verification of notification.

## **C. Impracticability**

1. If the Chief Procurement Officer determines that a lesser MBE and/or WBE percentage standard is appropriate with respect to a particular contract subject to competitive bidding prior to the bid solicitations for such contract, bid specifications shall include a statement of such revised standard.
2. The requirements set forth in these Regulations shall not apply where the Chief Procurement Officer determines prior to the bid solicitations that MBE/WBE subcontractor participation is impracticable.



This may occur whenever the Chief Procurement Officer determines that for reasons of time, need, industry practices or standards not previously known by the Procurement Department administrator, or such other extreme circumstances as may be deemed appropriate, such a Waiver is in the best interests of the City. This determination may be made in connection with a particular contract, whether before the contract is let for bid, during the bid or award process, before or during negotiation of the contract, or during the performance of the contract.

For all notifications required to be made by bidders/proposers, in situations where the Chief Procurement Officer has determined that time is of the essence, documented telephone contact may be substituted for letter contact.

## **VI. Procedure To Determine Bid Compliance**

The following Schedules and described documents constitute the bidder's MBE/WBE proposal, and must be submitted in accordance with the guidelines stated:

### **A. Schedule C-1: Letter of Intent from MBE/WBE to Perform as Subcontractor, Supplier and/or Contractor.**

A Schedule C-1 executed by the MBE/WBE (subcontractor or Joint Venture partner) must be submitted by the bidder/proposer for each MBE/WBE included on their Schedule D-1 and must accurately detail the work to be performed by the MBE/WBE and the agreed rates and prices to be paid.

If any fully completed and executed Schedule C-1 is not submitted with the bid/proposal, it must be received by the Contract Administrator within ten (10) days of the bid/proposal opening. (All post bid/proposal submissions must have original signatures on all documents). Failure to submit a completed Schedule C-1 in accordance with this section shall entitle the City to deem the bid/proposal non-responsive and therefore reject the bid/proposal.

- **Letters of Certification.**

A copy of each proposed MBE/WBE firm's current Letter of Certification from the City of Chicago must be submitted with the bid/proposal.

All Letters of Certification issued by the City of Chicago include a statement of the MBE/WBE firm's Area of Specialty. The MBE/WBE firm's scope of work, as detailed by their Schedule C-1, must conform to their stated Area of Specialty.

- **Joint Venture Agreements.**

If the bidder's/proposer's MBE/WBE proposal includes the participation of an MBE/WBE as joint venture on any tier (either as the bidder/proposer or as a subcontractor), the bidder/proposer must provide a copy of the joint venture agreement.

### **A. Schedule D-1: Affidavit of MBE/WBE Goal Implementation Plan**

Bidders must submit, together with the bid, a completed Schedule D-1 committing them to the utilization of each listed MBE/WBE firm.

Except in cases where the bidder/proposer has submitted a request for a complete waiver of or variance from the MBE/WBE commitment in accordance with Section V. herein, the bidder/proposer must commit to the expenditure of a specific dollar amount of participation and a specific percentage of the total award amount for each MBE/WBE firm included on their Schedule D-1. The total dollar commitment to proposed MBEs must at least equal the MBE goal, and the total dollar commitment to proposed WBEs must at least equal the WBE goal. Bidders are

responsible for calculating the dollar equivalent of the MBE and WBE goals as percentages of their total base bids or in the case of Term Agreements, as percentages of the total estimated usage.

All commitments made by the bidder's Schedule D-1 must conform to those presented in the submitted Schedule C-1. If Schedule C-1 is submitted after the bid opening (see Section VI. A., above), the bidder/proposer may submit a revised Schedule D-1 (executed and notarized) to conform with the Schedule C-1. Except in cases where substantial and documented justification is provided, bidders/proposers will not be allowed to reduce the dollar commitment made to any MBE or WBE in order to achieve conformity between the Schedules C-1 and D-1.

**VII. Reporting Requirements During The Term of The Contract**

- A. The Contractor shall, not later than thirty (30) days from the award of a contract by the City, execute formal contracts or purchase orders with the MBEs and WBEs included in their approved MBE/WBE Utilization Plan. These written agreements shall be made available to the Chief Procurement Officer upon request.
- B. In the case of one time procurements of supplies with either single or multiple deliveries to be performed in less than one year from the date of contract award, an "MBE/WBE Utilization Report," indicating final MBE and WBE payments shall be submitted directly to the Department of Procurement Services so as to assure receipt either at the same time, or before the using Department receives the contractor's final invoice. Final payments may be held until the Utilization Reports have been received.  
**NOTICE: Do not submit invoices with "MBE/WBE Utilization Reports."**
- C. During the term of all other contracts, the contractor shall submit regular "MBE/WBE Utilization Reports," a copy of which is attached. The frequency with which these reports are to be submitted will be determined by the Chief Procurement Officer, but in no case will reports be required less often than on a quarterly basis. In the absence of written notice from the Chief Procurement Officer, the contractor's first "MBE/WBE Utilization Report" will be due ninety (90) days after the date of contract award, and reports will be due quarterly thereafter.
- D. "MBE/WBE Utilization Reports" are to be submitted directly to: Department of Procurement Services, Office of Vendor Relations, City Hall, Room 403, 121 N. LaSalle Street, Chicago, Illinois 60602.
- E. The Executive Director shall be entitled to examine, on five (5) business days notice, the contractor's books and records including without limitation payroll records, tax returns and records, and books of account, to determine whether the contractor is in compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the contract. Such rights are in addition to any other audit inspection rights contained in the contract.

**VIII. MBE/WBE Substitutions**

Changes by the contractor of the commitments earlier certified in the Schedule D-1 are prohibited. In some cases, however, it may become necessary to substitute a new MBE or WBE in order to actually fulfill the MBE/WBE requirements.

The contractor must notify the Chief Procurement Officer immediately in writing of the necessity to reduce or terminate an MBE/WBE subcontract and to utilize a substitute firm for some phase of work. The contractor's notification should include the reason for the substitution request, as well as, the name, address and principal official of the substitute MBE/WBE and the dollar value and scope of work of the subcontract. Attached should be all the requisite MBE/WBE affidavits and

documents, as enumerated above in Section VI. above, "Procedure to Determine Bid Compliance."

The City will not approve extra payment for escalated costs incurred by the contractor when a substitution of subcontractors becomes necessary for the contractor in order to comply with MBE/WBE contract requirements.

After award of contract, no relief of the MBE/WBE requirements will be granted by the City except in exceptional circumstances. Requests for complete or partial waiver of the MBE/WBE requirements of this contract must be made in writing, stating all details of the request, the circumstances, and any additional relevant information. The request must be accompanied by a record of all efforts taken by the contractor to locate specific firms, solicit MBE/WBE bids, seek assistance from technical assistance agencies, etc., as outlined above in the section V. above, entitled "Regulations Governing Reductions To or Waiver of MBE/WBE Goals".

**IX. Non-Compliance and Damages**

The following constitutes a material breach of this contract and shall entitle the City to declare a default, terminate the contract and exercise those remedies provided for in the contract, at law or in equity:

- (1) failure to satisfy the MBE/WBE percentages required by the contract; and
- (2) the contractor or subcontractor is disqualified as an MBE or WBE, and such status was a factor in contract award, and was misrepresented by the contractor.

In the event that the contractor is determined not to have been involved in any misrepresentation of the status of the disqualified subcontractor or supplier, the contractor shall seek to discharge the disqualified subcontractor or supplier, upon proper notification to the Chief Procurement Officer and/or Executive Director and make every effort to identify and engage a qualified MBE or WBE as its replacement. Furthermore, continued eligibility to enter into future contracting arrangements with the City may be jeopardized as a result of non-compliance. Payments due to the contractor may be withheld until corrective action is taken.

**X. Arbitration**

- A. In the event that a contractor has not complied with the contractual MBE/WBE percentages in its Schedule D, underutilization of MBEs/WBEs shall entitle the affected MBE/WBE to recover from the contractor damages suffered by such entity as a result of being underutilized; provided, however, that this provision shall not apply to the extent such underutilization occurs pursuant to a waiver or substitution approved by the City. The Ordinance and contracts subject thereto provide that any disputes between the contractor and such affected MBEs/WBEs regarding damages shall be resolved by binding arbitration before an independent arbitrator other than the City, with reasonable expenses, including attorney\*s fees, being recoverable by a prevailing MBE/WBE in accordance with these regulations. This provision is intended for the benefit of any MBE/WBE affected by underutilization and grants such entity specific third party beneficiary rights. Any rights conferred by this regulation are non-waivable and take precedence over any agreement to the contrary, including but not limited to those contained in a subcontract, suborder, or communicated orally between a contractor and an MBE/WBE.
- B. An MBE/WBE desiring to arbitrate shall contact the contractor in writing to initiate the arbitrate process. Except as otherwise agreed to in writing by the affected parties subject to the limitation contained in the last sentence of the previous paragraph, Section X. A. above, within ten (10) days of the contractor receiving notification of the intent to arbitrate from the MBE/WBE the above-described disputes shall be arbitrated in accordance with the Commercial Arbitration Rules

of the American Arbitration Association ("AAA"), a not-for-profit agency, with an office at 225 North Michigan Avenue, Suite 2527, Chicago, Illinois 60601-7601 [Phone: (312) 616-6560; Fax: (312) 819-0404]. All such arbitrations shall be initiated by the MBE/WBE filing a demand for arbitration with the AAA; shall be conducted by the AAA; and held in Chicago, Illinois.

- C. All fees of the arbitrator are the initial responsibility of the MBE/WBE; provided, however, that the arbitrator is authorized to award reasonable expenses, including attorney\*s and arbitrator fees, as damages to a prevailing MBE/WBE.
- D. The MBE/WBE must send the City a copy of the "Demand for Arbitration" within ten (10) days after it is filed with the AAA. The MBE/WBE also must send the City a copy of the decision of the arbitrator within ten (10) days of receiving such decision. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

**XI. Record Keeping**

The Contractor shall maintain records of all relevant data with respect to the utilization of MBEs/WBEs, retaining these records for a period of at least three years after final acceptance of the work. Full access to these records shall be granted to the City of Chicago, Federal or State authorities in this project, the U.S. Department of Justice, or any duly authorized representatives thereof.

**XII. Information Sources**

Small business guaranteed loans; surety bond guarantees; 8 (a) certification:

**U.S. Small Business Administration**

500 W. Madison Street, Suite 1250  
Chicago, Illinois 60661  
General Information  
(312) 353-4528

**S.B.A. - Bond Guarantee Program**

**Surety Bonds**  
500 West Madison, Suite 1250  
Chicago, Illinois 60661  
Attention: Carole Harris  
(312) 353-4003

**S.B.A. - Procurement Assistance**

500 West Madison, Suite 1250  
Chicago, Illinois 60661  
Attention: Robert P. Murphy, Area Regional Administrator  
(312) 353-7381

Project information and general MBE/WBE information:

**City of Chicago**  
**Department of Procurement**  
**Contract Administration Division**  
City Hall - Room 403  
Chicago, Illinois 60602  
Attention: Monica Jimenez  
(312) 744-0845

Directory of Certified Disadvantaged, Minority and Women Business Enterprises:

**City of Chicago**  
**Office of Compliance**  
ATTN: Supplier Diversity Program  
333 State Street, Suite 540  
Chicago, IL 60604  
General Information, Department of Procurement Services: [www.cityofchicago.org](http://www.cityofchicago.org)

Information on MBE/WBE availability in the manufacturing, sales or supplies, and related fields (direct assistance from 42 regional affiliates located throughout the U.S.):

**National Minority Suppliers  
Development Council, Inc.**  
1040 Avenue of the Americas, 2<sup>nd</sup> floor  
New York, New York 10018  
Attention: Harriet R. Michel  
(212) 944-2430

**Chicago Minority Business  
Development Council**  
1 East Wacker Drive  
Suite 1200  
Chicago, Illinois 60601  
Attention: Tracye Smith, Executive Director  
Phone #: (312) 755-8880  
Fax #: (312) 755-8890

MBE/WBE Professional Services rev. 8/3/10 (jmm)

## ATTACHMENT A – ASSIST AGENCY

### **Alliance of Business Leaders & Entrepreneurs (ABLE)**

150 N. Michigan Ave. Suite 2800  
Chicago, IL 60601  
Phone: (312) 624-7733  
Fax: (312) 624-7734  
Web: [www.ablechicago.com](http://www.ablechicago.com)

### **Alliance of Minority and Female Contractors c/o Federation of Women Contractors**

5650 S. Archer Avenue  
Chicago, IL 60638  
Phone: (312) 360-1122  
Fax: (312) 360-0239

### **American Brotherhood of Contractors Business Development Center**

11509 S. Elizabeth  
Chicago, IL 60643  
Phone: (773) 928-2225  
Fax: (773) 928-2209  
Web: [www.american-brotherhood.org](http://www.american-brotherhood.org)

### **Asian American Institute**

4753 N. Broadway St. Suite 904  
Chicago, IL 60640  
Phone: (773) 271-0899  
Fax: (773) 271-1982  
Web: [www.aaichicago.org](http://www.aaichicago.org)

### **Association of Asian Construction Enterprises**

333 N. Ogden Avenue  
Chicago, IL 60607  
Phone: (847) 525-9693  
Email: [nakmancorp@aol.com](mailto:nakmancorp@aol.com)

### **Black Contractors United**

400 W. 76th Street, Suite 200  
Chicago, IL 60620  
Phone: (773) 483-4000  
Fax: (773) 483-4150  
Web: [www.blackcontractorsunited.com](http://www.blackcontractorsunited.com)

### **Chatham Business Association Small Business Development, Inc.**

8441 S. Cottage Grove Avenue  
Chicago, IL 60619  
Phone: (773) 994-5006  
Fax: (773) 994-9871  
Web: [www.cbaworks.org](http://www.cbaworks.org)

### **Chicago Area Gay & Lesbian**

Chamber of Commerce  
3656 N. Halsted  
Chicago, IL 60613  
Phone: (773) 303-0167  
Fax: (773) 303-0168  
Web: [www.glchamber.org](http://www.glchamber.org)

### **Chicago Women in Trades (CWIT)**

4425 S. Western Blvd.  
Chicago, IL 60609-3032  
Phone: (773) 376-1450  
Fax: (312) 942-0802  
Web: [www.chicagowomenintrades.org](http://www.chicagowomenintrades.org)

### **Coalition for United Community Labor Force**

1253 W. 63rd Street  
Chicago, IL 60636  
Phone: (773) 863-0283

### **Chicago Minority Supplier Development Council, Inc.**

105 W. Adams, Suite 2300  
Chicago, IL 60603-6233  
Phone: (312) 755-8880  
Fax: (312) 755-8890  
Web: [www.chicagomsgdc.org](http://www.chicagomsgdc.org)

### **Chicago Urban League**

4510 S. Michigan Ave.  
Chicago, IL 60653  
Phone: (773) 285-5800  
Fax: (773) 285-7772  
Web: [www.cul-chicago.org](http://www.cul-chicago.org)

### **Cosmopolitan Chamber of Commerce**

203 N. Wabash, Suite 518  
Chicago, IL 60601  
Phone: (312) 499-0611  
Fax: (312) 332-2688  
Web: [www.cosmochamber.org](http://www.cosmochamber.org)

### **Federation of Women Contractors**

5650 S. Archer Avenue  
Chicago, IL 60638  
Phone: (312) 360-1122  
Fax: (312) 360-0239  
Web: [www.fwcchicago.com](http://www.fwcchicago.com)

### **Hispanic American Construction Industry Association (HACIA)**

901 West Jackson Boulevard, Suite 205  
Chicago, IL 60607  
Phone: (312) 666-5910  
Fax: (312) 666-5692  
Web: [www.haciaworks.org](http://www.haciaworks.org)

### **Illinois Hispanic Chamber of Commerce**

855 W. Adams, Suite 100  
Chicago, IL 60607  
Phone: (312) 425-9500  
Fax: (312) 425-9510  
Web: [www.ihccbusiness.net](http://www.ihccbusiness.net)

### **Latin American Chamber of Commerce**

3512 West Fullerton Avenue  
Chicago, IL 60647

Phone: (773) 252-5211  
Fax: (773) 252-7065  
Web: [www.latinamerichamberofcommerce.com](http://www.latinamerichamberofcommerce.com)

**National Association of Women Business Owners  
Chicago Chapter**

230 E. Ohio, Suite 400  
Chicago, IL 60611  
Phone: (312) 224-2605  
Fax: (312) 6448557  
Web: [www.nawbochicago.org](http://www.nawbochicago.org)

**Rainbow/PUSH Coalition  
International Trade Bureau**

930 E. 50th Street  
Chicago, IL 60615  
Phone: (773) 256-2781  
Fax: (773) 373-4104  
Web: [www.rainbowpush.org](http://www.rainbowpush.org)

**Suburban Minority Contractors Association**

1250 Grove Ave. Suite 200  
Barrington, IL 60010  
Phone: (847) 852-5010  
Fax: (847) 382-1787  
Web: [www.suburbanblackcontractors.org](http://www.suburbanblackcontractors.org)

**Uptown Center Hull House**

4520 N. Beacon Street  
Chicago, IL 60640  
Phone: (773) 561-3500  
Fax: (773) 561-3507  
Web: [www.hullhouse.org](http://www.hullhouse.org)

**Women Construction Owners & Executives (WCOE)**

Chicago Caucus  
308 Circle Avenue  
Forest Park, IL 60130  
Phone: (708) 366-1250  
Fax: (708) 366-5418  
Web: [www.wcoeusa.org](http://www.wcoeusa.org)

**Women's Business Development Center**

8 South Michigan Ave., Suite 400  
Chicago, IL 60603  
Phone: (312) 853-3477  
Fax: (312) 853-0145  
Web: [www.wbdc.org](http://www.wbdc.org)

**Englewood Black Chamber of Commerce**  
P.O. Box 21453  
Chicago, IL 60621

**South Shore Chamber, Incorporated**

Black United Funds Bldg.  
1813 E. 71st Street  
Chicago, IL 60649-2000  
Phone: (773) 955- 9508

**United Neighborhood Organization (UNO)**

954 W. Washington Blvd., 3rd Floor  
Chicago, IL 60607  
Phone: (312) 432-6301  
Fax: (312) 432-0077  
Web: [www.uno-online.org](http://www.uno-online.org)

(January 2011)

**ATTACHMENT B**

**(On Bidder/proposer's Letterhead)**

**RETURN RECEIPT REQUESTED**

(Date)

Re: Specification \_\_\_\_\_  
Description: \_\_\_\_\_

(Assist Agency Name and Address)

Dear \_\_\_\_\_:

(Bidder/Proposer) intends to submit a bid/proposal in response to the above referenced specification with the City of Chicago. Bids are due \_\_\_\_\_ advertised specification with the City of Chicago.

The following areas have been identified for subcontracting opportunities on both a direct and indirect basis:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Our efforts to identify potential subcontractors have not been successful in order to meet the Disadvantaged/Minority/Women Business Enterprise contract goal. **Due to the inability to identify an appropriate DBE/MBE/WBE firm certified by the City of Chicago to participate as a subcontractor or joint venture partner, a request for the waiver of the contract goals will be submitted.** If you are aware of such a firm, please contact

\_\_\_\_\_ at \_\_\_\_\_ Address/phone

within (10) ten working days of receipt of this letter.

Under the City of Chicago's MBE/WBE/DBE Ordinance, your agency is entitled to comment upon this waiver request to the City of Chicago. Written comments may be directed within fifteen (15) working days of your receipt of this letter to:

Monica Jimenez, Deputy Procurement Officer  
Department of Procurement Services  
City of Chicago  
121 North La Salle Street, Room 403  
Chicago, Illinois 60602

If you wish to discuss this matter, please contact the undersigned at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_



**SCHEDULE B: Affidavit of Joint Venture (MBE/WBE)**

This form need not be submitted if all joint venturers are MBEs and/or WBEs. In such a case, however, a written joint venture agreement among the MBE and WBE venturers must be submitted. In all proposed joint ventures, each MBE and/or WBE venturer must submit a copy of their current Letter of Certification.

All Information Requested by this Schedule must Be Answered in the Spaces Provided. Do Not Refer to Your Joint Venture Agreement Except to Expand on Answers Provided on this Form. If Additional Space Is Required, Additional Sheets May Be Attached.

I. Name of joint venture: \_\_\_\_\_  
Address of joint venture: \_\_\_\_\_  
Phone number of joint venture: \_\_\_\_\_

II. Identify each non-MBE/WBE venturer(s):  
Name of Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact person for matters concerning MBE/WBE compliance: \_\_\_\_\_

III. Identify each MBE/WBE venturer(s):  
Name of Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact person for matters concerning MBE/WBE compliance: \_\_\_\_\_

IV. Describe the role(s) of the MBE and/or WBE venturer(s) in the joint venture: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

V. Attach a copy of the joint venture agreement. In order to demonstrate the MBE and/or WBE venturer's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) the contributions of capital and equipment; (2) work items to be performed by the MBE/WBE's own forces; (3) work items to be performed under the supervision of the MBE/WBE venturer; and (4) the commitment of management, supervisory and operative personnel employed by the MBE/WBE to be dedicated to the performance of the project.

VI. Ownership of the Joint Venture.

A. What are the percentage(s) of MBE/WBE ownership of the joint venture?

MBE/WBE ownership percentage(s) \_\_\_\_\_

Non-MBE/WBE ownership percentage(s) \_\_\_\_\_

B. Specify MBE/WBE percentages for each of the following (provide narrative descriptions and other detail as applicable):

1. Profit and loss sharing: \_\_\_\_\_

2. Capital contributions:

(a) Dollar amounts of initial contribution: \_\_\_\_\_  
\_\_\_\_\_

(b) Dollar amounts of anticipated on-going contributions: \_\_\_\_\_

3. Contributions of equipment (Specify types, quality and quantities of equipment to be provided by each venturer): \_\_\_\_\_  
\_\_\_\_\_

**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

- 
- 
4. Other applicable ownership interests, including ownership options or other agreements which restrict or limit ownership and/or control: \_\_\_\_\_
- 
- 
5. Provide copies of all written agreements between venturers concerning this project.
6. Identify each current City of Chicago contract (and each contract completed during the past two (2) years) by a joint venture of two or more firms participating in this joint venture:
- 
- 
- 

**VII. Control of and Participation in the Joint Venture. Identify by name and firm those individuals who are, or will be, responsible for, and have the authority to engage in the following management functions and policy decisions. (Indicate any limitations to their authority such as dollar limits and co-signatory requirements.):**

- A. Joint venture check signing:
- 
- 
- 
- B. Authority to enter contracts on behalf of the joint venture:
- 
- 
- 
- C. Signing, co-signing and/or collateralizing loans:
- 
- 
- 
- D. Acquisition of lines of credit:
- 
- 
- 
- E. Acquisition and indemnification of payment and performance bonds:
- 
- 
- 
- F. Negotiating and signing labor agreements:
- 
- 
- 
- G. Management of contract performance. (Identify by name and firm only):

**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

- 1. Supervision of field operations: \_\_\_\_\_
- 2. Major purchases: \_\_\_\_\_
- 3. Estimating: \_\_\_\_\_
- 4. Engineering: \_\_\_\_\_

**VIII. Financial Controls of joint venture:**

- A. Which firm and/or individual will be responsible for keeping the books of account?  
\_\_\_\_\_
- B. Identify the managing partner, if any, and describe the means and measure of their compensation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- C. What authority does each venturer have to commit or obligate the other to insurance and bonding companies, financing institutions, suppliers, subcontractors, and/or other parties participating in the performance of this contract or the work of this project?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IX.** State the approximate number of operative personnel (by trade) needed to perform the joint venture's work under this contract. Indicate whether they will be employees of the non-MBE/WBE firm, the MBE/WBE firm, or the joint venture.

**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

Trade	Non-MBE/WBE Firm (Number)	MBE/WBE (Number)	Joint Venture (Number)

If any personnel proposed for this project will be employees of the joint venture:

A. Are any proposed joint venture employees currently employed by either venturer?  
 Currently employed by non-MBE/WBE (number) \_\_\_\_ Employed by MBE/WBE \_\_\_\_

B. Identify by name and firm the individual who will be responsible for hiring joint venture employees:

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C. Which venturer will be responsible for the preparation of joint venture payrolls:

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X. Please state any material facts of additional information pertinent to the control and structure of this joint venture.

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**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

The undersigned affirms that the foregoing statements are correct and include all material information necessary to identify and explain the terms and operations of our joint venture and the intended participation of each venturer in the undertaking. Further, the undersigned covenant and agree to provide to the City current, complete and accurate information regarding actual joint venture work and the payment therefore, and any proposed changes in any provision of the joint venture agreement, and to permit the audit and examination of the books, records and files of the joint venture, or those of each venturer relevant to the joint venture by authorized representatives of the City or the Federal funding agency.

Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under federal or state laws concerning false statements.

Note: If, after filing this Schedule B and before the completion on the joint venture's work on the project, there is any change in the information submitted, the joint venture must inform the City of Chicago, either directly or through the prime contractor if the joint venture is a subcontractor.

\_\_\_\_\_  
Name of MBE/WBE Partner Firm

\_\_\_\_\_  
Name of Non-MBE/WBE Partner Firm

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Name and Title of Affiant

\_\_\_\_\_  
Name and Title of Affiant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

On this \_ day of \_\_\_\_\_, 20 \_\_\_\_, the above-signed officers

\_\_\_\_\_  
(names of affiants)

personally appeared and, known to me be the persons described in the foregoing Affidavit, acknowledged that they executed the same in the capacity therein stated and for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

My Commission Expires: \_\_\_\_\_

(SEAL)

**SCHEDULE C-1**

**Letter of Intent from MBE/WBE to Perform  
as Subcontractor, Supplier and/or Consultant**

Name of Project/Contract: \_\_\_\_\_  
Specification Number: \_\_\_\_\_

From: \_\_\_\_\_  
(Name of MBE/WBE Firm)

MBE: Yes \_\_\_\_\_ No \_\_\_\_\_  
WBE: Yes \_\_\_\_\_ No \_\_\_\_\_

To: \_\_\_\_\_ and the City of Chicago:  
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

\_\_\_\_\_ Sole Proprietor                      \_\_\_\_\_ Corporation  
\_\_\_\_\_ Partnership                              \_\_\_\_\_ Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of \_\_\_\_\_ to \_\_\_\_\_ for a period of five years.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above described performance is offered for the following price and described terms of payment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within (3) three working days of receipt of a signed contract from the City of Chicago.

\_\_\_\_\_  
(Signature of Owner or Authorized Agent)

\_\_\_\_\_  
Name /Title (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone

**SCHEDULE D-1**

**Affidavit of MBE/WBE Goal Implementation Plan**

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

State of \_\_\_\_\_

County (City) of \_\_\_\_\_

I HEREBY DECLARE AND AFFIRM that I am duly authorized representative of:

\_\_\_\_\_  
Name of Prime Consultant/Contractor

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by the City of Chicago (Letters of Certification Attached).

- I. MBE or WBE Prime Consultant/Contractor. If prime consultant is a certified MBE or WBE firm, attach copy of City of Chicago Letter of Certification. (Certification of the prime consultant as a MBE satisfies the MBE goal only. Certification of the prime consultant as a WBE satisfies the WBE goal only.)
- II. MBEs and WBEs as Joint Venturers. If prime consultant is a joint venture and one or more joint venture partners are certified MBEs or WBEs, attach copies of Letters of Certification and a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE firm(s) and its ownership interest in the joint venture.
- III. MBE/WBE Subconsultants. Complete for each MBE/WBE subconsultant/subcontractor/supplier.

1. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %

2. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %

3. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %

4. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_%

5. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_%

6. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_%

7. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_%

8. Attach additional sheets as needed.



IV. Summary of MBE Proposal:

MBE Firm Name	Dollar Amount of Participation	Percent Amount of participation
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<b>Total MBE Participation:</b>	<b>\$ _____</b>	<b>_____ %</b>

V. Summary of WBE Proposal:

WBE Firm Name	Dollar Amount of Participation	Percent Amount of participation
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<b>Total WBE Participation:</b>	<b>\$ _____</b>	<b>_____ %</b>

To the best of my knowledge, information and belief, the facts and representations contained in this Schedule are true, and no material facts have been omitted.

The contractor designates the following person as their MBE/WBE Liaison Officer:

Name \_\_\_\_\_ Phone Number: \_\_\_\_\_

I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the contractor, to make this affidavit.

\_\_\_\_\_  
Signature of Affiant (Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ (date)  
by \_\_\_\_\_ (name /s of person/s)  
as \_\_\_\_\_ (type of authority, e.g., officer, trustee, etc.)  
of \_\_\_\_\_ (name of party on behalf of whom instrument  
was executed).

(Seal)

\_\_\_\_\_  
Signature of Notary Public

## MBE/WBE UTILIZATION REPORT

Utilization Report No. \_\_\_\_\_ Specification No. \_\_\_\_\_

Contract No. \_\_\_\_\_

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

STATE OF: \_\_\_\_\_)

COUNTY (CITY) OF: \_\_\_\_\_)

In connection with the above-captioned contract:

I HEREBY DECLARE AND AFFIRM that I am the \_\_\_\_\_  
(Title - Print or Type)

and duly authorized representative of \_\_\_\_\_  
(Name of Prime Consultant /Contractor - Print or Type)

\_\_\_\_\_ (Address of Prime Consultant/Contractor) (\_\_\_\_\_) (Phone)

*and that the following Minority and Women Business Enterprises have been contracted with, and have furnished, or are furnishing and preparing materials for, and rendering services stated in the contract agreement.*

*The following Schedule accurately reflects the value of each MBE/WBE sub-agreement and the amounts of money paid to each to date.*

MBE/WBE FIRM NAME	GOODS/SERVICES PROVIDED	AMOUNT OF CONTRACT	AMOUNT PAID TO-DATE
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____

Total MBE: \$ \_\_\_\_\_

Total WBE: \$ \_\_\_\_\_

MBE/WBE UTILIZATION REPORT

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the contractor, to make this affidavit.

Name of Contractor: \_\_\_\_\_  
(Print or Type)

Signature: \_\_\_\_\_  
(Signature of affiant)

Name of Affiant: \_\_\_\_\_  
(Print or Type)

Date: \_\_\_\_\_  
(Print or Type)

State of \_\_\_\_\_

County (City) of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ (date)

by \_\_\_\_\_ (name/s of person/s)

as \_\_\_\_\_ (type of authority, e.g., officer, trustee, etc.)

of \_\_\_\_\_ (name of party on behalf of whom instrument was executed).

\_\_\_\_\_  
Signature of Notary Public

(Seal)

**EXHIBIT 6**

**ONLINE CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT (EDS) AND APPENDIX A INSTRUCTIONS**

**AND**

**ATTACHMENT A, ONLINE EDS ACKNOWLEDGEMENT**

**ONLINE CITY OF CHICAGO ECONOMIC DISCLOSURE  
STATEMENT AND AFFIDAVIT (EDS) INSTRUCTIONS**

WHEN SUBMITTING YOUR RESPONSE TO THIS REQUEST FOR PROPOSAL (RFP) FOR BENEFITS ADMINISTRATION FOR MUNICIPAL GOVERNMENT FOR THE CITY OF CHICAGO, SPECIFICATION NO. 100356, THE RESPONDENT SHALL SUBMIT 2 DOCUMENTS: 1) A **"CERTIFICATE OF FILING"** EVIDENCING COMPLETION OF YOUR ONLINE EDS AND 2) AN EXECUTED **ATTACHMENT A, ONLINE EDS ACKNOWLEDGEMENT** SIGNED BY AN AUTHORIZED OFFICER BEFORE A NOTARY.

**1. ONLINE EDS FILING**

**1.1. ONLINE EDS FILING REQUIRED PRIOR TO RESPONSE DUE DATE**

The Respondent shall complete an online EDS prior to the response due date. A Respondent who does not file an electronic EDS prior to the response due date may be found non-responsive and its response rejected. If you are unable to complete the online EDS and print a Certificate of Filing prior to the response due date, the City will accept a paper EDS provided written justification is provided explaining your good faith efforts to complete it before the response due date and the reasons why it could not be completed.

**NOTE: ALWAYS SELECT THE "CONTRACT" (NOT UPDATE) BOX WHEN COMPLETING AN ONLINE EDS TO ENSURE A NEW CONTRACT SPECIFIC ONLINE EDS IS CREATED RELATED TO THE SOLICITATION DOCUMENT. CLICKING THE UPDATE BOX ONLY UPDATES PREVIOUS EDS INFORMATION.**

**1.2. ONLINE EDS WEB LINK**

The web link for the Online EDS is <https://webapps.cityofchicago.org/EDSWeb>

**1.3. ONLINE EDS NUMBER**

Upon completion of the online EDS submission process, the Respondent will be provided an EDS number. Respondent should record this number here:

EDS Number: \_\_\_\_\_

**1.4. ONLINE EDS CERTIFICATION OF FILING AND ATTACHMENT A, ONLINE EDS ACKNOWLEDGEMENT**

Upon completion of the online submission process, the Respondent will be able to print a hard copy Certificate of Filing. The Respondent should submit the signed Certificate of Filing and Attachment A, Online EDS Acknowledgement form with its response. Please insert your Certification of Filing and Attachment A, Online EDS Acknowledgement form following the Cover Letter. See Section 5.32, Item 3, Required Contents of Proposal in the RFP. A Respondent who does not include a signed Certificate of Filing and/or Attachment A, Online EDS Acknowledgement form with its response must provide it upon the request of the Chief

Procurement Officer.

**1.5. PREPARATION CHECKLIST FOR REGISTRATION**

To expedite and ease your registration process, we recommend that you collect the following information prior to registering for an Online EDS user account:

	1. Invitation number, if you were provided an invitation number.
	2. EDS document from previous years, if available.
	3. Email address to correspond with the Online EDS system.
	4. Company Information:
	a. Legal Name
	b. FEIN/SSN
	c. City of Chicago Vendor Number, if available.
	d. Address and phone number information that you would like to appear on your EDS documents.
	e. EDS Captain. Check for an EDS Captain in your company - this maybe the person that usually submits EDS for your company, or the first person that registers for your company.

**1.6. PREPARATION CHECKLIST FOR EDS SUBMISSION**

To expedite and ease your EDS submission, we recommend that you collect the following information prior to updating your EDS information online.

Items #1 through #7 are needed for both EDS information updates and contract related EDS documents:

- \_\_\_\_\_ 1. Invitation number, if you were provided with an invitation number.
- \_\_\_\_\_ 2. Site address that is specific to this EDS.
- \_\_\_\_\_ 3. Contact that is responsible for this EDS.
- \_\_\_\_\_ 4. EDS document from previous years, if available.
- \_\_\_\_\_ 5. Ownership structure, and if applicable, owners' company information:
  - \_\_\_\_\_ a. % of ownership
  - \_\_\_\_\_ b. Legal Name
  - \_\_\_\_\_ c. FEIN/SSN
  - \_\_\_\_\_ d. City of Chicago Vendor Number, if available.
  - \_\_\_\_\_ e. Address
- \_\_\_\_\_ 6. List of directors, officers, titleholders, etc. (if applicable).
- \_\_\_\_\_ 7. For partnerships/LLC/LLP/Joint ventures, etc.:
  - \_\_\_\_\_ a. List of controlling parties (if applicable).

Items #8 and #9 are needed ONLY for contract related EDS documents:

- \_\_\_\_\_ 8. Contract related information (if applicable):
  - \_\_\_\_\_ a. City of Chicago contract package
  - \_\_\_\_\_ b. Cover page of City of Chicago bid/solicitation package
  - \_\_\_\_\_ c. If EDS is related to a mod, then cover page of your current contract with the City.
- \_\_\_\_\_ 9. List of subcontractors and retained parties:
  - \_\_\_\_\_ a. Name
  - \_\_\_\_\_ b. Address
  - \_\_\_\_\_ c. Fees – Estimated or paid

**1.7. EDS FREQUENTLY ASKED QUESTIONS**

**Q: Where do I file?**

A: The web link for the Online EDS is <https://webapps.cityofchicago.org/EDSWeb>

**Q: How do I get help?**

A: If there is a question mark on a page or next to a field, click on the question mark for help filling out the page or field. You may also consult the User Manual and the Training Videos available on the left menu.

**Q: Why do I have to submit an EDS?**

A: The Economic Disclosure Statement (EDS) is required of applicants making an application to the City for action requiring City Council, City department or other City agency approval. For example, all bidders seeking a City contract are required to submit an EDS. Through the EDS, applicants make disclosures required by State law and City ordinances and certify compliance with various laws and ordinances. An EDS is also required of certain parties related to the applicant, such as owners and controlling parties.

**Q: Who is the Applicant?**

A: "Applicant" means any entity or person making an application to the City for action requiring City Council or other City agency approval. The applicant does not include owners and parent companies.

**Q: Who is the Disclosing Party?**

A: "Disclosing Party" means any entity or person submitting an EDS. This includes owners and parent companies.

**Q: What is an entity or legal entity?**

A: "Entity" or "Legal Entity" means a legal entity (for example, a corporation, partnership, joint venture, limited liability company or trust).

**Q: What is a person for purposes of the EDS?**

A: "Person" means a human being.

**Q: Who must submit an EDS?**

A. An EDS must be submitted in any of the following three circumstances:

<b>Applicants:</b>	An Applicant must always file this EDS. If the Applicant is a legal entity, state the full name of that legal entity. If the Applicant is a person acting on his/her own behalf, state his/her name.
<b>Entities holding an interest:</b>	Whenever a legal entity has a beneficial interest (E. G. direct or indirect ownership) of more than 7.5% in the Applicant, each such legal entity must file an EDS on its own behalf.
<b>Controlling entities:</b>	Whenever a Disclosing Party is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture that has a general partner, managing member, manager or other entity that can control the day-to-day management of the Disclosing Party, that entity must also file an EDS on its own behalf. Each entity with a beneficial interest of more than 7.5% in the controlling entity must also file an EDS on its own behalf.

**Q: What information is needed to submit an EDS?**

A: The information contained in the Preparation Checklist for EDS submission.

**Q: I don't have a user ID & password. Can I still submit an Online EDS?**

A: No. You must register and create a user ID and password before submitting an Online EDS.

**Q: What information is needed to request a user ID & password for Online EDS?**

A: The information contained in the Preparation Checklist for Registration is needed to request a login for the Online EDS.

**Q: I already have a username and password from another City web site (City Web Portal, Department of Construction and Permits, Department of Consumer Services, etc.). Can I log-in the Online EDS with that account?**

A: Usually not. The Online EDS uses a user ID and password system that is shared by the Public Vehicle Advertising and Water Payment web sites. You may use a username and password from those sites by answering "Yes" to "Is this an existing City of Chicago user ID?" when registering. Other usernames and passwords will not be automatically recognized. However, you may choose to create an identical username for the Online EDS if it is not already taken.

**Q: I don't have an email address. How do I submit an Online EDS?**

A: You cannot get an account to submit an online EDS without an email address. If you need an e-mail address, we suggest that you use a free internet email provider such as

www.hotmail.com or www.yahoo.com or rmail.google.com to open an account. The City does not endorse any particular free internet email provider. Public computers are available at all Chicago Public Library branches.

**Q: I forgot my user ID. Can I register again?**

A: No. If you are the EDS Captain of your organization, please contact the Department of Procurement Services at 312-744-4900. If you are an EDS team member, contact your EDS Captain, who can look up your user ID.

**Q: Who is the EDS Captain?**

A: The EDS Captain is a person who performs certain administrative functions for an organization which files an EDS. Each organization registered with the Online EDS has at least one EDS Captain. There may be co-captains, who are all equal. EDS Captains approve new users, change contact information for an organization, and de-active accounts of employees who have left the organization. Please see the User Manual for more information.

**Q: Why do we need EDS Captains?**

A: The Online EDS is designed to be a self-service web application which allows those doing or seeking to do business with the City to perform as many routine functions as possible without City intervention. Because many organizations have multiple staff filing an EDS, the EDS Captain role allows those organizations to self-manage the contact information and users.

**Q: Who is the EDS team?**

A: The EDS team for an organization is everyone who is registered to file an EDS on behalf of the organization.

**Q: I forgot my password. What should I do?**

A: To retrieve a temporary password, click the "Forgot your password?" link on the login page. Enter your user ID that you provided when you registered your account. The system will automatically generate a temporary password and send it to you. When you log-in with your temporary password, you will be asked to create a new password.

**Q: How do I complete an Online EDS?**

A: Click on "Create New" after logging in. The Online EDS system will walk you through the EDS questions. Please see the User Manual for details.

**Q: How do I fill out a Disclosure of Retained Parties?**

A: There is no longer a separate Disclosure of Retained Parties filing. After logging in, click on "Create New". Answer (click) "Contract" to "Is this EDS for a contract or an EDS information update?" Click "Fill out EDS", and click on the "Retained Parties" tab. When finished, click on "Ready to Submit."

**Q: How do I attach documents?**

A: Attachments are discouraged. If at all possible, please provide a concise explanation in the space provided in the online form. Attachments with pages of officers are not acceptable. Names of officers must be typed into the system. If you must provide an attachment for another reason, please send it to your City of Chicago contact (contract administrator or



negotiator for procurements) and they will attach it for you. Documents can be sent in PDF (preferred), Word, or paper format.

**Q: Who can complete an Economic Disclosure Statement online?**

A: Any authorized representative of your business with a user ID and password can complete your EDS online. One person, such as an assistant, can fill in the information and save it, and another person can review and electronically sign the Online EDS.

**Q: What are the benefits of filing my Economic Disclosure statement electronically?**

A: Filing electronically reduces the chance of filing an incomplete EDS and speeds up the processing of contract awards. A certificate of filing can be printed at the completion of the process and inserted into your bid package. The biggest benefit for those who frequently do business with the City is that after the first EDS, each EDS is much easier to fill out because non-contract specific information is pre-filled from the last submitted EDS.

**Q: Will my information be secure?**

A: Yes. When making your internet connection to our Web Server, you will connect through a Secure Socket Layer (SSL for short) to the "Online EDS" login page. All information you type will be protected using strong encryption. Within the login page, you will provide us with a user ID, password, and secret question for user authentication. Only you will have knowledge of this unique identification information.

**Q: I am filing electronically. How do I sign my EDS?**

A: Once you have completed the EDS, you will be prompted to enter your password and answer to your secret question. Together, these will serve as your electronic signature. Although you will also print and physically sign an EDS certification of filing as a notice that your EDS was filed, your EDS is complete as a legal document with only the electronic filing.

**Q: My address has changed. How can I update my information?**

A: You must be an EDS Captain for your organization to update this. Log-in and click on "Vendor Admin, Site Administration." Select the appropriate site and click edit.

**Q: I have more questions. How can I contact the Department of Procurement Services?**

A: Please contact the contract administrator or negotiator assigned to your solicitation or contract. You may call DPS at 312-744-4900 between 8:30 AM and 5:00 PM Central Standard Time.

**Q: Can I save a partially complete EDS?**

A: Yes. Click "Save". To avoid data loss, we recommend you save your work periodically while filling out your EDS.

**Q: Do I have to re-type my information each time I submit an EDS?**

A: No. The system will remember non-contract specific information from your last submitted EDS for one year. This information will be filled-in for you in your new EDS. You will have an opportunity to correct it if it has changed since your last filing. When you submit your new EDS, the information is saved and the one-year clock begins running anew.

**Q: What are the system requirements to use the Online EDS?**

A: The following are minimum requirements to use the Online EDS:

- A PDF viewer such as Adobe Reader is installed and your web browser is configured to display PDFs automatically. You may download and install Adobe Reader free at [www.adobe.com/products/reader/](http://www.adobe.com/products/reader/)
- Your web browser is set to permit running of JavaScript.
- Your web browser allows cookies to be set for this site. Please note that while we use cookies in the Online EDS, we do not use them to track personally identifiable information, so your privacy is maintained.
- Your monitor resolution is set to a minimum of 1024 x 768.
- While not required to submit an EDS, if you wish to view the training videos, you must have Adobe Flash Plugin version 9 or higher, speakers, and sound. Please note that very old computers may not be able to run Adobe Flash and will not be able to play the training videos. In that case, we encourage you to seek help using the Online EDS Manuals. You may download and install Adobe Flash Plugin free at <http://get.adobe.com/flashplayer>

The Online EDS has been tested on Internet Explorer 6.0 and 7.0 and Firefox 2.0 and 3.0 on Windows XP and Mac OS X. Although it should work on other browsers and operating systems, the City of Chicago cannot guarantee compatibility.

**ATTACHMENT A**

**ONLINE EDS ACKNOWLEDGEMENT**

The undersigned, hereby acknowledges having received Specification No. 100356 containing a full set of RFP Documents, including, Addenda Numbers (none unless indicated here) \_\_\_\_\_, and affirms that the Respondent shall be bound by all the terms and conditions contained in the RFP Documents, regardless of whether a complete set thereof is attached to this response.

Under penalty of perjury, the undersigned: (1) warrants that he/she was authorized to submit an EDS on behalf of the Disclosing Party on-line, (2) warrants that all certifications and statements contained in the EDS are true, accurate and complete as of the date the EDS was submitted on-line, and (3) further warrants that, as of the date of submission of this response, there have been no changes in circumstances since the date that the EDS was submitted that would render any certification in the EDS false, inaccurate or incomplete.

Further, the undersigned being duly sworn deposes and says on oath that no disclosures of ownership interests have been withheld and the information provided therein to the best of its knowledge is current and the undersigned has not entered into any agreement with any other respondent or prospective respondent or with any other person, firm or corporation relating to the price named in this proposal or any other proposal, nor any agreement or arrangement under which any act or omission in restraining of free competition among respondents and has not disclosed to any person, firm or corporation the terms of this proposal or the price named herein.

COMPANY NAME: \_\_\_\_\_  
(Print or Type)

AUTHORIZED OFFICER SIGNATURE: \_\_\_\_\_

TITLE OF SIGNATORY: \_\_\_\_\_  
(Print or Type)

BUSINESS ADDRESS: \_\_\_\_\_  
(Print or Type)

State of \_\_\_\_\_ (Affix Corporate Seal)

County of \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ as President (or other authorized officer) and \_\_\_\_\_ as Secretary of \_\_\_\_\_ (Company Name)

Notary Public Signature: \_\_\_\_\_ (Seal)

**EXHIBIT 7**

**KEY PERSONNEL**

**Table of Key Personnel**

<b>Name</b>	<b>Title</b>	<b>Experience</b>

## EXHIBIT 8

### INSURANCE REQUIREMENTS AND INSURANCE CERTIFICATE

#### PROFESSIONAL SERVICES INSURANCE REQUIREMENTS Department of Finance/Revenue Benefits Administration for Municipal Government

##### Specification No. 100356

Contractor must provide and maintain at Contractor's own expense or cause to be provided, during the term of the Agreement and during the time period following expiration if Contractor is required to return and perform any of the Services or Additional Services under this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

#### A. INSURANCE TO BE PROVIDED

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, contractual liability (not to include Endorsement CG 21 39 or equivalent) and Employee Benefits Liability Coverage (Endorsement CG 04 35 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or Services.

Subcontractors performing Services for Contractor must maintain limits of not less than \$2,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with Services to be performed, Contractor must provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Errors and Omissions/Professional Liability

When any account/program management professionals, administrators, EDP/Systems professionals or any other professional consultants perform Services in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$5,000,000. Coverage must include performance of or failure to perform EDP, performance of or failure to perform other computer services and failure of software product to perform the function of the purpose intended. When policies are renewed or

replaced, the policy retroactive date must coincide with or precede start of work on the Agreement. A claim-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

Subcontractors performing Services for Contractor must maintain limits of not less than \$1,000,000 with the same terms herein.

5) Valuable Papers

When any media, data, records, reports, files and other documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

6) Blanket Crime

The Contractor must provide Blanket Crime insurance covering all persons handling funds under this Agreement, against dishonesty, robbery, burglary, theft, destruction, or disappearance, computer fraud, credit card forgery and other related crime risks. The policy limit must be written to cover losses in the amount of maximum monies collected, received and in the possession of Contractor any given time.

7) All Risk Property

All Risk Property Insurance must be maintained by the Contractor insuring loss or damage to property site of Contractor and if any City property is in the care, custody and control of Contractor including the benefits management system/equipment, computer hardware and software devices, materials, parts and supplies that are part of the Agreement during the course of design, development, installation, storage, upgrade, testing, maintenance and/or repair. The City of Chicago is to be named as an additional insured and loss payee.

Contractor is responsible for all loss or damage to personal property (including materials, equipment, tools and supplies) owned, rented or used by the Contractor as part of the Agreement.

**B. ADDITIONAL REQUIREMENTS**

Contractor must furnish the City of Chicago, Department of Procurement Services, City Hall, Room 403, 121 North LaSalle Street 60602 and Benefits Management Office, 333 South State Street, 60604 original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Contractor must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached as Exhibit-) or equivalent prior to execution of Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of Agreement.

The failure of the City to obtain certificates or other insurance evidence from Contractor is not a waiver by the City of any requirements for the Contractor to obtain and maintain the specified coverages. Contractor must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Contractor of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

The Contractor must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed.

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Contractor.

Contractor hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents or representatives.

The coverages and limits furnished by Contractor in no way limit the Contractor's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Contractor under this Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Contractor is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Contractor must require all Subcontractors to provide the insurance required in this Agreement, or Contractor may provide the coverages for Subcontractors. All Subcontractors are subject to these same insurance requirements of Contractor unless otherwise specified in this Agreement.

If Contractor or Subcontractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Agreement to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

Named Insured: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Project Name #: \_\_\_\_\_  
 (Number and Street)

Specification #: \_\_\_\_\_  
 RFQ #: \_\_\_\_\_

(City) \_\_\_\_\_ (State) \_\_\_\_\_ (ZIP) \_\_\_\_\_

Purchase Order #: \_\_\_\_\_

Description of Operation/Location \_\_\_\_\_

The insurance policies and endorsements indicated below have been issued to the designated named insured with the policy limits as set forth herein covering the operation described within the Contract involving the named insured and the City of Chicago. The Certificate issuer agrees that in the event of cancellation, non-renewal or material change involving the indicated policies, the issuer will provide at least sixty (60) days prior written notice of such change to the City of Chicago at the address shown on this Certificate. This certificate is issued to the City of Chicago in consideration of the Contract entered into with the named insured, and it is mutually understood that the City of Chicago relies on this certificate as a basis for continuing such agreement with the named insured:

Type of Insurance	Insurer Name	Policy Number	Expiration Date	Limits of Liability All Limits in Thousands
General Liability <input type="checkbox"/> Claims made <input type="checkbox"/> Occurrence <input type="checkbox"/> Premises-Operations <input type="checkbox"/> Explosion/Collapse Underground <input type="checkbox"/> Products/Completed-Operations <input type="checkbox"/> Blanket Contractual <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Personal Injury <input type="checkbox"/> Pollution				CSL Per Occurrence \$ _____ General Aggregate \$ _____ Products/Completed Operations Aggregate \$ _____
Automobile Liability				CSL Per Occurrence \$ _____
<input type="checkbox"/> Excess Liability <input type="checkbox"/> Umbrella Liability				Each Occurrence \$ _____
Worker's Compensation and Employer's Liability				Statutory/Illinois Employers Liability \$ _____
Builders Risk/Course of Construction				Amount of Contract
Professional Liability				\$ _____
Owner Contractors Protective				\$ _____
Other				\$ _____

- a) Each Insurance policy required by this agreement, excepting policies for worker's compensation and professional liability, will read: "The City of Chicago is an additional insured as respects operations and activities of, or on behalf of the named insured, performed under contract with or permit from the City of Chicago."
- b) The General, Automobile and Excess/Umbrella Liability Policies described provide for severability of Interest (cross liability) applicable to the named insured and the City.
- c) Workers Compensation and Property Insurers shall waive all rights of subrogation against the City of Chicago.
- d) The receipt of this certificate by the City does not constitute agreement by the City that the insurance requirements in the Contract have been fully met, or that the insurance policies indicated by this certificate are in compliance with all contract requirements.

Name and Address of Certificate Holder and Recipient of Notice	Signature of Authorized Rep. _____
Certificate Holder/Additional Insured	Agency/Company: _____
City of Chicago Department of Procurement Services 121 N. LaSalle St., #403 Chicago, IL 60602	Address: _____
	Telephone: _____

**For City use only**

Name of City Department requesting certificate: (Using Dept.): \_\_\_\_\_

Address: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ Attention: \_\_\_\_\_



**EXHIBIT 9**

**CITY OF CHICAGO  
SAMPLE PROFESSIONAL SERVICES AGREEMENT**

**Contract (PO) No** \_\_\_\_\_  
**Specification No.** \_\_\_\_\_  
**Vendor No.** \_\_\_\_\_

**PROFESSIONAL SERVICES AGREEMENT**

**BETWEEN**

**THE CITY OF CHICAGO**  
**DEPARTMENT OF** \_\_\_\_\_

**AND**

\_\_\_\_\_  
**(Company Name)**



\_\_\_\_\_  
**(Subject of Agreement)**

**RAHM EMANUEL**  
**MAYOR**

**PROFESSIONAL SERVICES AGREEMENT**

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**List of Exhibits**

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EXHIBIT 2	SCHEDULE OF COMPENSATION
EXHIBIT 3	SPECIAL CONDITIONS REGARDING MBE/WBE COMMITMENT AND SCHEDULES
EXHIBIT 4	ONLINE ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT CERTIFICATE OF FILING
EXHIBIT 5	INSURANCE REQUIREMENTS AND EVIDENCE OF INSURANCE
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EXHIBIT 7	LIST OF KEY PERSONNEL
EXHIBIT 8	PROVISIONS REQUIRED IF FEDERAL FUNDS ARE INVOLVED

**AGREEMENT**

This Agreement is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ ("**Effective Date**") by and between \_\_\_\_\_, a \_\_\_\_\_ corporation ("**Consultant**"), and the City of Chicago, a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of \_\_\_\_\_ ("**City**"), at Chicago, Illinois. The City and Consultant agree as follows:

**BACKGROUND INFORMATION**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Consultant warrants that it is ready, willing and able to perform as of the effective date of this Agreement to the full satisfaction of the City.

NOW, THEREFORE, the City and the Consultant agree as follows:

**ARTICLE 1. INCORPORATION OF BACKGROUND INFORMATION**

The Background Information set forth above is incorporated and made a part of this Agreement by reference.

**TERMS AND CONDITIONS**

**ARTICLE 2. DEFINITIONS**

**2.1 Definitions**

The following words and phrases have the following meanings for purposes of this Agreement:

"**Additional Services**" means those services, which are within the general scope of Services of this Agreement, but beyond the description of services required under Section 3.1, and all services reasonably necessary to complete the Additional Services to the standards of performance required by this Agreement. Any Additional Services requested by the Department require the approval of the City in a written amendment under Section 10.3 of this Agreement before Consultant is obligated to perform those Additional Services and before the City becomes obligated to pay for those Additional Services.

"**Agreement**" means this Professional Services Agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.

"**Chief Procurement Officer**" means the Chief Procurement Officer of the City and any representative duly authorized in writing to act on his behalf.

"**Commissioner**" means the Commissioner of the Department of \_\_\_\_\_, and any representative authorized in writing to act on the Commissioner's behalf.

"**Department**" means the City Department of \_\_\_\_\_.

**"Services"** means, collectively, the services, duties and responsibilities described in Article 3 and Exhibit 1 of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

**"Subcontractor"** means any person or entity with whom Consultant contracts to provide any part of the Services, including subcontractors and subconsultants of any tier, suppliers and materials providers, whether or not in privity with Consultant.

**2.2 Interpretation**

(a) The term **"include"** (in all its forms) means "include, without limitation" unless the context clearly states otherwise.

(b) All references in this Agreement to Articles, Sections or Exhibits, unless otherwise expressed or indicated are to the Articles, Sections or Exhibits of this Agreement.

(c) Words importing persons include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the text of the Articles and Sections of this Agreement, and any table of contents or marginal notes appended to it, are solely for convenience or reference and do not constitute a part of this Agreement, nor do they affect the meaning, construction or effect of this Agreement.

(e) Words importing the singular include the plural and vice versa. Words of the masculine gender include the correlative words of the feminine and neuter genders.

(f) All references to a number of days mean calendar days, unless indicated otherwise.

**2.3 Incorporation of Exhibits**

The following attached Exhibits are made a part of this Agreement:

Exhibit 1	Scope of Services and Time Limits for Performance
Exhibit 2	Schedule of Compensation
Exhibit 3	Special Conditions Regarding MBE/WBE Commitment and Schedules
Exhibit 4	Online Economic Disclosure Statement and Affidavit Certificate of Filing
Exhibit 5	Insurance Requirements and Evidence of Insurance
Exhibit 6	Contractual Requirements Related to HIPAA
Exhibit 7	List of Key Personnel
Exhibit 8	Provisions Required If Federal Funds Are Involved

**ARTICLE 3. DUTIES AND RESPONSIBILITIES OF CONSULTANT**

**3.1 Scope of Services**

This description of Services is intended to be general in nature and is neither a complete description of Consultant's Services nor a limitation on the Services that Consultant is to provide under this Agreement. Consultant must provide the Services in accordance with the standards of performance set forth in Section 3.3. The Services that Consultant must provide are described in Exhibit 1, Scope of Services and Time Limits for Performance.

**3.2 Deliverables**

In carrying out its Services, Consultant must prepare or provide to the City various Deliverables. "**Deliverables**" include work product, such as written reviews, recommendations, reports and analyses, produced by Consultant for the City.

The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Consultant has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Consultant of its failure. If Consultant does not correct the failure, if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement under Section 9.1.

Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose for the benefit of the City and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Consultant of its obligations under this Agreement.

### **3.3 Standard of Performance**

Consultant must perform all Services required of it under this Agreement with that degree of skill, care and diligence normally shown by a consultant performing services of a scope and purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. Consultant acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Consultant agrees to be held to the standard of care of a fiduciary. Any review, approval, acceptance of Services or Deliverables or payment for any of the Services by the City does not relieve Consultant of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Consultant under this Agreement, at law or in equity.

Consultant must be appropriately licensed to perform the Services, if required by law, and must ensure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed as may be required by law. Consultant must provide copies of any such licenses. Consultant remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Consultant or its Subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Department and delivered in a timely manner consistent with the requirements of this Agreement.

If Consultant fails to comply with the foregoing standards, Consultant must, at the City's option, perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure, unless the reason is failure to have and maintain required licensure. See subsection 9.1 (b)(ii) regarding failure to comply with licensure requirements.

### **3.4 Personnel**

#### **(a) Adequate Staffing**

Consultant must, upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension of it an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services. Consultant must include among its staff the Key Personnel and positions as identified below. The level of staffing may be revised from time to time by notice in writing from Consultant to the City and with prior written consent of the City.

#### **(b) Key Personnel**



Consultant must not reassign or replace Key Personnel without the written consent of the City. "**Key Personnel**" means those job titles and the persons assigned to those positions in accordance with the provisions of this Section 3.4(b). The Department may at any time in writing notify Consultant that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice Consultant must immediately suspend the key person or persons from performing Services under this Agreement and must replace him or them in accordance with the terms of this Agreement. Key Personnel, if any, are identified in Exhibit 7.

(c) **Salaries and Wages**

Consultant and Subcontractors must pay all salaries and wages due all employees performing Services under this Agreement unconditionally and at least once a month without deduction or rebate on any account, except only for those payroll deductions that are mandatory by law or are permitted under applicable law and regulations. If in the performance of this Agreement Consultant underpays any such salaries or wages, the Comptroller for the City may withhold, out of payments due to Consultant, an amount sufficient to pay to employees underpaid the difference between the salaries or wages required to be paid under this Agreement and the salaries or wages actually paid these employees for the total number of hours worked. The amounts withheld may be disbursed by the Comptroller for and on account of Consultant to the respective employees to whom they are due. The parties acknowledge that this Section 3.4(c) is solely for the benefit of the City and that it does not grant any third party beneficiary rights.

**3.5 Minority and Women's Business Enterprises Commitment**

In the performance of this Agreement, including the procurement and lease of materials or equipment, Consultant must abide by the minority and women's business enterprise commitment requirements of the Municipal Code of Chicago ("**Municipal Code**"), §§ 2-92-420 *et seq.* (1990), except to the extent waived by the Chief Procurement Officer and the Special Conditions Regarding MBE/WBE Commitment set forth in Exhibit 3. Consultant's completed Schedules C-1 and D-1 in Exhibit 3, evidencing its compliance with this requirement, are a part of this Agreement, upon acceptance by the Chief Procurement Officer. Consultant must utilize minority and women's business enterprises at the greater of the amounts listed in those Schedules C-1 and D-1 or the percentages listed in them as applied to all payments received from the City.

**3.6 Insurance**

Consultant must provide and maintain at Consultant's own expense, during the term of this Agreement and any time period following expiration if Consultant is required to return and perform any of the Services or Additional Services under this Agreement, the insurance coverages and requirements specified in Exhibit 5 of this Agreement, insuring all operations related to this Agreement.

**3.7 Indemnification**

(a) Consultant must defend, indemnify, and hold harmless the City, its officers, representatives, elected and appointed officials, agents and employees from and against any and all Losses, including those related to:

- (i) injury, death or damage of or to any person or property;
- (ii) any infringement or violation of any property right (including any patent, trademark or copyright);

(iii) Consultant's failure to perform or cause to be performed Consultant's promises and obligations as and when required under this Agreement, including Consultant's failure to perform its obligations to any Subcontractor;

(iv) the City's exercise of its rights and remedies under Section 9.2 of this Agreement; and

(v) injuries to or death of any employee of Consultant or any Subcontractor under any workers compensation statute.

(b) "Losses" means, individually and collectively, liabilities of every kind, including losses, damages and reasonable costs, payments and expenses (such as, but not limited to, court costs and reasonable attorneys' fees and disbursements), claims, demands, actions, suits, proceedings, judgments or settlements, any or all of which in any way arise out of or relate to Consultant's breach of this Agreement or to Consultant's negligent or otherwise wrongful acts or omissions or those of its officers, agents, employees, consultants, Subcontractors or licensees.

(c) At the City Corporation Counsel's option, Consultant must defend all suits brought upon all such Losses and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving Consultant of any of its obligations under this Agreement. Any settlement must be made only with the prior written consent of the City Corporation Counsel, if the settlement requires any action on the part of the City.

(d) To the extent permissible by law, Consultant waives any limits to the amount of its obligations to defend, indemnify, hold harmless, or contribute to any sums due under any Losses, including any claim by any employee of Consultant that may be subject to the Workers Compensation Act, 820 ILCS 305/1 *et seq.* or any other related law or judicial decision (such as, *Kotecki v. Cyclops Welding Corporation*, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Illinois Workers Compensation Act, the Illinois Pension Code, any other statute or judicial decision.

(e) The indemnities in this section survive expiration or termination of this Agreement for matters occurring or arising during the term of this Agreement or as the result of or during Consultant's performance of Services beyond the term. Consultant acknowledges that the requirements set forth in this section to defend, indemnify, and hold harmless the City are apart from and not limited by the Consultant's duties under this Agreement, including the insurance requirements in Exhibit 5 of this Agreement.

### **3.8 Ownership of Documents**

All Deliverables, data, findings or information in any form prepared, assembled or encountered by or provided to Consultant under this Agreement are property of the City, including, as further described in Section 3.9 below, all copyrights inherent in them or their preparation. During performance of its Services, Consultant is responsible for any loss or damage to the Deliverables, data, findings or information while in Consultant's or any Subcontractor's possession. Any such lost or damaged Deliverables, data, findings or information must be restored at the expense of Consultant. If not restorable, Consultant must bear the cost of replacement and of any loss suffered by the City on account of the destruction, as provided in Section 3.7.

### **3.9 Copyright Ownership**

Consultant and the City intend that, to the extent permitted by law, the Deliverables to be produced by Consultant at the City's instance and expense under this Agreement are conclusively deemed "works made for hire" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. §101 *et seq.*, and that the City will be the sole copyright owner of the

Deliverables and of all aspects, elements and components of them in which copyright can subsist, and of all rights to apply for copyright registration or prosecute any claim of infringement.

To the extent that any Deliverable does not qualify as a "work made for hire," Consultant hereby irrevocably grants, conveys, bargains, sells, assigns, transfers and delivers to the City, its successors and assigns, all right, title and interest in and to the copyrights and all U.S. and foreign copyright registrations, copyright applications and copyright renewals for them, and other intangible, intellectual property embodied in or pertaining to the Deliverables prepared for the City under this Agreement, and all goodwill relating to them, free and clear of any liens, claims or other encumbrances, to the fullest extent permitted by law. Consultant will, and will cause all of its Subcontractors, employees, agents and other persons within its control to, execute all documents and perform all acts that the City may reasonably request in order to assist the City in perfecting its rights in and to the copyrights relating to the Deliverables, at the sole expense of the City. Consultant warrants to the City, its successors and assigns, that on the date of transfer Consultant is the lawful owner of good and marketable title in and to the copyrights for the Deliverables and has the legal rights to fully assign them. Consultant further warrants that it has not assigned and will not assign any copyrights and that it has not granted and will not grant any licenses, exclusive or nonexclusive, to any other party, and that it is not a party to any other agreements or subject to any other restrictions with respect to the Deliverables. Consultant warrants that the Deliverables are complete, entire and comprehensive, and that the Deliverables constitute a work of original authorship.

### **3.10 Records and Audits**

#### **(a) Records**

(i) Consultant must deliver or cause to be delivered to the City all documents, including all Deliverables prepared for the City under the terms of this Agreement, promptly in accordance with the time limits prescribed in this Agreement, and if no time limit is specified, then upon reasonable demand for them or upon termination or completion of the Services under this Agreement. If Consultant fails to make such delivery upon demand, then Consultant must pay to the City any damages the City may sustain by reason of Consultant's failure.

(ii) Consultant must maintain any such records including Deliverables not delivered to the City or demanded by the City for a period of 5 years after the final payment made in connection with this Agreement. Consultant must not dispose of such documents following the expiration of this period without notification of and written approval from the City in accordance with Article 11.

#### **(b) Audits**

(i) Consultant and any of Consultant's Subcontractors must furnish the Department with all information that may be requested pertaining to the performance and cost of the Services. Consultant must maintain records showing actual time devoted and costs incurred. Consultant must keep books, documents, papers, records and accounts in connection with the Services open to audit, inspection, copying, abstracting and transcription and must make these records available to the City and any other interested governmental agency, at reasonable times during the performance of its Services.

(ii) To the extent that Consultant conducts any business operations separate and apart from the Services required under this Agreement using, for example, personnel, equipment, supplies or facilities also used in connection with this Agreement, then Consultant must maintain and make similarly available to the City detailed records supporting Consultant's allocation to this Agreement of the costs and expenses attributable to any such shared usages.

(iii) Consultant must maintain its books, records, documents and other evidence and adopt accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the performance of this Agreement. This system of accounting must be in accordance with generally accepted accounting principles and practices, consistently applied throughout.

(iv) No provision in this Agreement granting the City a right of access to records and documents is intended to impair, limit or affect any right of access to such records and documents which the City would have had in the absence of such provisions.

(v) The City may in its sole discretion audit the records of Consultant or its Subcontractors, or both, at any time during the term of this Agreement or within five years after the Agreement ends, in connection with the goods, work, or Services provided under this Agreement. Each calendar year or partial calendar year is considered an audited period. If, as a result of any such audit, it is determined that Consultant or any of its Subcontractors has overcharged the City in the audited period, the City will notify Consultant. Consultant must then promptly reimburse the City for any amounts the City has paid Consultant due to the overcharges and also some or all of the cost of the audit, as follows:

A. If the audit has revealed overcharges to the City representing less than 5% of the total value, based on the Agreement prices, of the goods, work, or Services provided in the audited period, then the Consultant must reimburse the City for 50% of the cost of the audit and 50% of the cost of each subsequent audit that the City conducts;

B. If, however, the audit has revealed overcharges to the City representing 5% or more of the total value, based on the Agreement prices, of the goods, work, or Services provided in the audited period, then Consultant must reimburse the City for the full cost of the audit and of each subsequent audit.

Failure of Consultant to reimburse the City in accordance with subsection A or B above is an event of default under Section 9.1 of this Agreement, and Consultant will be liable for all of the City's costs of collection, including any court costs and attorneys' fees.

### **3.11 Confidentiality**

(a) All Deliverables and reports, data, findings or information in any form prepared, assembled or encountered by or provided by Consultant under this Agreement are property of the City and are confidential, except as specifically authorized in this Agreement or as may be required by law. Consultant must not allow the Deliverables to be made available to any other individual or organization without the prior written consent of the City. Further, all documents and other information provided to Consultant by the City are confidential and must not be made available to any other individual or organization without the prior written consent of the City. Consultant must implement such measures as may be necessary to ensure that its staff and its Subcontractors are bound by the confidentiality provisions in this Agreement.

(b) Consultant must not issue any publicity news releases or grant press interviews, and except as may be required by law during or after the performance of this Agreement, disseminate any information regarding its Services or the project to which the Services pertain without the prior written consent of the Commissioner.

(c) If Consultant is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any records, data or documents which may be in Consultant's possession by reason of this Agreement, Consultant must immediately give notice to the Commissioner and the Corporation Counsel for the City with the understanding that the City will have the opportunity to contest such process by any means available to it before the records, data or documents are submitted to a court or other third party. Consultant, however, is not obligated to withhold the delivery beyond the time ordered by a court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

(d) HIPAA and AIDS Confidentiality Act. To the extent not defined here the capitalized terms below and in Exhibit 6 will have the same meaning as set forth in the Health Insurance Portability and Accountability Act (Act). See 45 CFR parts 160, 162 and 164. Consultant and all its Subcontractors must

comply with the Act and all rules and regulations applicable to it including the Privacy Rule, which sets forth the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164 subparts A and E; the Standards for Electronic Transactions, which are located at 45 CFR parts 160 and 162 and the Security Standards, which are located at 45 CFR parts 160, 162 and 164. Consultant must also comply with the Illinois AIDS Confidentiality Act (410 ILCS 305/1 through 16) and the rules and regulations of the Illinois Department of Public Health promulgated under it. If Consultant fails to comply with the applicable provisions under the ACT or the Illinois AIDS Confidentiality Act, such failure will constitute an event of default under this Agreement for which no opportunity for cure will be provided.

Additionally, if Consultant is a Business Associate it must comply with all requirements of the Act applicable to Business Associates including the provisions contained in Exhibit 6.

### **3.12 Assignments and Subcontracts**

(a) Consultant must not assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement: (i) unless otherwise provided for elsewhere in this Agreement; or (ii) without the express written consent of the Chief Procurement Officer and the Department. The absence of such a provision or written consent voids the attempted assignment, delegation or transfer and is of no effect as to the Services or this Agreement. No approvals given by the Chief Procurement Officer, including approvals for the use of any Subcontractors, operate to relieve Consultant of any of its obligations or liabilities under this Agreement.

(b) All Subcontractors are subject to the prior approval of the Chief Procurement Officer. Approval for the use of any Subcontractor in performance of the Services is conditioned upon performance by the Subcontractor in accordance with the terms and conditions of this Agreement. If any Subcontractor fails to perform the Services in accordance with the terms and conditions of this Agreement to the satisfaction of the Department, the City has the absolute right upon written notification to immediately rescind approval and to require the performance of this Agreement by Consultant personally or through any other City-approved Subcontractor. Any approval for the use of Subcontractors in the performance of the Services under this Agreement under no circumstances operates to relieve Consultant of any of its obligations or liabilities under this Agreement.

(c) Consultant, upon entering into any agreement with a Subcontractor, must furnish upon request of the Chief Procurement Officer or the Department a copy of its agreement. Consultant must ensure that all subcontracts contain provisions that require the Services be performed in strict accordance with the requirements of this Agreement, provide that the Subcontractors are subject to all the terms of this Agreement and are subject to the approval of the Department and the Chief Procurement Officer. If the agreements do not prejudice any of the City's rights under this Agreement, such agreements may contain different provisions than are provided in this Agreement with respect to extensions of schedule, time of completion, payments, guarantees and matters not affecting the quality of the Services.

(d) Consultant must not transfer or assign any funds or claims due or to become due under this Agreement without the prior written approval of the Chief Procurement Officer. The attempted transfer or assignment of any funds, either in whole or in part, or any interest in them, which are due or to become due to Consultant under this Agreement, without such prior written approval, has no effect upon the City.

(e) Under § 2-92-245 of the Municipal Code, the Chief Procurement Officer may make direct payments to Subcontractors for Services performed under this Agreement. Any such payment has the same effect as if the City had paid Consultant that amount directly. Such payment by the City to Consultant's Subcontractor under no circumstances operates to relieve Consultant of any of its obligations or liabilities under this Agreement. This section is solely for the benefit of the City and does not grant any third party beneficiary rights.

(f) The City reserves the right to assign or otherwise transfer all or any part of its interests under this Agreement to any successor.

## **ARTICLE 4. DURATION OF AGREEMENT**

### **4.1 Term of Performance**

This Agreement takes effect as of the Effective Date and continues, except as provided under Sections 5.4 or Article 9, until the later of (i) \_\_\_\_\_, as that date may be extended under Section 4.3, or (ii) completion of the final task assigned before the date, if and as extended, in (i).

### **4.2 Timeliness of Performance**

(a) Consultant must provide the Services and Deliverables within the time limits required under any task order or request for services pursuant to the provisions of Section 3.1 and Exhibit 1. **Further, Consultant acknowledges that TIME IS OF THE ESSENCE and that the failure of Consultant to comply with the required time limits may result in economic or other losses to the City.**

(b) Neither Consultant nor Consultant's agents, employees or Subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other losses or expenses incurred by Consultant by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.

### **4.3 Agreement Extension Option**

This Agreement will be in effect for the dates indicated within this Agreement for a \_\_\_\_\_ month term. The Chief Procurement Officer may exercise the City's right to extend this Agreement following the expiration of the base Agreement term for up to \_\_\_\_\_ months, subject to acceptable performance by the Consultant and contingent upon the appropriation of sufficient funds for the procurement of services provided for in this Agreement.

Before expiration of the then current Agreement term, the Chief Procurement Officer will give the Consultant notice, in writing, that the City is exercising its option to renew the Agreement for the approaching option period. The date on which the Chief Procurement Officer gives notice is the date the notice is mailed, if it is mailed, or the date the notice is delivered, if sent by courier or messenger service.

With the same amount of notice as for options, the City reserves the right to extend the Agreement for a period of no more than one hundred eighty-one (181) calendar days, either in lieu of exercising an option period or following the exhaustion of all option periods, for the purpose of providing continuity of service while procuring a replacement contract.

## **ARTICLE 5. COMPENSATION**

### **5.1 Basis of Payment**

The City will pay Consultant according to the Schedule of Compensation in the attached Exhibit 2 for the completion of the Services in accordance with this Agreement, including the standard of performance in Section 3.3.

### **5.2 Method of Payment**

Consultant must submit monthly invoices to the City for costs billed, as outlined in the Schedule of Compensation in Exhibit 2. The invoices must be in such detail as the City requests. The City will process payment within 60 days after receipt of invoices and all supporting documentation necessary for the City to verify the Services provided under this Agreement.

### **5.3 Invoices**

This contract is subject to Centralized Invoice Processing ("CIP"). Invoices must be submitted directly to the Comptroller's office by US Postal Service mail to the following address:

INVOICES  
City of Chicago, Office of the City Comptroller  
33 N. LaSalle St., Room 700  
Chicago, IL 60602

OR

Via email to: [INVOICES@cityofchicago.org](mailto:INVOICES@cityofchicago.org) with the word INVOICE in the subject line.

All invoices must be signed, marked "original," and include the following information or payment will be delayed:

- Invoice number and date
- Contract/Purchase Order number
- Blanket Release number (if applicable)
- Vendor name and/or number
- Remittance address
- Name of City Department that ordered the goods or services
- Name and phone number of your contact at the ordering department
- Invoice quantities, commodity codes, description of deliverable(s)
- Amount due
- Receipt number (provided by the ordering department after delivery of goods/services)

Invoice quantities, service description, unit of measure, pricing and/or catalog information must correspond to the terms of the compensation schedule.

If applicable, if invoicing Price List/Catalog items, indicate Price List/Catalog number, item number, Price List/Catalog date, and Price List/Catalog page number on the invoice. Invoices for over-shipments or items with price/wage escalations will be rejected unless the Contract includes a provision for such an adjustment.

Freight, handling and shipping costs are not to be invoiced; deliveries are to be made F.O.B., City of Chicago. As stated the City of Chicago is exempt from paying State of Illinois sales tax and Federal excise taxes on purchases.

If required, Subcontractor Payment Certification forms must be mailed to the department that ordered the goods or services.

### **5.4 Taxes**

Federal Excise Tax does not apply to materials purchased by the City of Chicago by virtue of Exemption Certificate No. 36-6005820 and State of Illinois Sales Tax does not apply by virtue of Exemption Certificate No. E9998-1874-07. Illinois Retailers Occupation Tax, Use Tax, and Municipal Retailers Occupation Tax do not apply to materials or services purchased by the City of Chicago by virtue

of Statute. The price or prices quoted herein shall include all other Federal and/or State, direct and/or indirect taxes which apply. The prices quoted herein shall comply with all Federal laws and regulations.

### **5.5 Funding**

The source of funds for payments under this Agreement is Fund number \_\_\_\_\_. Payments under this Agreement must not exceed \$\_\_\_\_\_ without a written amendment in accordance with Section 10.3. Funding for this Agreement is subject to the availability of funds and their appropriation by the City Council of the City.

### **5.6 Non-Appropriation**

If no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, then the City will notify Consultant in writing of that occurrence, and this Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. Payments for Services completed to the date of notification will be made to Consultant except that no payments will be made or due to Consultant under this Agreement beyond those amounts appropriated and budgeted by the City to fund payments under this Agreement.

### **5.7 Subcontractor Payments**

The Consultant will be responsible for reporting payments to all Subcontractors on a monthly basis in the form of an electronic audit. Upon the first payment issued by the City of Chicago to the Consultant for services performed, on the first day of each month and every month thereafter, e-mail and/or fax audit notifications will be sent out to the Consultant with instructions to report payments that have been made in the prior month to each Subcontractor. The reporting of payments to all Subcontractors must be entered into the Certification and Compliance Monitoring System (C2), or whatever reporting system is currently in place, on or before the fifteenth (15th) day of each month.

Once the Consultant has reported payments made to each MBE and WBE, including zero dollar amount payments, the MBE and WBE will receive an e-mail and/or fax notification requesting them to log onto the system and confirm payments received. All monthly confirmations must be reported on or before the 20th day of each month. Consultant and Subcontractor reporting to the C2 system must be completed by the 25th of each month or payments may be withheld.

Access to the Certification and Compliance Monitoring System (C2), which is a web based reporting system, can be found at <https://chicago.mwdbe.com>.

## **ARTICLE 6. DISPUTES**

Except as otherwise provided in this Agreement, Consultant must and the City may bring any dispute arising under this Agreement which is not resolved by the parties to the Chief Procurement Officer for decision based upon the written submissions of the parties. (A copy of the "Regulations of the Department of Procurement Services for Resolution of Disputes between Contractors and the City of Chicago" is available in City Hall, 121 N. LaSalle Street, Room 301, Bid and Bond Room, Chicago, Illinois 60602.) The Chief Procurement Officer will issue a written decision and send it to the Consultant by mail. The decision of the Chief Procurement Officer is final and binding. The sole and exclusive remedy to challenge the decision of the Chief Procurement Officer is judicial review by means of a common law writ of certiorari.



## **ARTICLE 7. COMPLIANCE WITH ALL LAWS**

### **7.1 Compliance with All Laws Generally**

(a) Consultant must observe and comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later and whether or not they appear in this Agreement, including those set forth in this Article 7, and Consultant must pay all taxes and obtain all licenses, certificates and other authorizations required by them. Consultant must require all Subcontractors to do so, also. Further, Consultant must execute an online Economic Disclosure Statement and Affidavit ("EDS") which includes a Disclosure of Retained Parties. Submit an electronically signed, one page Certificate of Filing to Exhibit 4 which validates that the EDS has been filed. The web address to submit your EDS is <http://webapps.cityofchicago.org/EDSWeb>. Notwithstanding acceptance by the City of the EDS, Consultant's failure in the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Consultant must promptly update its online EDS(s) with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate.

(b) Notwithstanding anything in this Agreement to the contrary, references to a statute or law are considered to be a reference to (i) the statute or law as it may be amended from time to time; (ii) all regulations and rules pertaining to or promulgated pursuant to the statute or law; and (iii) all future statutes, laws, regulations, rules and executive orders pertaining to the same or similar subject matter.

(c) The Consultant will comply with Section 2-154-020 of the Municipal Code of Chicago. Failure by the Consultant or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of this Agreement.

### **7.2 Nondiscrimination**

#### **(a) Consultant**

Consultant must comply with applicable federal, state, and local laws and related regulations prohibiting discrimination against individuals and groups. If this Agreement is federally funded in whole or in part, additional provisions related to nondiscrimination may be set forth in Exhibit 8.

#### **(i) Federal Requirements**

Consultant must not engage in unlawful employment practices, such as (1) failing or refusing to hire or discharging any individual, or otherwise discriminating against any individual with respect to compensation or the terms, conditions, or privileges of the individual's employment, because of the individual's race, color, religion, sex, age, handicap/disability or national origin; or (2) limiting, segregating or classifying Consultant's employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee, because of the individual's race, color, religion, sex, age, handicap/disability or national origin.

Consultant must comply with, and the procedures Consultant utilizes and the Services Consultant provides under this Agreement must comply with, the Civil Rights Act of 1964, 42 U.S.C. sec. 2000e *et seq.* (1981), as amended and the Civil Rights Act of 1991, P.L. 102-166. Attention is called to: Exec. Order No. 11246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000e note, as amended by Exec. Order No. 11375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. §§ 6101-6106 (1981); Age Discrimination in Employment Act, 29 U.S.C. §§621-34; Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794 (1981); Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*; 41

C.F.R. Part 60 *et seq.* (1990); and all other applicable federal statutes, regulations and other laws.

(ii) **State Requirements**

Consultant must comply with, and the procedures Consultant utilizes and the Services Consultant provides under this Agreement must comply with, the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.* (1990), as amended and any rules and regulations promulgated in accordance with it, including the Equal Employment Opportunity Clause, 44 Ill. Admin. Code § 750 Appendix A. Furthermore, Consultant must comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 *et seq.* (1990), as amended, and all other applicable state statutes, regulations and other laws.

(iii) **City Requirements**

Consultant must comply with, and the procedures Consultant utilizes and the Services Consultant provides under this Agreement must comply with, the Chicago Human Rights Ordinance, ch. 2-160, Section 2-160-010 *et seq.* of the Municipal Code of Chicago (1990), as amended, and all other applicable City ordinances and rules.

(b) **Subcontractors**

Consultant must incorporate all of this Section 7.2 by reference in all agreements entered into with any suppliers of materials, furnisher of services, Subcontractors of any tier, and labor organizations that furnish skilled, unskilled and craft union skilled labor, or that may provide any such materials, labor or services in connection with this Agreement. Further, Consultant must furnish and must cause each of its Subcontractor(s) to furnish such reports and information as requested by the federal, state, and local agencies charged with enforcing such laws and regulations, including the Chicago Commission on Human Relations.

**7.3 Inspector General**

It is the duty of any bidder, proposer or Consultant, all Subcontractors, every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners and employees of any bidder, proposer, Consultant, Subcontractor or such applicant to cooperate with the Inspector General or Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 or 2-55, respectively, of the Municipal Code. Consultant understands and will abide by all provisions of Chapter 2-56 and 2-55 of the Municipal Code. All subcontracts must inform Subcontractors of the provision and require understanding and compliance with it.

**7.4 Office of Compliance**

It is the duty of any bidder, proposer, Consultant, Contractor, all Subcontractors, and every applicant for certification of eligibility for a City Agreement or program, and all officers, directors, agents, partners and employees of any bidder, proposer, consultant or such applicant to cooperate with the Office of Compliance in any investigation or audit pursuant to Chapter 2-26 of the Municipal Code of Chicago. The Consultant understands and will abide by all provisions of Chapter 2-26 of the Municipal Code of Chicago. All subcontracts will inform Subcontractors of this provision and require understanding and compliance with it.

**7.5 MacBride Ordinance**

The City of Chicago through the passage of the MacBride Principles Ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland.

In accordance with Section 2-92-580 of the Municipal Code of the City of Chicago, if Consultant conducts any business operations in Northern Ireland, the Consultant must make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

The provisions of this Section 7.5 do not apply to contracts for which the City receives funds administered by the United States Department of Transportation, except to the extent Congress has directed that the Department of Transportation not withhold funds from states and localities that choose to implement selective purchasing policies based on agreement to comply with the MacBride Principles for Northern Ireland, or to the extent that such funds are not otherwise withheld by the Department of Transportation.

### **7.6 Business Relationships with Elected Officials**

Pursuant to § 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. Violation of Section 2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement. The term business relationship is defined as set forth in § 2-156-080 of the Municipal Code.

Section 2-156-080 defines a "business relationship" as any contractual or other private business dealing of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a financial interest shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

### **7.7 Chicago "Living Wage" Ordinance**

(a) Section 2-92-610 of the Municipal Code provides for a living wage for certain categories of workers employed in the performance of City contracts, specifically non-City employed security guards, parking attendants, day laborers, home and health care workers, cashiers, elevator operators, custodial workers and clerical workers ("**Covered Employees**"). Accordingly, pursuant to Section 2-92-610 and regulations promulgated under it:

- (i) If Consultant has 25 or more full-time employees, and
- (ii) If at any time during the performance of this Agreement, Consultant and/or any Subcontractor or any other entity that provides any portion of the Services (collectively "**Performing Parties**") uses 25 or more full-time security guards, or any number of other full-time Covered Employees, then
- (iii) Consultant must pay its Covered Employees, and must ensure that all other Performing Parties pay their Covered Employees, not less than the minimum hourly

rate as determined in accordance with this provision (the "**Base Wage**") for all Services performed under this Agreement.

(b) Consultant's obligation to pay, and to ensure payment of, the Base Wage will begin at any time during the term of this Agreement when the conditions set forth in (a)(i) and (a)(ii) above are met, and will continue until the end of the term of this Agreement.

(c) As of July 1, 2011, the Base Wage is \$11.18 per hour, and each July 1 thereafter, the Base Wage will be adjusted using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. The currently applicable Base Wage is available from the Department of Procurement Services. At all times during the term of this Agreement, Consultant and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement, and the prevailing wages for Covered Employees are higher than the Base Wage, then Consultant and all other Performing Parties must pay the prevailing wage rates.

(d) Consultant must include provisions in all subcontracts requiring its Subcontractors to pay the Base Wage to Covered Employees. Consultant agrees to provide the City with documentation acceptable to the Chief Procurement Officer demonstrating that all Covered Employees, whether employed by Consultant or by a Subcontractor, have been paid the Base Wage, upon the City's request for such documentation. The City may independently audit Consultant and/or Subcontractors to verify compliance with this section. Failure to comply with the requirements of this section will be an event of default under this Agreement, and further, failure to comply may result in ineligibility for any award of a City contract or subcontract for up to 3 years.

(e) Not-for-Profit Corporations: If Consultant is a corporation having federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is recognized under Illinois not-for-profit law, then the provisions of subsections (a) through (d) above do not apply.

### **7.8 Environmental Warranties and Representations**

In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Consultant warrants and represents that it, and to the best of its knowledge, its subcontractors have not violated and are not in violation of the following sections of the Code (collectively, the Waste Sections):

- 7-28-390 Dumping on public way;
- 7-28-440 Dumping on real estate without permit;
- 11-4-1410 Disposal in waters prohibited;
- 11-4-1420 Ballast tank, bilge tank or other discharge;
- 11-4-1450 Gas manufacturing residue;
- 11-4-1500 Treatment and disposal of solid or liquid waste;
- 11-4-1530 Compliance with rules and regulations required;
- 11-4-1550 Operational requirements; and
- 11-4-1560 Screening requirements.

During the period while this Agreement is executory, Consultant's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole discretion of the Chief Procurement Officer. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This section does not limit Consultant's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect Consultant's eligibility for future contract awards.

#### **7.9 Prohibition on Certain Contributions**

Consultant agrees that Consultant, any person or entity who directly or indirectly has an ownership or beneficial interest in Consultant of more than 7.5 percent (**Owners**), spouses and domestic partners of such Owners, Contractor's subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any subcontractor of more than 7.5 percent (**Sub-owners**) and spouses and domestic partners of such Sub-owners (Consultant and all the other preceding classes of persons and entities are together, the **"Identified Parties"**), shall not make a contribution of any amount to the Mayor of the City of Chicago (**"Mayor"**) or to his political fundraising committee (i) after execution of this Agreement by Consultant, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Consultant and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Consultant represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached Consultant or the date Consultant approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Consultant agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Consultant agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Consultant agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Consultant violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, the Chief Procurement Officer may reject Contractor's bid.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Consultant is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the city council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.
  - 2. The partners have common or joint ownership of a residence.
  - 3. The partners have at least two of the following arrangements:
    - a. joint ownership of a motor vehicle;
    - b. a joint credit account;
    - c. a joint checking account;
    - d. a lease for a residence identifying both domestic partners as tenants.
  - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal code of Chicago, as amended."

#### **7.10 Firms Owned or Operated by Individuals with Disabilities**

The City encourages consultants to use Subcontractors that are firms owned or operated by individuals with disabilities, as defined by Section 2-92-586 of the Municipal Code of the City of Chicago, where not otherwise prohibited by federal or state law.

#### **7.11 Deemed Inclusion**

Provisions required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement are deemed inserted in this Agreement whether or not they appear in this Agreement or, upon application by either party, this Agreement will be amended to make the insertion; however, in no event will the failure to insert the provisions before or after this Agreement is signed prevent its enforcement.

#### **7.12 False Statements**

##### **(a) 1-21-010 False Statements**

Any person who knowingly makes a false statement of material fact to the city in violation of any statute, ordinance or regulation, or who knowingly falsifies any statement of material fact made in connection with an application, report, affidavit, oath, or attestation, including a statement of material fact made in connection with a bid, proposal, contract or economic disclosure statement or affidavit, is liable to the city for a civil penalty of not less than \$500.00 and not more than \$1,000.00, plus up to three times the amount of damages which the city sustains because of the person's violation of this section. A person who violates this section shall also be liable for the city's litigation and collection costs and attorney's fees.

The penalties imposed by this section shall be in addition to any other penalty provided for in the municipal code. (Added Coun. J. 12-15-04, p. 39915, § 1)

- (b) 1-21-020 Aiding and abetting.

Any person who aids, abets, incites, compels or coerces the doing of any act prohibited by this chapter shall be liable to the city for the same penalties for the violation. (Added Coun. J. 12-15-04, p. 39915, § 1)

- (c) 1-21-030 Enforcement.

In addition to any other means authorized by law, the corporation counsel may enforce this chapter by instituting an action with the department of administrative hearings. (Added Coun. J. 12-15-04, p. 39915, § 1)

## **ARTICLE 8. SPECIAL CONDITIONS**

### **8.1 Warranties and Representations**

In connection with signing and carrying out this Agreement, Consultant:

(a) warrants that Consultant is appropriately licensed under Illinois law to perform the Services required under this Agreement and will perform no Services for which a professional license is required by law and for which Consultant is not appropriately licensed;

(b) warrants it is financially solvent; it and each of its employees, agents and Subcontractors of any tier are competent to perform the Services required under this Agreement; and Consultant is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated in this Agreement;

(c) warrants that it will not knowingly use the services of any ineligible contractor or Subcontractor for any purpose in the performance of its Services under this Agreement;

(d) warrants that Consultant and its Subcontractors are not in default at the time this Agreement is signed, and have not been deemed by the Chief Procurement Officer to have, within 5 years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the City ;

(e) represents that it has carefully examined and analyzed the provisions and requirements of this Agreement; it understands the nature of the Services required; from its own analysis it has satisfied itself as to the nature of all things needed for the performance of this Agreement; this Agreement is feasible of performance in accordance with all of its provisions and requirements, and Consultant warrants it can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Agreement;

(f) represents that Consultant and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of § 2-92-320 of the Municipal Code , and in connection with it, and additionally in connection with the Illinois Criminal Code, 720 ILCS 5/33E as amended, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1;

(g) acknowledges that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under Sections 9.2 and 9.3 of this Agreement; and

(h) warrants and represents that neither Consultant nor an Affiliate of Consultant (as defined below) appears on the Specially Designated Nationals List, the Denied Persons List, the unverified List, the Entity List, or the Debarred List as maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the Bureau of Industry and Security of the U.S. Department of

Commerce (or their successors), or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment. "Affiliate of Consultant" means a person or entity that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with Consultant. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity (either acting individually or acting jointly or in concert with others) whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

## **8.2 Ethics**

(a) In addition to the foregoing warranties and representations, Consultant warrants:

(i) no officer, agent or employee of the City is employed by Consultant or has a financial interest directly or indirectly in this Agreement or the compensation to be paid under this Agreement except as may be permitted in writing by the Board of Ethics established under Chapter 2-156 of the Municipal Code .

(ii) no payment, gratuity or offer of employment will be made in connection with this Agreement by or on behalf of any Subcontractors to Consultant or higher tier Subcontractors or anyone associated with them, as an inducement for the award of a subcontract or order.

(b) Consultant further acknowledges that any Agreement entered into, negotiated or performed in violation of any of the provisions of Chapter 2-156 is voidable as to the City.

## **8.3 Joint and Several Liability**

If Consultant, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination of them), then under this Agreement, each and without limitation every obligation or undertaking in this Agreement to be fulfilled or performed by Consultant is the joint and several obligation or undertaking of each such individual or other legal entity.

## **8.4 Business Documents**

At the request of the City, Consultant must provide copies of its latest articles of incorporation, by-laws and resolutions, or partnership or joint venture agreement, as applicable.

## **8.5 Conflicts of Interest**

(a) No member of the governing body of the City or other unit of government and no other officer, employee or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement pertains is permitted to have any personal interest, direct or indirect, in this Agreement. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee is allowed to be admitted to any share or part of this Agreement or to any financial benefit to arise from it.

(b) Consultant represents that it, and to the best of its knowledge, its Subcontractors if any (Consultant and Subcontractors will be collectively referred to in this Section 8.5 as "**Consulting Parties**"), presently have no direct or indirect interest and will not acquire any direct or indirect interest in any project or contract that would conflict in any manner or degree with the performance of its Services under this Agreement.

(c) Upon the request of the City, Consulting Parties must disclose to the City their past client lists and the names of any clients with whom they have an ongoing relationship. Consulting Parties are not permitted to perform any Services for the City on applications or other documents submitted to the



City by any of Consulting Parties' past or present clients. If Consulting Parties become aware of a conflict, they must immediately stop work on the assignment causing the conflict and notify the City.

(d) Without limiting the foregoing, if the Consulting Parties assist the City in determining the advisability or feasibility of a project or in recommending, researching, preparing, drafting or issuing a request for proposals or bid specifications for a project, the Consulting Parties must not participate, directly or indirectly, as a prime, subcontractor or joint venturer in that project or in the preparation of a proposal or bid for that project during the term of this Agreement or afterwards. The Consulting Parties may, however, assist the City in reviewing the proposals or bids for the project if none of the Consulting Parties have a relationship with the persons or entities that submitted the proposals or bids for that project.

(e) Further, Consulting Parties must not assign any person having any conflicting interest to perform any Services under this Agreement or have access to any confidential information, as described in Section 3.11 of this Agreement. If the City, by the Commissioner in his reasonable judgment, determines that any of Consulting Parties' services for others conflict with the Services that Consulting Parties are to render for the City under this Agreement, Consulting Parties must terminate such other services immediately upon request of the City.

(f) Furthermore, if any federal funds are to be used to compensate or reimburse Consultant under this Agreement, Consultant represents that it is and will remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990, 31 U.S.C. § 1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff. (1989), as amended. If federal funds are to be used, Consultant must execute a Certification Regarding Lobbying, which is part of the EDS and incorporated by reference as if fully set forth here.

#### **8.6 Non-Liability of Public Officials**

Consultant and any assignee or Subcontractor of Consultant must not charge any official, employee or agent of the City personally with any liability or expenses of defense or hold any official, employee or agent of the City personally liable to them under any term or provision of this Agreement or because of the City's execution, attempted execution or any breach of this Agreement.

#### **8.7 EDS / Certification Regarding Suspension and Debarment**

Consultant certifies, as further evidenced in the EDS attached as Exhibit 4, by its acceptance of this Agreement that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant further agrees by executing this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If Consultant or any lower tier participant is unable to certify to this statement, it must attach an explanation to the Agreement.

### **ARTICLE 9. EVENTS OF DEFAULT, REMEDIES, TERMINATION, SUSPENSION AND RIGHT TO OFFSET**

#### **9.1 Events of Default Defined**

The following constitute events of default:

(a) Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by Consultant to the City.

(b) Consultant's failure to perform any of its obligations under this Agreement including the following:

- (i) Failure to perform the Services with sufficient personnel and equipment or with sufficient material to ensure the timely performance of the Services;
- (ii) Failure to have and maintain all professional licenses required by law to perform the Services;
- (iii) Failure to timely perform the Services;
- (iv) Failure to perform the Services in a manner reasonably satisfactory to the Commissioner or the Chief Procurement Officer or inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
- (v) Failure to promptly re-perform, as required, within a reasonable time and at no cost to the City, Services that are rejected as erroneous or unsatisfactory;
- (vi) Discontinuance of the Services for reasons within Consultant's reasonable control;
- (vii) Failure to comply with Section 7.1 in the performance of the Agreement;
- (viii) Failure promptly to update EDS(s) furnished in connection with this Agreement when the information or responses contained in it or them is no longer complete or accurate; and
- (ix) Any other acts specifically stated in this Agreement as constituting an act of default.

(c) Any change in ownership or control of Consultant without the prior written approval of the Chief Procurement Officer (when such prior approval is permissible by law), which approval the Chief Procurement Officer will not unreasonably withhold.

(d) Consultant's default under any other agreement it may presently have or may enter into with the City for the duration of this Agreement. Consultant acknowledges that in the event of a default under this Agreement the City may also declare a default under any such other agreements.

(e) Consultant's violation of City ordinance(s) unrelated to performance under the Agreement such that, in the opinion of the Chief Procurement Officer, it indicates a willful or reckless disregard for City laws and regulations.

(f) Consultant's failure to update its EDS to reflect any changes in information, including changes in ownership, and to provide it to the City as provided under Section 7.1(a).

## **9.2 Remedies**

(a) **Notices.** The occurrence of any event of default permits the City, at the City's sole option, to declare Consultant in default. The Chief Procurement Officer may in his sole discretion give Consultant an opportunity to cure the default within a certain period of time, which period of time must not exceed 30 days unless extended by the Chief Procurement Officer. Whether to declare Consultant in default is within the sole discretion of the Chief Procurement Officer and neither that decision nor the factual basis for it is subject to review or challenge under the Disputes provision of this Agreement.

The Chief Procurement Officer will give Consultant written notice of the default, either in the form of a cure notice ("**Cure Notice**"), or, if no opportunity to cure will be granted, a default notice ("**Default**

**Notice**"). If the Chief Procurement Officer gives a Default Notice, he will also indicate any present intent he may have to terminate this Agreement, and the decision to terminate is final and effective upon giving the notice. If the Chief Procurement Officer decides not to terminate, this decision will not preclude him from later deciding to terminate the Agreement in a later notice, which will be final and effective upon the giving of the notice or on the date set forth in the notice, whichever is later. The Chief Procurement Officer may give a Default Notice if Consultant fails to effect a cure within the cure period given in a Cure Notice. When a Default Notice with intent to terminate is given as provided in this Section 9.2 and Article 11, Consultant must discontinue any Services, unless otherwise directed in the notice, and deliver all materials accumulated in the performance of this Agreement, whether completed or in the process, to the City.

(b) **Exercise of Remedies.** After giving a Default Notice, the City may invoke any or all of the following remedies:

(i) The right to take over and complete the Services, or any part of them, at Consultant's expense and as agent for Consultant, either directly or through others, and bill Consultant for the cost of the Services, and Consultant must pay the difference between the total amount of this bill and the amount the City would have paid Consultant under the terms and conditions of this Agreement for the Services that were assumed by the City as agent for Consultant under this Section 9.2;

(ii) The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time specified by the City;

(iii) The right of specific performance, an injunction or any other appropriate equitable remedy;

(iv) The right to money damages;

(v) The right to withhold all or any part of Consultant's compensation under this Agreement;

(vi) The right to deem Consultant non-responsible in future contracts to be awarded by the City;

(vii) The right to declare default on any other contract or agreement Consultant may have with the City.

(c) **City's Reservation of Rights.** If the Chief Procurement Officer considers it to be in the City's best interests, he may elect not to declare default or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits Consultant to continue to provide the Services despite one or more events of default, Consultant is in no way relieved of any of its responsibilities, duties or obligations under this Agreement, nor does the City waive or relinquish any of its rights.

(d) **Non-Exclusivity of Remedies.** The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy is cumulative and is in addition to any other remedies, existing now or later, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any event of default impairs any such right or power, nor is it a waiver of any event of default nor acquiescence in it, and every such right and power may be exercised from time to time and as often as the City considers expedient.

### **9.3 Early Termination**

(a) In addition to termination under Sections 9.1 and 9.2 of this Agreement, the City may terminate this Agreement, or all or any portion of the Services to be performed under it, at any time by a

notice in writing from the City to Consultant. The City will give notice to Consultant in accordance with the provisions of Article 11. The effective date of termination will be the date the notice is received by Consultant or the date stated in the notice, whichever is later. If the City elects to terminate this Agreement in full, all Services to be provided under it must cease and all materials that may have been accumulated in performing this Agreement, whether completed or in the process, must be delivered to the City effective 10 days after the date the notice is considered received as provided under Article 11 of this Agreement (if no date is given) or upon the effective date stated in the notice.

(b) After the notice is received, Consultant must restrict its activities, and those of its Subcontractors, to winding down any reports, analyses, or other activities previously begun. No costs incurred after the effective date of the termination are allowed. Payment for any Services actually and satisfactorily performed before the effective date of the termination is on the same basis as set forth in Article 5, but if any compensation is described or provided for on the basis of a period longer than 10 days, then the compensation must be prorated accordingly. No amount of compensation, however, is permitted for anticipated profits on unperformed Services. The City and Consultant must attempt to agree on the amount of compensation to be paid to Consultant, but if not agreed on, the dispute must be settled in accordance with Article 6 of this Agreement. The payment so made to Consultant is in full settlement for all Services satisfactorily performed under this Agreement.

(c) Consultant must include in its contracts with Subcontractors an early termination provision in form and substance equivalent to this early termination provision to prevent claims against the City arising from termination of subcontracts after the early termination. Consultant will not be entitled to make any early termination claims against the City resulting from any Subcontractor's claims against Consultant or the City.

(d) If the City's election to terminate this Agreement for default under Sections 9.1 and 9.2 is determined in a court of competent jurisdiction to have been wrongful, then in that case the termination is to be considered to be an early termination under this Section 9.3.

#### **9.4 Suspension**

The City may at any time request that Consultant suspend its Services, or any part of them, by giving 15 days prior written notice to Consultant or upon informal oral, or even no notice, in the event of emergency. No costs incurred after the effective date of such suspension are allowed. Consultant must promptly resume its performance of the Services under the same terms and conditions as stated in this Agreement upon written notice by the Chief Procurement Officer and such equitable extension of time as may be mutually agreed upon by the Chief Procurement Officer and Consultant when necessary for continuation or completion of Services. Any additional costs or expenses actually incurred by Consultant as a result of recommencing the Services must be treated in accordance with the compensation provisions under Article 5 of this Agreement.

No suspension of this Agreement is permitted in the aggregate to exceed a period of 45 days within any one year of this Agreement. If the total number of days of suspension exceeds 45 days, Consultant by written notice to the City may treat the suspension as an early termination of this Agreement under Section 9.3.

#### **9.5 Right to Offset**

(a) In connection with Consultant's performance under this Agreement, the City may offset any incremental costs and other damages the City incurs in any or all of the following circumstances:

(i) if the City terminates this Agreement for default or any other reason resulting from Consultant's performance or non-performance;

(ii) if the City exercises any of its remedies under Section 9.2 of this Agreement;

(iii) if the City has any credits due or has made any overpayments under this Agreement.

The City may offset these incremental costs and other damages by use of any payment due for Services completed before the City terminated this Agreement or before the City exercised any remedies. If the amount offset is insufficient to cover those incremental costs and other damages, Consultant is liable for and must promptly remit to the City the balance upon written demand for it. This right to offset is in addition to and not a limitation of any other remedies available to the City.

(b) As provided under § 2-92-380 of the Municipal Code, the City may set off from Consultant's compensation under this Agreement an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint and the amount of any debt owed by Consultant to the City as those italicized terms are defined in the Municipal Code.

(c) In connection with any liquidated or unliquidated claims against Consultant, and without breaching this Agreement, the City may set off a portion of the price or compensation due under this Agreement in an amount equal to the amount of any liquidated or unliquidated claims that the City has against Consultant unrelated to this Agreement. When the City's claims against Consultant are finally adjudicated in a court of competent jurisdiction or otherwise resolved, the City will reimburse Consultant to the extent of the amount the City has offset against this Agreement inconsistently with such determination or resolution.

## **ARTICLE 10. GENERAL CONDITIONS**

### **10.1 Entire Agreement**

#### **(a) General**

This Agreement, and the exhibits attached to it and incorporated in it, constitute the entire agreement between the parties and no other terms, conditions, warranties, inducements, considerations, promises or interpretations are implied or impressed upon this Agreement that are not addressed in this Agreement.

#### **(b) No Collateral Agreements**

Consultant acknowledges that, except only for those representations, statements or promises contained in this Agreement and any exhibits attached to it and incorporated by reference in it, no representation, statement or promise, oral or in writing, of any kind whatsoever, by the City, its officials, agents or employees, has induced Consultant to enter into this Agreement or has been relied upon by Consultant, including any with reference to: (i) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (ii) the nature of the Services to be performed; (iii) the nature, quantity, quality or volume of any materials, equipment, labor and other facilities needed for the performance of this Agreement; (iv) the general conditions which may in any way affect this Agreement or its performance; (v) the compensation provisions of this Agreement; or (vi) any other matters, whether similar to or different from those referred to in (i) through (vi) immediately above, affecting or having any connection with this Agreement, its negotiation, any discussions of its performance or those employed or connected or concerned with it.

#### **(c) No Omissions**

Consultant acknowledges that Consultant was given ample opportunity and time and was requested by the City to review thoroughly all documents forming this Agreement before signing this Agreement in order that it might request inclusion in this Agreement of any statement, representation, promise or provision that it desired or on that it wished to place reliance. Consultant did so review those

documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, Consultant relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Agreement in its entirety without claiming reliance on it or making any other claim on account of its omission.

#### **10.2 Counterparts**

This Agreement is comprised of several identical counterparts, each to be fully signed by the parties and each to be considered an original having identical legal effect.

#### **10.3 Changes, Modifications, and Amendments**

No change, modification, or amendment of this Agreement, or any part hereof, is valid unless stipulated in writing and signed by the Mayor, Comptroller, and Chief Procurement Officer of the City. The City incurs no liability for Additional Services without a written amendment to this Agreement under this Section 10.3. This Section, 10.3, does not apply, however, to Agreement extensions governed by section 4.3, Agreement Extension Option.

#### **10.4 Governing Law and Jurisdiction**

This Agreement is governed as to performance and interpretation in accordance with the laws of the State of Illinois.

Consultant irrevocably submits itself to the original jurisdiction of those courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. Service of process on Consultant may be made, at the option of the City, either by registered or certified mail addressed to the applicable office as provided for in this Agreement, by registered or certified mail addressed to the office actually maintained by Consultant, or by personal delivery on any officer, director, or managing or general agent of Consultant. If any action is brought by Consultant against the City concerning this Agreement, the action must be brought only in those courts located within the County of Cook, State of Illinois.

#### **10.5 Severability**

If any provision of this Agreement is held or deemed to be or is in fact invalid, illegal, inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions of this Agreement or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, those circumstances do not have the effect of rendering the provision in question invalid, illegal, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions in this Agreement invalid, illegal, inoperative or unenforceable to any extent whatsoever. The invalidity, illegality, inoperativeness or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement does not affect the remaining portions of this Agreement or any part of it.

#### **10.6 Assigns**

All of the terms and conditions of this Agreement are binding upon and inure to the benefit of the parties and their respective legal representatives, successors and assigns.

#### **10.7 Cooperation**

Consultant must at all times cooperate fully with the City and act in the City's best interests. If this Agreement is terminated for any reason, or if it is to expire on its own terms, Consultant must make every effort to ensure an orderly transition to another provider of the Services, if any, orderly

demobilization of its own operations in connection with the Services, uninterrupted provision of Services during any transition period and must otherwise comply with the reasonable requests and requirements of the Department in connection with the termination or expiration.

#### **10.8 Waiver**

Nothing in this Agreement authorizes the waiver of a requirement or condition contrary to law or ordinance or that would result in or promote the violation of any federal, state or local law or ordinance.

Whenever under this Agreement the City by a proper authority waives Consultant's performance in any respect or waives a requirement or condition to either the City's or Consultant's performance, the waiver so granted, whether express or implied, only applies to the particular instance and is not a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver is a modification of this Agreement regardless of the number of times the City may have waived the performance, requirement or condition. Such waivers must be provided to Consultant in writing.

#### **10.9 Independent Contractor**

(a) This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, corporation or other formal business association or organization of any kind between Consultant and the City. The rights and the obligations of the parties are only those set forth in this Agreement. Consultant must perform under this Agreement as an independent contractor and not as a representative, employee, agent, or partner of the City.

(b) This Agreement is between the City and an independent contractor and, if Consultant is an individual, nothing provided for under this Agreement constitutes or implies an employer-employee relationship such that:

(i) The City will not be liable under or by reason of this Agreement for the payment of any compensation award or damages in connection with the Consultant performing the Services required under this Agreement.

(ii) Consultant is not entitled to membership in any City Pension Fund, Group Medical Insurance Program, Group Dental Program, Group Vision Care, Group Life Insurance Program, Deferred Income Program, vacation, sick leave, extended sick leave, or any other benefits ordinarily provided to individuals employed and paid through the regular payrolls of the City.

The City is not required to deduct or withhold any taxes, FICA or other deductions from any compensation provided to Consultant.

(c) **Shakman Accord**

(i) The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the "Shakman Accord") and the August 16, 2007 "City of Chicago Hiring Plan" (the "City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(ii) Consultant is aware that City policy prohibits City employees from directing any individual to apply for a position with Consultant, either as an employee or as a subcontractor, and from directing Consultant to hire an individual as an employee or as a subcontractor. Accordingly, Consultant must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Consultant under this

Agreement are employees or subcontractors of Consultant, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Consultant.

(iii) Consultant will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(iv) In the event of any communication to Consultant by a City employee or City official in violation of Section 10.10(c)(ii) above, or advocating a violation of Section 10.10(c)(iii) above, Consultant will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General, and also to the head of the relevant City Department utilizing services provided under this Agreement. Consultant will also cooperate with inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to the contract.

#### **10.10 *Electronic Ordering and Invoices***

The Consultant shall cooperate in good faith with the City in implementing electronic ordering and invoicing, including but not limited to catalogs, purchase orders, releases, and invoices. Consultant shall accept electronic purchase orders and releases upon request of the Chief Procurement Officer. Consultant shall provide the City electronic catalogs, copies of invoices and other electronic documents upon request. The electronic ordering and invoice documents shall be in a format specified by the City and transmitted by an electronic means specified by the City. Such electronic means may include, but are not limited to, disks, e-mail, EDI, FTP, web sites, and third party electronic services. The Chief Procurement Officer reserves the right to change the document format and/or the means of transmission upon written notice to the Consultant. Consultant shall ensure that the essential information, as determined by the Chief Procurement Officer, in the electronic document, corresponds to that information submitted by the Consultant in its paper documents. The electronic documents shall be in addition to paper documents required by this contract, however, by written notice to the Consultant, the Chief Procurement Officer may deem any or all of the electronic ordering and invoice documents the official documents and/or eliminate the requirement for paper ordering and invoice documents.

#### **10.11 *Participation by Other Local Government Agencies***

Other local government agencies may be eligible to participate in this agreement pursuant to the terms and conditions of this Contract if such agencies are authorized, by law or their governing bodies, to execute such purchases, and if such authorization is allowed by the City of Chicago's Chief Procurement Officer, and if such purchases have no net adverse effect on the City of Chicago, and result in no diminished services from the Consultant to the City's user departments pursuant to such purchases. Examples of such Local Government Agencies are: Board of Education, Chicago Park District, City Colleges of Chicago, Chicago Transit Authority, Chicago Housing Authority, Chicago Board of Elections, Metropolitan Pier and Exposition Authority (McCormick Place, Navy Pier), Cook County and the Municipal Courts. Said purchases shall be made upon the issuance of a purchase order directly from the Local Government Agency. The City will not be responsible for payment of any amounts owed by any other



Local Government Agencies, and will have no liability for the acts or omissions of any other Local Government Agency.

**ARTICLE 11. NOTICES**

Notices provided for in this Agreement, unless provided for otherwise in this Agreement, must be given in writing and may be delivered personally or by placing in the United States mail, first class and certified, return receipt requested, with postage prepaid and addressed as follows:

If to the City: Department of Finance/Revenue  
121 N. LaSalle St., Rm 107  
City Hall  
Chicago, Illinois 60602  
Attention: Commissioner

and

Department of Procurement Services  
Room 403, City Hall  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Chief Procurement Officer

With Copies to: Department of Law  
Room 600, City Hall  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Corporation Counsel

If to Consultant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Changes in these addresses must be in writing and delivered in accordance with the provisions of this Article 11. Notices delivered by mail are considered received three days after mailing in accordance with this Article 11. Notices delivered personally are considered effective upon receipt. Refusal to accept delivery has the same effect as receipt.

**ARTICLE 12. AUTHORITY**

Execution of this Agreement by Consultant is authorized by a resolution of its Board of Directors, if a corporation, or similar governing document, and the signature(s) of each person signing on behalf of Consultant have been made with complete and full authority to commit Consultant to all terms and conditions of this Agreement, including each and every representation, certification and warranty contained in it, including the representations, certifications and warranties collectively incorporated by reference in it.

*[Signature Pages, Exhibits and Schedules follow.]*

**CONTRACT SIGNATURE PAGE**

Contract No.: \_\_\_\_\_

Specification No.: \_\_\_\_\_

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

Total Amount (Value): \_\_\_\_\_

Fund Chargeable: \_\_\_\_\_

\_\_\_\_\_  
(Consultant)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attest: \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by  
\_\_\_\_\_ as President (or other authorized officer) and  
\_\_\_\_\_ as Secretary of \_\_\_\_\_ (Corporation Name).  
\_\_\_\_\_  
(Seal)

Notary Public Signature  
Commission Expires: \_\_\_\_\_

**CITY OF CHICAGO**

\_\_\_\_\_  
Mayor Date

\_\_\_\_\_  
Comptroller Date

\_\_\_\_\_  
Chief Procurement Officer Date

