



Amendment No. 6  
of  
Contract No. NA120000030  
for  
Actuarial & Consulting for Employee Benefits  
between  
Towers Watson Delaware Inc.  
and the  
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2017 the term for the extension option will be January 1, 2017 to December 31, 2017 and no option remain.
- 2.0 The total contract amount is increased by \$639,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Contract Amount
Basic Term: 01/01/12 - 12/31/12	\$563,000.00	\$563,000.00
Amendment No. 1: Option 1 01/01/13 – 12/31/13	\$540,000.00	\$1,103,000.00
Amendment No. 2: Option 2 01/01/14 – 12/31/14	\$533,000.00	\$1,636,000.00
Amendment No. 3: Merger 1/1/15	\$0.00	\$1,636,000.00
Amendment No. 4: Option 3 01/01/15 – 12/31/15	\$546,000.00	\$2,182,000.00
Amendment No. 5: Option 4 01/01/16 – 12/31/16	\$618,000.00	\$2,800,000.00
Amendment No. 6: Option 5 01/01/17 – 12/31/17	\$639,000.00	\$3,439,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date: Michael Rodriguez  
Printed Name: Michael Rodriguez  
Authorized Representative  
September 13, 2016

Signature & Date: Shawn Willett 12/19/16  
Shawn Willett, Deputy Purchasing Officer  
City of Austin  
Purchasing Office

Towers Watson Delaware Inc.  
901 N. Glebe Road  
Arlington, VA 22273



Amendment No. 5  
of  
Contract No. NA120000030  
for  
Actuarial & Consulting for Employee Benefits  
between  
Towers Watson Delaware Inc.  
and the  
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2016 the term for the extension option will be January 1, 2016 to December 31, 2016 and one option remain.
- 2.0 The total contract amount is increased by \$618,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Contract Amount
Basic Term: 01/01/12 - 12/31/12	\$563,000.00	\$563,000.00
Amendment No. 1: Option 1 01/01/13 – 12/31/13	\$540,000.00	\$1,103,000.00
Amendment No. 2: Option 2 01/01/14 – 12/31/14	\$533,000.00	\$1,636,000.00
Amendment No. 3: Merger 1/1/15	\$0.00	\$1,636,000.00
Amendment No. 4: Option 3 01/01/15 – 12/31/15	\$546,000.00	\$2,182,000.00
Amendment No. 5: Option 4 01/01/16 – 12/31/16	\$618,000.00	\$2,800,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date: Michael Rodriguez 12/2/2015

Printed Name: Michael Rodriguez  
Authorized Representative

Signature & Date: Mike Benson 12/4/15

Mike Benson, Chief Administrative Officer  
City of Austin  
Purchasing Office

Towers Watson Delaware Inc.  
901 N. Glebe Road  
Arlington, VA 22273



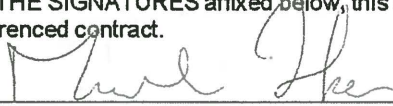
Amendment No. 4  
of  
Contract No. NA12000030  
for  
Actuarial & Consulting for Employee Benefits  
between  
Towers Watson Delaware Inc.  
and the  
City of Austin

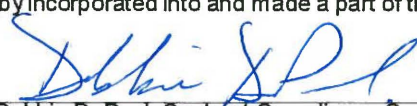
- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2015 the term for the extension option will be January 1, 2015 to December 31, 2015 and there are two remaining options.
- 2.0 The total contract amount is increased by \$546,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Contract Amount
Basic Term: 01/01/12 - 12/31/12	\$563,000.00	\$563,000.00
Amendment No. 1: Option 1 01/01/13 - 12/31/13	\$540,000.00	\$1,103,000.00
Amendment No. 2: Option 2 01/01/14 - 12/31/14	\$533,000.00	\$1,636,000.00
Amendment No. 3: Merger 1/1/15	\$0.00	\$1,636,000.00
Amendment No. 4: Option 3 01/01/15 - 12/31/15	\$546,000.00	\$2,182,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

  
Printed Name: Michael Tucker  
Authorized Representative

  
Debbie DePaul, Contract Compliance Supervisor  
City of Austin  
Purchasing Office

Towers Watson Delaware Inc.  
901 N. Glebe Road  
Arlington, VA 22273



**Amendment No. 3**  
**of**  
**Contract No. NA120000030**  
**for**  
**Actuarial & Consulting for Employee Benefits Programs**  
**between**  
**Towers Watson Pennsylvania Inc**  
**dba Towers Watson Pennsylvania or Towers Perrin**  
**and the**  
**The City of Austin**

1.0 The Contract is hereby amended as follows: Change the Contractor's Name as requested by the Contractor effective, January 1, 2015

	From	To
<b>Vendor Name</b>	Towers Watson Pennsylvania Inc dba Towers Watson Pennsylvania or Towers Perrin	Towers Watson Delaware Inc.
<b>Vendor Code</b> (for City use only)	V00000914586	V00000927063
<b>Vendor Federal Tax ID (FEIN)</b>	[REDACTED]	[REDACTED]

2.0 All other terms and conditions of the Contract remain unchanged and in full force and effect.

**BY THE SIGNATURE** affixed below, this Amendment No. 3 is hereby incorporated into and made a part of the Contract.

Debbie DePaul  
Contract Compliance Specialist Supervisor  
City of Austin, Purchasing Office

Date 1/27/15





Amendment No. 2  
of  
Contract No. NA120000030  
for  
Actuarial & Consulting for Employee Benefits  
between  
Towers Watson Pennsylvania Inc.  
and the  
City of Austin

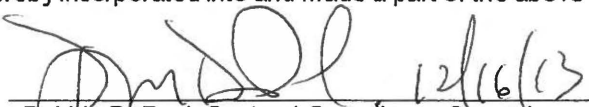
- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2014 the term for the extension option will be January 1, 2014 to December 31, 2014 and there are three remaining options.
- 2.0 The total contract amount is increased by \$533,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Contract Amount
Basic Term: 01/01/12 - 12/31/12	\$563,000.00	\$563,000.00
Amendment No. 1: Option 1 01/01/13 - 12/31/13	\$540,000.00	\$1,103,000.00
Amendment No. 2: Option 2 01/01/14 - 12/31/14	\$533,000.00	\$1,636,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

  
Printed Name: Travis H Brashear, J.D.  
Authorized Representative

  
Debbie DePaul, Contract Compliance Supervisor  
City of Austin  
Purchasing Office

Towers Watson Pennsylvania Inc.  
6300 Bridgepoint Pky Ste. 300  
Austin, Texas 78730-5074




Amendment No. 1  
of  
Contract No. NA120000030  
for  
Actuarial & Consulting for Employee Benefits  
between  
Towers Watson Pennsylvania Inc.  
and the  
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2013 the term for the extension option will be January 1, 2013 to December 31, 2013 and there are four remaining options.
- 2.0 The total contract amount is increased by \$540,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Contract Amount
Basic Term: 01/01/12 - 12/31/12	\$563,000.00	\$563,000.00
Amendment No. 1: Option 1 01/01/13 – 12/31/13	\$540,000.00	\$1,103,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

  
Digitally signed by Travis H. Brubaker  
DN: cn=Travis H. Brubaker, o=Towers Watson,  
ou=Employee, email=travis.brubaker@towerswatson.com,  
c=US  
Date: 2012.11.08 07:12:01 -0600

Printed Name:  
Authorized Representative

  
Debbie DePaul, Contract Compliance Supervisor  
City of Austin  
Purchasing Office

Towers Watson Pennsylvania Inc.  
6300 Bridgepoint Pky Ste. 480  
Austin, Texas 78730-5074



# City of Austin

*Financial and Administrative Services Department  
Purchasing Office*

P. O. Box 1088, Austin, TX 78767

(512) 974-2500

12/2/2011

Travis H. Brashear  
Towers Watson Pennsylvania, Inc.  
6300 Bridgepoint Parkway, Suite 300  
Austin, TX 78730-5016

Re: Solicitation No. JSD0110

Dear Mr. Brashear

The Purchasing Office has approved the execution of a contract with your company for the above-referenced item as follows:

Responsible Department:	HR
Department Contact Person:	Karen Haywood
Department Contact Email Address:	<a href="mailto:Karen.haywood@austintexas.gov">Karen.haywood@austintexas.gov</a>
Department Contact Telephone:	(512) 974-3465
Project Name:	Actuarial and Consulting Services – Employee Benefit Programs
Contractor Name:	Towers Watson Pennsylvania, Inc.
Contract Number:	MA-5800-NA120000030
Contract Period:	01/01/2012 – 12/31/2012
Dollar Amount	NTE \$563,000
Extension Options:	Five (5) – 12 month
Requisition Number:	RQM-5800-11052400369
Solicitation Number:	JSD0110
Agenda Item Number:	38
Council Approval Date:	11/10/2011

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact me at (512) 974-2651

Sincerely,

Jeff Dilbert, MSIM, CPSM, CPSD, C.P.M., A.P.P.

Buyer II

Purchasing Office

Finance and Administrative Services Department

Enclosure

**CONTRACT BETWEEN THE CITY OF AUSTIN  
AND  
TOWERS WATSON PENNSYLVANIA INC.  
FOR  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**

This Contract is made by and between the City of Austin ("City"), a home-rule municipality incorporated by the State of Texas, and Towers Watson Pennsylvania Inc. and any of its affiliates ("Contractor"), having offices at One Bridgepoint, 6300 Bridgepoint Parkway, Suite 300, Austin, TX 78730-5016.

**SECTION 1. GRANT OF AUTHORITY, SERVICES AND DUTIES**

1.1 **Engagement of the Contractor.** Subject to the general supervision and control of the City and subject to the provisions of the Terms and Conditions contained herein, the Contractor is engaged to provide the services set forth in Section 2, Scope of Work.

1.2 **Responsibilities of the Contractor.** The Contractor shall provide all technical and professional expertise, knowledge, management, and other resources required for accomplishing all aspects of the tasks and associated activities identified in the Scope of Work. The Contractor will promptly inform the City's Contract Manager of any problems encountered that might threaten the timely completion or the adequacy of results obtained in executing the tasks in the Scope of Work. In the event that the need arises for the Contractor to perform services beyond those stated in the Scope of Work, the Contractor and the City shall negotiate mutually agreeable terms and compensation for completing the additional services. Unless otherwise expressly agreed in writing Contractor does not accept any fiduciary or trust responsibilities or liability in connection with the performance of the services.

1.3 **Responsibilities of the City.** The City's Contract Manager will be responsible for exercising general oversight of the Contractor's activities in completing the Scope of Work. Specifically, the Contract Manager will represent the City's interests in resolving day-to-day issues that may arise during the term of this Contract, shall participate regularly in conference calls or meetings for status reporting, shall promptly review any written reports submitted by the Contractor, and shall approve all invoices for payment, as appropriate. The City's Contract Manager shall give the Contractor timely feedback on the acceptability of progress and task reports.

To enable Contractor to perform the Services, the City will timely provide Contractor with the documentation, information, access to City personnel and representatives and cooperation Contractor reasonably requires to provide the Services. Any delay or failure to provide materials, information or cooperation may result in a revision to any agreed timetable and/or, if Contractor needs to do additional work as a result, in additional fees being charged. Contractor will rely on the documentation and information provided to Contractor by the City or City representatives and do not take responsibility for verifying the accuracy or completeness of it. City may rely only upon Contractor's final work product and not on any drafts or oral statements made by us in the course of the services. Notwithstanding the foregoing, in the event Contractor is unable to reassign personnel, City's sole remedy will be termination of the Contract without penalty.

1.4 **Designation of Key Personnel.** The Contractor's Contract Manager for this engagement shall be Travis H. Brashear; Phone: 713-754-5476; Email: travis.brashear@towerswatson.com. The City's Contract Manager for the engagement shall be Karen Haywood; 512-974-3465; Email: Karen.haywood@austintexas.gov. The City and the Contractor resolve to keep the same key personnel assigned to this engagement throughout its term. In the event that it becomes necessary for the Contractor to replace any key personnel, the replacement will be an individual having equivalent experience and competence in executing projects such as the one described herein. Additionally, the Contractor will promptly notify the City Contract Manager and obtain approval for the replacement. Such approval shall not be unreasonably withheld.

**SECTION 2. SCOPE OF WORK**

2.1 **Contractor's Obligations.** The Contractor shall fully and timely provide all deliverables described herein and in the Contractor's Offer in accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations. Contractor shall provide the City of Austin Employee Benefits Program with actuarial, consulting services, and ongoing support and technical assistance as



specified herein. Services will include but not be limited to review of current benefit programs and provide assistance in the design and development of future benefits programs.

## **2.2 Minimum Operational Requirements**

- 2.2.1 Contractor will respond to telephone calls from City staff the same day of the call or within one business day.
- 2.2.2 Meetings may be called on short notice. Contractor shall attend all necessary meetings in the period specified and agreed upon by the City. Contractor shall participate in meetings as required with or on behalf of the City.
- 2.2.3 Contractor shall have an Actuary assigned to the City and available as required. The Actuary must have a current membership in the American Academy of Actuaries, or is a Fellow in the Society of Actuaries, or is an Associate in the Society of Actuaries.
- 2.2.4 Contractor shall have a Benefits Consultant assigned to the City and available as required. The Benefits Consultant must have, at a minimum, at least ten (10) years combined consulting experience in the following areas:
  - 2.2.4.1 The procurement and administration of insurance products and programs for public employees including, health, vision, dental, disability, and life insurance
  - 2.2.4.2 The administration of cafeteria plans and flexible spending arrangements (i.e., dependent care and health care reimbursement accounts)
  - 2.2.4.3 The identification of, and compliance with, all federal and state laws and regulations relevant to the administration of the aforementioned products and plans
- 2.2.5 Contractor must notify the City of changes in law, regulations, or other requirements that affect the benefit plans offered by the City within thirty (30) days of knowledge of change.
- 2.2.6 Contractor shall meet the Performance Standards and Guarantees as set forth on Exhibit C attached hereto.

## **2.3 Minimum Projects.**

### **2.3.1 Annual Rates and Fiscal Year Expenditures**

Beginning in January, and continuing monthly through June each year, the Contractor will be required to:

- 2.3.1.1 Determine, update, and project fiscal year expenditures for the City's self-funded medical, prescription and dental plans. Compare budgeted to actual expenditures and explain variances. Calculate incurred but not paid (IBNP) claims amount as of the end of the fiscal year in accordance with Government Accounting Standards Board (GASB) 10.
- 2.3.1.2 Identify possible plan design changes based on review of current plan experience as well as industry trends and client practices and identify cost impact to the plan. Evaluate these proposed changes along with proposed changes from staff, City's Benefits Advisory Committee, and City's Employee Work Force Committee. Describe your ability to model or estimate the cost savings (claims expenses and premiums) that could result in proposed changes in plan design. Annual cost should be based on ten (10) plan design changes per year.

2.3.1.3 Determine plan year rates for the self-funded medical and dental plans. Recommend contribution levels for actives, retirees without Medicare, and retirees with Medicare for self-funded plans. Recommend funding levels for the City's Stop-Loss Reserve. Evaluate tier structures as necessary. Annual cost should be based on updating the rates at least four (4) times between January - June.

2.3.1.4 It is anticipated that the Contractor will meet with the City management once to present the plan year rates determination.

#### 2.3.2 GASB Statement 45 Compliance - Other Post-Employment Benefits

Contractor will assist the City with GASB 45 compliance. At a minimum, provide biennial GASB valuation, compliance assistance, and a discussion of pre-funding options. Currently, the City Retiree medical programs are not pre-funded. Include any special requirements your organization needs to evaluate the GASB 45 liability. The next GASB valuation will be prepared as of October 1, 2012. It is anticipated that the Contractor will meet with City management once to present the GASB valuation.

#### 2.3.3 Quarterly Performance Report

Contractor will provide a quarterly report detailing the performance of the medical, prescription and dental plans. The report will be broken down by Actives versus Retirees without Medicare and Retirees with Medicare. The reports will be based on the fiscal year and provided no later than 30 days following each quarter end. (i.e., 1<sup>st</sup> quarter report will be provided no later than January 30). The report should include the following:

2.3.3.1 Financial Measures: Per Member, Per Month (PMPM) costs for current quarter, year to date and fiscal year estimate.

2.3.3.2 Medical Utilization Measures: Base period, current quarter and year to date for major categories, such as inpatient, outpatient, physicians, diagnostic lab/x-ray, mental health/substance abuse, etc.

2.3.3.3 Medical Network Discount Analysis: Base period, current quarter and year to date.

2.3.3.4 Prescription Drug Measures: Base period, current quarter and year to date.

2.3.3.5 It is anticipated that the Contractor will meet with City management once to present a quarterly performance report.

#### 2.3.4 Annual Report

Contractor will provide an annual report by March of the City's employee and retiree medical and dental benefits programs. At a minimum the report should include the following:

2.3.4.1 A financial analysis of contributions, benefit expenses and operating costs of the programs. These items are to be compared to the original projected rates to actual cost with an explanation of any significant variations. Significant variations should be highlighted along with reasons for the occurrence and recommendations for improvement.

2.3.4.2 Comparison of the City's experience to regional and national comparative information for all benefits.

2.3.4.3 Review medical and pharmacy discounts to ensure they are at the contracted levels.

2.3.4.4 Research and recommend changes in plan design and funding administration.

2.3.4.5 It is anticipated that the Contractor will meet with City management once to present the annual report.

### 2.3.5 Total Compensation (Rewards) Report

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#### *Purpose*

To assess the City's competitiveness for compensation programs, employee benefits, retirement plans and paid leave benefits in comparison to the marketplace.

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The Total Compensation (Rewards) Report will provide the City with an assessment of current competitive positioning for compensation, benefits, and overall total rewards. The report will also include Contractor's observations and recommendations for the City to maintain and/or improve competitive positioning. Below is an outline of the project steps and deliverables. Estimated timing to complete these worksteps is twelve to fourteen weeks. Fees assume conducting the Total Rewards analysis annually; however, this may occur at any time during the calendar year.

#### ACTION PLAN

**Step 1: Planning and Data Collection** – Contractor will facilitate a one-hour project planning session with the City project team to kick-off the total rewards analysis. Prior to this session, Contractor will provide a data request list to the City for project relevant data and develop a preliminary project plan. During the planning session, Contractor will understand the City's compensation philosophy/strategy, along with the current process, data sources and tools used to value jobs. Throughout the total rewards analysis, Contractor will manage and update, as needed, the project plan. During this step, the City will need to provide input into the project plan, along with providing the requested project data, including job descriptions for each job, completed market pricings and public entity custom compensation survey results.

Deliverables for Step 1:

- Detailed project plan
- Project data and background collected and ready for project use

**Step 2: Competitive Benefits Analysis** – To review the competitiveness of the City's benefit programs, Contractor will conduct a BENVAL analysis for each of the following groups, comparing benefit plans by determining values for each plan provision <sup>(1)</sup>:

- Public entity peer group (including up to 9 additional organizations)
- Private industry peer group (including up to 4 organizations)

Based on the BENVAL analysis, Contractor will determine benefit value amounts that can be added to each employee's pay, to develop a Total Rewards value. During this step, the City will need to provide the requested benefit plan data (if not previously provided) and answer benefit plan questions, as necessary.

Deliverables for Step 2:

- Comprehensive BENVAL report for each peer group providing:
  - Overview of the benefits environment
  - Full package of charts that analyze your comparative results

--- Summary of the study parameters and valuation methodology employed

- Copy of Contractor's flexible BENVAl software tool that will enable the City to generate customized analyses and supporting information

**Step 3: Competitive Compensation Analysis** – To review the competitiveness of the City's base salary and total cash levels, Contractor will conduct a compensation market analysis by completing the following:

- Gather relevant salary surveys for market pricing effort <sup>(2)</sup>
- Match up to 30 unique City jobs to similar jobs in relevant salary surveys based on matches from 2010 compensation analysis and a review of current job documentation <sup>(3)</sup>
- Gather market base salary and actual total cash (where available) from published survey sources at the 25th, 50th, and 75th percentiles for benchmark jobs for a combined public and private data sample
- Incorporate data for completed market pricings provided by the City for up to 90 additional jobs
- Compare current pay levels to the market, indicating differences to market for each job and overall

During this step, the City will need to provide the results of the City's annual custom compensation survey of public entities, along with any previous market pricings completed by the City. Additionally, the City will need to answer questions, as needed, regarding the benchmark jobs and completed City market pricings.

Deliverables for Step 3 (included in overall Total Rewards report):

- Market-competitive base salary and total cash levels for each benchmark job
- Comparison of the City's current base salary and total cash compensation levels to the external market
- Identification of any current compensation levels by job that are outside the market competitive range

**Step 4: Total Rewards Analysis and Report Development** – To review the competitiveness of the City's combined total rewards, Contractor will conduct a total rewards analysis by completing the following:

- Aggregate data from competitive benefits and compensation analyses
- Determine overall competitiveness of total rewards at the City
- Compile results of project analyses in a report for review with the City

Deliverables for Step 4:

- Market competitive total rewards levels for each benchmark job
- Comparison of City's total rewards to the market by job, department and overall
- Overall report of results, including a summary of the methodology, findings, observations and recommendations

**Step 5: Presentation of Results** – Contractor will facilitate a two-hour review session with the City to present the results of the benefits, compensation and total rewards competitive analyses. Based on the City's input provided during this session, Contractor will make adjustments to the final report and recommendations and provide a finalized report.



#### Deliverables for Step 5:

- Finalized report of results and recommendations

#### Notes:

- (1) Project fees assume BENCAL analysis conducted using:
  - Standard assumptions and methodology
  - Peer groups made up of current BENCAL participant organizations
- (2) Survey sources include:
  - City of Austin Custom Public Entity Compensation Survey
  - Mercer U.S. Benchmark Database
  - Contractor CSR Reports Package – U.S.
- (3) Based on a review of the 2010 competitive analysis, the 120 unique jobs priced/reviewed by Contractor and/or the City are represented in multiple City departments, resulting in coverage of approximately 400 City classifications or 36% of the City's 1,100 classifications.

**Additional Services.** In the event the City requests Contractor to provide any of the following additional services, the fees may increase subject to written approval by both parties.

- Contractor will match up to 120 unique City jobs (rather than 30) to similar jobs in relevant salary surveys based on matches from 2010 compensation analysis and a review of current job documentation
- Gather market base salary and actual total cash (where available) from published survey sources at the 25th, 50th, and 75th percentiles for benchmark jobs for each of the following data cuts:
  - ... Public entities
  - ... Private industry
  - ... Combined public and private
- Compare current pay levels to each cut of the market (listed above), indicating differences to market for each job and overall
- Provide exhibits by individual job, showing the comparison for each individual element of cash and benefits (rather than overall total cash, total benefits and total rewards)
- Conduct half-day review session with the City to present the results of the benefits, compensation and total rewards competitive analyses (rather than two-hour)

#### 2.3.6 Auditing

At the request of the City, Contractor will perform claim audits of the third party administrators. Possible areas to be audited may include medical, prescription, dental, Section 125 (FLEXTRA) health care and dependent care spending accounts, and COBRA. Audits may also include pre-implementation audits. It is anticipated that the Contractor will meet with City management once for each audit to present the audit findings.

Minimum areas to be audited include:

- 2.3.6.1 Procedural accuracy
- 2.3.6.2 Payment accuracy
- 2.3.6.3 Claims turnaround time
- 2.3.6.4 Effectiveness of all cost controls
- 2.3.6.5 Plan provisions accuracy
- 2.3.6.6 Reasonable cost guidelines
- 2.3.6.7 Claimants eligibility for benefits
- 2.3.6.8 Application of edits (non-covered, duplicate payments)
- 2.3.6.9 Coordination of Benefits
- 2.3.6.10 Pharmacy Benefit Manager – (performed electronically) areas audited are:
  - a) drug management programs
  - b) prior authorizations
  - c) quantity limits
  - d) duration limits
  - e) rebates
- 2.3.6.11 Performance guarantees

### 2.3.7 Vendor Proposal Review and Negotiation Assistance

Contractor shall provide the following assistance with vendor responses to a solicitation including, at a minimum, the following components: medical claims administration, individual medical stop-loss, pharmacy benefit management, dental claims administration, and third party administration covering eligibility, COBRA, and Section 125 (FLEXTRA) health care and dependent care spending account claims administration.

- 2.3.7.1 Contractor shall provide technical expertise in reviewing Request for Proposal(s) developed by the City.
- 2.3.7.2 Contractor shall review and analyze proposals received from vendors and provide a written cost summary and recommendations. As applicable, the review will include, at a minimum, the following:
  - 2.3.7.2.1 Provider discounts
  - 2.3.7.2.2 Provider networks
  - 2.3.7.2.3 Pharmacy discounts – both mail and retail
  - 2.3.7.2.4 Pharmacy networks
  - 2.3.7.2.5 Alternative plan design options, such as individual medical stop-loss deductibles.
- 2.3.7.3 Contractor shall provide negotiation assistance, as required, to assess the rates and fees proposed by vendors annually. Assist the City in negotiating competitive fees, rates, discounts and services for current and future projects.
- 2.3.7.4 It is anticipated that the Contractor will meet with City management once to present the vendor proposal analysis and recommendations.

### 2.3.8 Cafeteria Plan Assistance

Contractor will provide assistance with all issues that relate to the administration of tax favored benefits offered to City employees including discrimination testing. Contractor must provide periodic summary of industry activities relating to administration of benefits, notification of any and all changes in federal law that affect administration of benefits, and provide guidance and analysis for said changes prior to the effective date of the change. It is anticipated that the Contractor will meet with City management once to present the cafeteria plan review and recommendations.

#### 2.3.9 Document Review

At the request of the City, Contractor will review the medical, dental, and Section 125 (FLEXTRA) plan documents, to assure they properly reflect benefit provisions and legal requirements to ensure compliance with state and federal requirements. It is anticipated that the Contractor will meet with City management once to present the review and recommendations of the plan documents.

#### 2.3.10 Compliance Assistance

Contractor will provide Centers for Medicare and Medicaid Service's (CMS) annual retiree actuarial attestation of the City's retiree medical plans necessary for filing for Medicare Part D claim subsidy with CMS. It is anticipated that the Contractor will not meet with the City for the attestation.

#### 2.3.11 Annual Strategy Meeting

Annually, Contractor will provide strategic planning of the City's benefit programs to forecast the next 3-5 years of benefits programs based on industry trends, legislative requirements, claims experience, and City Management focus. It is anticipated that the Contractor will meet with City management once to present the strategic plan.

#### 2.3.12 Other Services

Contractor will assist with projects, research, additional vendor proposal reviews, presentations, meetings, or other work as requested by the City and agreed to by Contractor.

#### 2.3.13 Legislative and Regulatory Review and Recommendations

Contractor will monitor proposed and / or enacted state and federal legislation or regulatory changes and procedures from entities including, but not limited to: IRS, DOL, CMS, and other agencies that affect benefits such as HIPAA, Medicare Part D, etc. This project should be provided at no additional cost to the City.

#### 2.3.14 Publications

Contractor will provide the City with regularly scheduled publications on benefit related topics at no additional cost.

2.4 **Task Reports.** The Contractor shall submit task reports monthly upon completion of each task specified within this Contract. Each task report shall summarize how each task was undertaken, what was accomplished in completing the task, and any findings and recommendation that resulted from completing the task, as appropriate.

2.5 **Health Insurance Portability and Accountability Act (HIPAA) of 1996.** To the extent that they may have access to any individuals' medical and health insurance information, the Contractor shall ensure that all Contractor employees, and all subcontractor employees shall be fully informed of and fully compliant with privacy of information requirements as set forth in the Health Insurance Portability and Accountability Act (HIPAA) of 1996, as amended to date. Contractor shall sign the HIPAA Business Associate Agreement attached hereto as Exhibit B.

### SECTION 3. COMPENSATION

3.1 **Contract Amount.** The Contractor's professional fees are based on the hours incurred and the level of professional staff assigned. In consideration for the Services to be performed pursuant to this Contract, the Contractor shall be paid an amount not to exceed \$3,439,000 for all fees and expenses per Contract term. Details of the anticipated not-to-exceed amounts per project are set forth on Exhibit A. The fees include all

administrative expenses incurred directly in support of executing this Contract. Administrative expenses include charges for long distance telephone calls, facsimile transmissions, reproduction, printing and binding, postage, shipping, and express delivery. Additionally, the fees set forth on Exhibit A include any contractor travel, lodging, and mileage expenses that may be incurred by Contractor during Contractors' performance under this Agreement. Federal excise taxes, State taxes, or City sales taxes must not be included in the fees. The per year not to exceed amounts are as follows:

Initial one year contract:	\$ 563,000
First contract extension:	\$ 540,000
Second contract extension:	\$ 533,000
Third contract extension:	\$ 546,000
Fourth contract extension:	\$ 618,000
Fifth contract extension:	\$ 639,000
Total Not to Exceed Contract Amount:	\$3,439,000

3.1.1 In the case of out of scope or additional services required for the project, the Contractor shall submit an estimate for such work including details of the services to be performed, a timeline for completion of work, number of staff hours, personnel to be assigned, hourly rates and expenses, etc. for review and approval by the City prior to beginning work. The City will be billed at the end of each month during which the additional services are performed. The charges may include: unit hourly rates and labor charges for personnel performing services at the rates approved in the estimate; data processing and intellectual capital charges, if applicable; and reimbursement, at cost, of direct expenses reasonably incurred by Contractor in connection with the performance of Contractor's Services, such as travel and other vendor expenses.

3.1.2 Annually Contractor and the City Contract Manager will plan the overall year work plan in the fall prior to the start of the calendar year. Contractor shall not begin work on any project, other than Annual Rates and Fiscal Year Expenditures and Annual Report, until the City Contract Manager has agreed in writing on the project timeline and the cost of the project even if the project was included in the annual work plan. Formal modifications to the Contract may be processed when the Scope of Work responsibilities are changed, and the modifications will be subject to negotiation and mutual agreement between the parties.

## 3.2 **Economic Price Adjustment.**

3.2.1 Prices shown in this Contract shall remain firm for the first thirty-six (36) month period of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor subject to the following considerations:

### 3.2.2 **Price Increases**

3.2.2.1 Requests for price increases must be made in writing and submitted to the City's Contract Manager. The letter must be signed by a person with the authority to bind the Contractor contractually, shall reference the Contract number, and include the following documentation:

3.2.2.1.1 An itemized, revised price list with the effective date of the proposed increase

3.2.2.1.2 Contractor shall submit, as a part of the request for increase, the version of the Bureau of Labor Statistics Employment Cost Index for Private Industry Workers (the "Index") current as of the date of the Contract; and a copy of the accumulated index for the period since the date of the contract. The current index can be accessed through [www.bls.gov/ect](http://www.bls.gov/ect)



3.2.2.1.3 Proposed price increases must be solely for the purpose of accommodating increases in the Contractor's costs for the services provided. Prices for services unaffected by verifiable cost trends shall not be subject to change.

3.2.2.2 Requests for price increases must be made in writing and submitted to the City's Contract Manager not less than sixty (60) calendar days prior to each yearly anniversary date of the Contract. Prices will only be considered for an increase at that time. Once received, the City will have thirty (30) calendar days to review and approve/disapprove the requested increase. Should the City not agree with the requested increase, the Contractor may either maintain the prices currently in effect, negotiate an acceptable increase with the City or terminate the Contract.

3.2.2.3 The proposed percentage change between the current Contract price and the requested price shall not exceed the percentage change between the Index in effect at the beginning of the current review period and the one in effect at the time the price increase is requested. Except in the case of emergency situations, the requested index related or non-index related price increase shall not exceed twenty-five percent (25%) for any single line item, and in no event shall the total amount of the Contract be automatically increased as a result of the increase in any one or more line items made pursuant to this provision.

3.2.2.4 Since the perceived need for price increases may be due in whole or in part to factors other than index changes, the City may consider approving fully-documented increase requests which, in the Contractor's opinion, justify price increases for one or more line items in the Contract. If index changes are responsible in part for the requested change, those changes shall be documented as previously described above.

### 3.2.3 Price Decreases

3.2.3.1 Proposed price decreases may be offered to the City at any time, and become effective upon acceptance by the City unless a different effective date is specified by the Contractor. Price decrease offers may also be subject to negotiation.

3.2.3.2 Price decreases based on relevant factors may be requested by the City at any time. Such requests shall be accompanied by a complete statement of the City's justification for the request. The Contractor shall have thirty (30) calendar days to respond to the City's request. Following receipt of the Contractor's agreement with the requested decrease, the parties will agree when such price decrease shall become effective. Should the Contractor not agree with the requested decrease, the City may either maintain the prices currently in effect, negotiate with the Contractor, or terminate the Contract.

## 3.3 Invoices.

3.3.1 **Invoices shall contain a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Contractor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be mailed to the below address:

	City of Austin
Department	Human Resources

Attn:	Gail Ray
Address:	P.O. Box 1088
City, State, Zip Code	Austin, TX 78767

3.3.2 Invoices shall be submitted monthly.

3.3.3 Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

3.3.4 Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

### 3.4 **Payment.**

3.4.1 All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.

**3.4.2 If payment is not timely made, (per this paragraph), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

3.4.3 The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of;

3.4.3.1 delivery of defective or non-conforming deliverables by the Contractor;

3.4.3.2 third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

3.4.3.3 failure of the Contractor to pay Subcontractors, or for labor, materials or equipment,

3.4.3.4 damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;

3.4.3.5 reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

3.4.3.6 failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or

3.4.3.7 failure of the Contractor to comply with any material provision of the Contract.

3.4.4 Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

3.4.5 Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic transfer of funds.

3.5 **Non-Appropriation.** The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this Contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any

appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

3.6 **Travel Expenses.** There are no travel expenses authorized for this Contract. All travel and travel related expenses are inclusive in the pricing.

## **SECTION 4. TERM AND TERMINATION**

4.1 **Term of Contract.** The Contract shall be effective as of January 1, 2012. The Contract shall be in effect for an initial term of twelve (12) months and may be extended thereafter for up to five (5) additional twelve (12) month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.

4.1.1 Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 calendar days unless mutually agreed on in writing).

4.2 **Right To Assurance.** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may terminate for cause in accordance with Section 4.4 below.

4.3 **Default.** The Contractor shall be in default under the Contract if the Contractor (a) fails to perform any of its material obligations under the Contract so long as City provides the information and resources required under the Contract in a timely manner as agreed by the parties, (b) fails to provide adequate assurance of performance under the "Right to Assurance paragraph herein, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States.

4.4 **Termination For Cause.** In the event of a default by either party, the other party shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the defaulting party, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the terminating party reasonable satisfaction that such default does not, in fact, exist. In the event of termination for cause, Contractor shall be paid for all Services performed through the date of termination. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a repeated, material default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

4.5 **Termination Without Cause.** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

4.6 **Fraud.** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

## **SECTION 5. OTHER DELIVERABLES**

5.1 **Insurance.** The following insurance requirements apply.

5.1.1 **General Requirements**

5.1.1.1 The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.

5.1.1.2 The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within fourteen (14) calendar days after written request from the City.

5.1.1.3 The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.

5.1.1.4 The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

5.1.1.5 The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

Contractor will require its subcontractors, as applicable, and agents to maintain the same insurance coverage as required of Contractor. The City acknowledges that some subcontractors and agents of Contractor will maintain insurance coverage different than that specified in this Contract; Contractor agrees that it will cover or indemnify the City for any liability incurred by one of its subcontractors or agents that exceeds the subcontractor's or agent's coverage, up to the limits specified in this Contract.

5.1.1.6 Except for Professional Liability Insurance, which Contractor has advised the City, is written by a Captive, domiciled in the State of Vermont and which has not been rated by A.M. Best Co., the Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

5.1.1.7 All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the Contractor's email address, and shall be mailed to the following address:

Attn: Jeffery Dilbert

City of Austin  
Purchasing Office  
P. O. Box 1088  
Austin, Texas 78767

5.1.1.8 The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.



5.1.1.9 If insurance policies are not written for amounts specified, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

5.1.1.10 The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor. Any changes must be mutually agreed.

5.1.1.11 The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

5.1.1.12 The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

5.1.1.13 The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.

5.1.2 **Specific Coverage Requirements.** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

5.1.2.1 **Commercial General Liability Insurance.** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.

5.1.2.1.1 Blanket contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project

5.1.2.1.2 Independent Contractor's Coverage

5.1.2.1.3 Products/Completed Operations Liability for the duration of the warranty period

5.1.2.1.4 Waiver of Subrogation

5.1.2.1.5 Thirty (30) calendar days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage

5.1.2.1.6 The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage

5.1.2.2 **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:

5.1.2.2.1 Waiver of Subrogation

5.1.2.2.2 Thirty (30) calendar days Notice of Cancellation, Endorsement TE 0202A, or equivalent coverage

5.1.2.2.3 The City of Austin listed as an additional Insured

5.1.2.3 **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The policy shall contain the following provisions and endorsements:

5.1.2.3.1 The Contractor's policy shall apply to the State of Texas

5.1.2.3.2 Waiver of Subrogation, Form WC 420304, or equivalent coverage

5.1.2.3.3 Thirty (30) calendar days Notice of Cancellation, Form WC 420601, or equivalent coverage

5.1.2.4 **Professional Liability Insurance.**

5.1.2.4.1 Contractor shall provide coverage at a minimum limit of \$250,000 per claim to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Contract. All insurance required under this Section may contain such deductibles and self-insured retentions as Contractor may determine in its sole discretion.

5.1.2.4.2 If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for twenty-four (24) months following the completion of the Contract.

5.1.2.5 **Endorsements.** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

5.1.2.6 **Certificate.** The following statement must be shown on the Certificate of Insurance.

"The City of Austin is an Additional Insured on the general liability and the auto liability policies. A Waiver of Subrogation is issued in favor of the City of Austin for general liability, auto liability and workers compensation policies."

## 5.2 **Equal Opportunity.**

5.2.1 **Equal Employment Opportunity.** No Contractor or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. The Contractor shall sign and return the Non-Discrimination Certification attached hereto as Exhibit D. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the Contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

**5.2.2 Americans With Disabilities Act (ADA) Compliance.** No Contractor, or Contractor's agent shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

**5.3 Delays.**

5.3.1 The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified herein.

5.3.2 Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days of the occurrence or three (3) business days of when the Party is able to respond; whichever is the earliest to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

**5.4 Rights to Proposal and Contractual Material.** All material submitted by the Contractor to the City which, by the terms of this Contract belongs to the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.

**5.5 Publications.** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

**5.6 Ownership and Use of Deliverables.** The Services performed together with the deliverables provided to the City are intended for the City's internal use (including use by those of its employees and elected officials who require access to the work product in order to perform the duties of their positions), solely for the intended purpose.

Deliverables provided to the City may contain language, to the extent Contractor deems appropriate, to indicate, among other things: that such deliverable was not prepared for third party distribution; that any third party to whom the deliverable is provided is not entitled to reference or distribute such deliverable to any other party; and/or that no third party is entitled to place reliance on the deliverable that would result in creation of any duty or liability to Contractor. Examples of work product which will contain such language include the Annual Report, Annual Rates and Fiscal Expenditures (and the accompanying monthly budget and rate setting updates) and the Employer Survey.

Deliverables provided to the City may also contain language that such deliverable may not be referenced or distributed by the City to any third party without Contractor's prior written consent provided, Contractor will inform the City in advance of its intention to include such a provision in the deliverable, and if the City objects to such inclusion, Contractor will use good faith efforts to reach a mutual agreement with the City. Where Contractor's consent is requested, it shall not be unreasonably withheld.

Notwithstanding the foregoing, if the City is required by any applicable public disclosure law to provide a copy of the work product to a third party, the City agrees to notify Contractor promptly of any such request and to cooperate with Contractor in seeking exemption from such disclosure requirement. The City may utilize and

distribute externally excerpts from Contractor's reports, provided that such materials do not include any confidential or proprietary information of Contractor, and such excerpts are not attributed to Contractor.

The City will retain ownership of any information specific to its employees or business operations contained in the work product. Except for any content which belongs to the City, Contractor will retain all intellectual property rights (including patents, trade secrets and copyrights) in its work product, including derivative works of it, and may use it for any purpose.

## **SECTION 6. WARRANTIES**

6.1 **Warranty – Price.** The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

6.2 **Warranty – Services.** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted applicable industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations. Contractor warrants that it shall perform the services required under each Statement of Work in a professional manner, by qualified personnel, in accordance with all applicable industry standards and in accordance with the terms of this Contract. If this warranty is breached, Contractor at City's option and provided that City notifies Contractor promptly, but in no event later than thirty (30) days after City discovers, or with reasonable diligence should have discovered, such non conformance, shall either: (a) promptly and at Contractor's own expense re-perform the applicable services as warranted, or (b) refund to City the entire amount paid for the applicable services and for any other services that become substantially without value to the City as a result of the breach.

6.2.1 The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

6.2.2 Unless otherwise specified in the Contract, the warranty period shall be at least thirty (30) days from the acceptance date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty.

6.2.3 If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City in accordance with this Contract, then, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand, the amount equal to the cost incurred by the City to procure such services from another source up to the total amount of the project in question if performed by Contractor under this Contract.

## **SECTION 7. MISCELLANEOUS**

### **7.1 Workforce.**

7.1.1 The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.

7.1.2 The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property:

7.1.2.1 use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract.

7.1.2.1.1 use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

7.1.3 If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and provide a replacement individual with comparable skills and experience. The City acknowledges that any such request for the removal of an individual designated by Contractor may delay completion of Services. Notwithstanding the foregoing, in the event Contractor is unable to reassign personnel, the City's sole remedy will be termination of the Contract without penalty. Contractor may not employ such worker again on Contract services without the City's prior written consent.

7.2 **Compliance with Health, Safety, and Environmental Regulations.** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City so long as such rules and regulations are communicated in advance to Contractor by the City, and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern.

7.3 **Significant Event.** The Contractor shall promptly notify the Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations. Significant events may include but not be limited to the following:

- 7.3.1 disposal of major assets;
- 7.3.2 any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract;
- 7.3.3 any significant termination or addition of provider contracts;
- 7.3.4 the Contractor's insolvency or the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring, or any bankruptcy proceedings, voluntary or involuntary, or reorganization proceedings;
- 7.3.5 strikes, slow-downs or substantial impairment of the Contractor's facilities or of other facilities used by the Contractor in the performance of this contract;
- 7.3.6 reorganization, reduction and/or relocation in key personnel such as, but not limited to, customer service representatives or claims adjusters;
- 7.3.7 known or anticipated sale, merger, or acquisition;
- 7.3.8 known, planned or anticipated stock sales;
- 7.3.9 any litigation filed by a member against the Contractor; or
- 7.3.10 significant change in market share or product focus.

#### **7.4 Right To Audit.**

7.4.1 The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.

7.4.2 The Contractor shall include this provision in all subcontractor agreements entered into in connection with this Contract.

#### **7.5 Indemnity.**

##### **7.5.1 Definitions:**

7.5.1.1 "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including reasonable attorney and other professional fees for:

7.5.1.1.1 damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or;

7.5.1.1.2 death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),

7.5.1.2 "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

**7.5.2 THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS TO THE EXTENT DIRECTLY ARISING OUT OF THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM. CONTRACTOR'S OBLIGATIONS UNDER THIS PROVISION ARE CONDITIONED ON THE CITY (I) PROMPTLY NOTIFYING THE CONTRACTOR OF ANY CLAIM SUBJECT TO INDEMNIFICATION HEREUNDER, AND (II) GIVING THE CONTRACTOR THE RIGHT TO CONTROL AND DIRECT THE PREPARATION, DEFENSE AND SETTLEMENT OF ANY SUCH CLAIM, AND (III) GIVING FULL COOPERATION TO THE CONTRACTOR IN SUCH DEFENSE.**

**7.6 Claims.** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform hereunder, the Contractor shall give written notice thereof to the City promptly after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2<sup>nd</sup> Street, 4<sup>th</sup> Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

7.7 **Notices.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:

City of Austin, Purchasing Office

ATTN: Contract Administrator

P O Box 1088

Austin, TX 78767

To the Contractor:

Towers Watson Pennsylvania Inc.

ATTN: Travis H. Brashear, J.D.

One Houston Center, Suite 2600

Houston, TX 77010-1006

7.8 **Confidentiality.** In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information. Contractor's obligations of confidentiality will not apply to the following: (a) any information already known to Contractor at the time of disclosure except for the PHI and other employee confidential data obtained by Contractor during its agreement with the City; (b) any information in the public domain or available to the public; (c) any information available to Contractor from third parties without any disclosure obligation to the City that is known to Contractor; or (d) any information independently developed by Contractor.

Contractor is a global business and in performing the Services it may pass Personal Data within its global network of offices and affiliates and to providers of IT outsourcing who will be subject to appropriate data protection standards. Irrespective of where Contractor receives or holds individually identifiable personal information ("Personal Data") on the City's behalf, Contractor confirms that, acting as data processor Contractor will take appropriate technical, physical and organizational/administrative measures to protect that Personal Data against accidental or unlawful destruction or accidental loss or unauthorized alteration, disclosure or access. Contractor will only use that Personal Data for the purposes of providing the Services to the City or for other reasonable purposes which are related to the Services Contractor provides, unless the City instructs Contractor otherwise. The City and Contractor shall each comply with the provisions and obligations imposed on each of us by applicable data privacy legislation and regulations.

7.9 **Advertising.** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

7.10 **No Contingent Fees.** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling

agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

7.11 **Gratuities.** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

7.12 **Prohibition Against Personal Interest in Contracts.** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.

7.13 **Independent Contractor.** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.

7.14 **Assignment-Delegation.** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City and such consent shall not be unreasonably withheld or delayed. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.

7.15 **Waiver.** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

7.16 **Modifications.** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall not have any force or effect to change the terms, covenants, and conditions of the Contract.

7.17 **Interpretation.** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

7.18 **Dispute Resolution.**



7.18.1 If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

7.18.2 If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

#### 7.19 **Minority And Women Owned Business Enterprise (MBE/WBE) Procurement Program.**

7.19.1 All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts.

7.19.2 The City of Austin has determined that no goals are appropriate for this Contract. **Even though no goals have been established for this Contract, the Contractor is required to comply with the City's MBE/WBE Procurement Program, Chapters 2-9A, 2-9B, 2-9C and 2-9D, of the City Code, as applicable, if areas of subcontracting are identified.**

7.19.3 If any service is needed to perform the Contract and the Contractor does not perform the service with its own workforce, the Contractor shall contact the Department of Small and Minority Business Resources (DSMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service. The Contractor must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

#### 7.20 **Subcontractors.**

7.20.1 If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan, the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a

Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.

7.20.2 Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:

7.20.2.1 require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract.

7.20.2.2 prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor;

7.20.2.3 require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

7.20.2.4 require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

7.20.3 The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

7.20.4 The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than thirty days after receipt of payment from the City.

7.21 **Jurisdiction And Venue.** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein. The parties hereby waive their respective rights to trial by jury of any claim or cause of action arising out of or in any way connected with this Contract or the Services performed hereunder.

7.22 **Invalidity.** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

7.23 **Holidays.** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

**7.24 Survivability of Obligations.** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to limitation of liability, the ownership and use of deliverables, warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

**7.25 Non-Suspension or Debarment Certification.** The City is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a contract with the City, the Contractor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

**7.26 Incorporation of Documents.** **Section 0100, Standard Purchase Definitions**, is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address: <http://www.ci.austin.tx.us/purchase/standard.htm> .

## **7.27 Interlocal Purchasing Agreements.**

7.27.1 The City has entered into Interlocal Purchasing Agreements with other governmental agencies pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to negotiate in good faith terms and conditions to other eligible agencies that have an Interlocal agreement with the City.

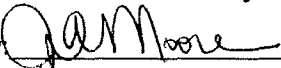
7.27.2 The City does not accept any responsibility or liability for the purchases by other governmental agencies through an Interlocal cooperative agreement.

7.28 **Limitation of Liability.**

Notwithstanding any other provision to the contrary under this Contract, the aggregate liability of Contractor and its employees, directors, officers, agents and subcontractors (the "related persons") to the City whether in contract, tort (including negligence), breach of statutory duty or otherwise for any losses arising from or in any way connected with Contractor's services shall not exceed in aggregate the greater of (a) \$250,000 or (b) the total amount of the fees paid to Contractor for the services provided during the immediately preceding 12-month period during which the event(s) producing such liability occurred. Nothing in these terms shall exclude or limit the liability of Contractor or its related persons in the case of: (a) death or personal injury resulting from Contractor or its related person's negligence; (b) willful misconduct; (c) fraud; or (d) other liability to the extent that the same may not be excluded or limited as a matter of law. In no event shall Contractor or any of Contractor's related persons or affiliates be liable for any incidental, special, punitive, or consequential damages of any kind (including, without limitation, loss of income, loss of profits, or other pecuniary loss).

In witness whereof, the parties have caused duly authorized representatives to execute this Contract on the dates set forth below.

**Towers Watson Pennsylvania Inc.**

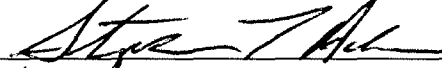
By:   
Signature

Name: Jean A. Moore  
Printed Name

Title: H6B West Division Leader

Date: 11/30/11

**City of Austin**

By:   
Signature

Name: Stephen T. Aden  
Printed Name

Title: Purchasing Manager

Date: 12/2/11

**List of Exhibits**

Exhibit A	Fees
Exhibit B	HIPAA Business Associate Agreement
Exhibit C	Performance Standards and Guarantees
Exhibit D	Non Discrimination Certification

**EXHIBIT A**  
**ACTUARIAL AND CONSULTING SERVICE FEES**  
**Annual Budget Maximum for 2012**

<b>Project</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Annual Rates and Fiscal Year Expenditures</b>	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000
<b>GASB Statement 45 and Other Postemployment Benefits</b>		\$70,000		\$70,000		\$70,000
Actuarial Valuation Dates: Fall 2012; Fall 2014; Fall 2016						
<b>Quarterly Performance Report</b>	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
i. Each quarterly report = \$11,000/report; \$1,000 for meeting						
<b>Annual Report</b>	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
<b>Total Compensation (Rewards) Report</b>	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
<b>Auditing</b>						
i. PPO Medical Claims Administrator Audit			\$58,000		\$58,000	
ii. HMO Medical Claims Administrator Audit			\$58,000		\$58,000	
iii. PPO Pharmacy Benefit Manager Audit				\$62,000		\$62,000
iv. HMO Pharmacy Benefit Manager Audit						\$62,000
v. Dental Claims Administrator Audit		\$35,000			\$35,000	
vi. Flextra Claims Administrator Audit		\$20,500			\$20,500	
<b>Vendor Proposal Review and Negotiation Assistance</b>						
i. Medical Claims Administration Component	\$65,000					
ii. Individual Medical Stop-Loss Component	\$10,000					
iii. Pharmacy Benefit Management Component	\$70,000					
<b>Cafeteria Plan Assistance</b>	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Document Review</b>	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
i. Medical Plan Document Review						
ii. Dental Plan Document Review						
iii. Section 125 (FLEXTRA) Plan Document Review						
<b>Compliance Assistance</b>	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
<b>Annual Strategy Mtg</b>	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Other Services</b>	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
i. Analyst = 40 hours at \$300 / hour						
<b>Total Fees:</b>	<b>\$486,000</b>	<b>\$466,500</b>	<b>\$457,000</b>	<b>\$473,000</b>	<b>\$512,500</b>	<b>\$535,000</b>
Maximum % Increase for each Extension Option:		0%	0%	0%	5%	5%
<b>Annual Not to Exceed Total Fees:</b>	<b>\$486,000</b>	<b>\$467,000</b>	<b>\$457,000</b>	<b>\$473,000</b>	<b>\$539,000</b>	<b>\$562,000</b>
<b>Total Contract Amount:</b>	<b><u>\$2,984,000</u></b>					

## EXHIBIT B

### HIPAA BUSINESS ASSOCIATE AGREEMENT

The City of Austin ("City") and Towers Watson Pennsylvania Inc. ("Contractor") will enter into this "HIPAA BUSINESS ASSOCIATE AGREEMENT", to be effective on the 1<sup>st</sup> day of January, 2012 (Business Associate Agreement or "Agreement"). Pursuant to an Actuarial and Benefits Consulting Services Agreement ("Actuarial Agreement"), effective on January 1, 2012, Contractor serves as the actuarial and benefits consultant for the City's benefits programs offered to City employees, retirees and their dependents. The parties acknowledge that this Business Associate Agreement is required by the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

The parties acknowledge and agree that Contractor, in performing its duties under the Actuarial Agreement, may receive individually identifiable protected health information as defined in Section 14 below (referred to as "Protected Health Information" or "PHI"), from City and from City's contractors or enrollees, and creates, receives or uses PHI on the City's behalf. Contractor agrees to maintain the privacy and security of such PHI as required by all applicable laws and regulations, including but not limited to HIPAA and the privacy and security regulations adopted under HIPAA. Without limiting the foregoing, Contractor agrees to the following:

1. **Use of PHI:** Contractor shall not and shall ensure that its directors, officers, employees, contractors, and agents (referred to collectively as "Contractor's Agents"), do not use PHI other than as expressly permitted by the Actuarial Agreement, or as required by law. Specifically, Contractor shall use PHI only for the following purposes: review of current benefit programs, assist in the design and development of future benefit programs and communications to employees, and review and advise the City on operations of the preferred provider network, all as described or referenced in the Actuarial Agreement. Contractor may also use PHI for the proper management and administration of its internal business processes that relate to its responsibilities under the Actuarial Agreement, and to fulfill its legal responsibilities. In addition, Contractor agrees that it will not sell PHI, including patient or enrollee lists, nor use any PHI to engage in "marketing," as such term is defined in Section 164.501 of Title 45, U.S. Code of Federal Regulations.
2. **Disclosure of PHI:**
  - a. *Disclosure to Third Parties.* Contractor shall not and shall ensure that Contractor's Agents do not disclose PHI to any other person or entity (other than members of Contractor's workforce as specified in subsection b. of this Section), unless disclosure is required by law, and as approved by City in writing. Any such disclosure shall be made only upon the written agreement of the subcontractor to be bound by the provisions of the Agreement, for the express benefit of Contractor and City.

To the extent that Contractor discloses PHI to a third party, Contractor must obtain, prior to making any disclosure:

    1. reasonable assurances from such third party that PHI will be held confidential as provided in the Agreement, and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and
    2. an agreement from such third party to promptly notify Contractor of any breaches of the confidentiality of PHI, to the extent it has obtained knowledge of such breach.

- b. *Disclosure to Workforce.* Contractor shall not disclose PHI to any member of its workforce unless Contractor has advised such person of Contractor's obligations under the Agreement, and of the consequences for such person and for Contractor of violating them.
3. **Safeguards:** Contractor shall implement all appropriate safeguards to prevent use or disclosure of PHI other than as permitted by the Agreement. Contractor shall provide City with information concerning the safeguards as City may reasonably request annually. In addition, Contractor and Contractor's Agents shall comply with the minimum necessary requirements set forth in the HIPAA privacy regulations when using or disclosing PHI. Contractor also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of PHI by Contractor in violation of the requirements of the Agreement.
4. **Accounting of Disclosures:**
- (a) Contractor shall maintain a record of all PHI disclosures made other than for the permitted purposes of the Actuarial Agreement and this Agreement, including the date of disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purposes of the disclosures.
- (b) Within a mutually agreed upon time and manner of when the City has received a request for an accounting of disclosures of PHI regarding an individual, Contractor shall make available to City such information as is in Contractor's possession and is required for City to make the accounting in accordance with 45 C.F.R. Section 164.528, and, as of its compliance date, in accordance with the requirements for account for disclosures made through Electronic Health Record in 42 U.S.C. 17935(c).
5. **Reporting of Disclosures of Protected Health Information:** Contractor shall, within five (5) business days (Monday - Friday) of confirming and becoming aware of a use or disclosure of PHI in violation of this Agreement by Contractor or Contractor Agents, report such disclosure or use in writing to Don Ellison in the Employee Relations Division of the City's Human Resources Department and describe remedial action taken or proposed to be taken with respect to such use or disclosure.
6. **Agreements by Third Parties:** Contractor shall enter into an agreement with any agent or subcontractor that will have access to PHI that is received from, or created or received by Contractor on behalf of City, in which such agent or subcontractor agrees to be bound by the same restrictions, terms, and conditions that apply to Contractor under this Agreement.
7. **Disclosure to U.S. Department of Health and Human Services:** Contractor shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of PHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining City's compliance with HIPAA.
8. **Access by Individuals:** To the extent that Contractor maintains a Designated Record Set on behalf of City, Contractor agrees to provide access, at the request of the City, and in the time and manner mutually agreed, to Protected Health Information in that Designated Record set, to the City. If an Individual requests access to his or her Protected Health Information directly from Contractor, Contractor shall promptly forward such request to the City, and the City, shall be responsible for responding to such request in order to meet the requirements under 45 C.F.R. Section 164.524.
9. **Correction of PHI:** To the extent Contractor maintains a Designated Record Set on behalf of the City, Contractor agrees to make any amendments to PHI in that Designated Record Set, that the City directs or agrees to under HIPAA, mores specifically, pursuant to 45 C.F.R. Section 164.526.. City shall provide Contractor with written instructions regarding any such amendment.

10. **Amendment:** Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, City may, by written notice to Contractor, propose to amend this Agreement in such manner as City determines necessary to comply with such law or regulation. If Contractor disagrees with any such amendment, it shall so notify City in writing within a reasonable time frame. If the parties are unable to agree on an amendment within a reasonable time frame, either of them may terminate the Actuarial Agreement and this Business Associate Agreement upon written notice to the other.
11. **Breach:** If either party breaches any of its obligations under this Amendment, the non-breaching party may, at its option:
- a. Provide the breaching party with notice of the breach and an opportunity to cure such breach within thirty (30) calendar days of the notice of breach. If the breaching party fails to cure the breach to the non-breaching party's satisfaction within such cure period, the non-breaching party may terminate the Agreement by providing written notice to the breaching party. If the breaching party cures the breach within the cure period, the non-breaching party may require the breaching party to submit to a plan of monitoring and reporting of uses and disclosures of PHI;
  - b. Immediately terminate the Agreement, with or without an opportunity to cure the breach; or
  - c. If termination is not feasible, the non-breaching party may report the breach to the Secretary of the United States Department of Health and Human Services.

The non-breaching party's remedies under this section and the Actuarial Agreement shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.

12. **Procedure Upon Termination.**

- (1) Except as provided in paragraph (2) below, upon termination of the Agreement, for any reason, Contractor shall return or destroy all PHI received from City, or created or received by Contractor on behalf of City. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the PHI.
- (2) In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide to City written notification of the conditions that make return or destruction infeasible. Upon agreement by City that return or destruction of PHI is not feasible, Contractor shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Contractor maintains the PHI.

13. **Definitions for Use in this Addendum:**

- (a) *Individually Identifiable Health Information* shall mean information that is a subset of health information, including demographic information collected from an individual, that:
  - (i) is created or received by a health care provider, health plan, employer, or healthcare clearinghouse; and
  - (ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or



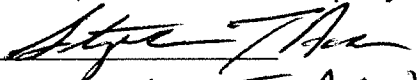
future payment for the provision of healthcare to an individual; and (a) identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

- (b) *Protected Health Information* shall mean Individually Identifiable Health Information that is (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.

This Business Associate Agreement shall take effect on January 1, 2012, and shall terminate upon termination of the Actuarial and Benefits Consulting Services Agreement.

**"CITY"**

**CITY OF AUSTIN, A Home Rule Municipality**

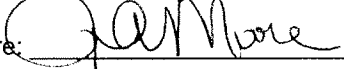
Signature: 

Printed Name: Stephen T. Aden

Title: Purchasing Manager

**"CONTRACTOR"**

**Towers Watson Pennsylvania Inc.**

Signature: 

Printed Name: Jean A. Moore

Title: HGB West Division Leader

**EXHIBIT C**  
**PERFORMANCE STANDARDS AND GUARANTEES**

The following Performance Standards and Guarantees are effective for the Initial Term and any Option Period. With respect to Contractor's Performance Standards and Guarantees, liquidated damages will apply when the work is not delivered on time in accordance with the requirements set forth below. If information contained in project or report is inaccurate, it will be considered to not be delivered on time.

1. Annual Rates and Fiscal Year Expenditure Monthly Updates

Contractor will deliver accurate monthly updates to the City within an agreed upon timeframe with no content errors. Failure to meet this requirement will result in liquidated damages of 10% of the update fees.

2. GASB Statement 45 and Post Employment Actuarial Valuation

Contractor will complete and deliver GASB 45 projects to the City by the agreed upon timeframe for the project, assuming all necessary data has been received in a timely manner. Reports will be accurate with no content or typo errors. Contractor's failure to meet this requirement will result in liquidated damages in the amount of 10% of the annual fixed fee for each GASB 45 project not delivered with the correct data and in the required timeframe.

3. Quarterly Performance Report

Contractor will deliver accurate quarterly performance measures to the City within five (5) business days of receipt of claims. Failure to meet this requirement will result in liquidated damages of 10% of the performance measure fees.

4. Annual Report

Contractor will deliver an accurate Annual Report by the last of day of March without content or typo errors. Contractor's failure to meet this requirement will result in liquidated damages of 10% of the Annual Report fees.

5. Total Compensation (Rewards) Report

Contractor will complete and deliver the Total Compensation (Rewards) Report to the City by the agreed upon timeframe for the project, assuming all necessary data has been received in a timely manner. Reports will be accurate with no content or typo errors. Contractor's failure to meet this requirement will result in liquidated damages in the amount of 10% of the annual fixed fee if not delivered with the correct data and in the required timeframe.

6. Audits

Contractor will perform audits of third party administrators as requested by the City. Failure to deliver audit results to the City within the agreed upon timeline will result in liquidated damages of 10% of the agreed upon cost for the audit.

7. Vendor Proposal Review and Negotiation Assistance

Contractor will assist the City in reviewing vendor proposal responses and negotiating competitive fees/rates for current and future projects. Failure to deliver recommendations within the agreed upon timeline will result in liquidated damages of 10% of the agreed upon cost.

8. Document Review

Contractor will review and provide feedback to the City by the agreed upon timeframe for specific document review. Contractor's failure to meet this requirement will result in liquidated damages of 10% of the fixed service fee for each type of document review.

9. Compliance Assistance

Contractor will provide annual retiree actuarial attestation of the City's retiree medical plans for the Medicare Part D claim subsidy within the deadlines set by Medicare and Medicaid Service's (CMS). Contractor's failure to meet this requirement will result in liquidated damages of 10% of the fixed service fee.

10. Future Program Development

Contractor will assist the City in providing annual strategic planning, evaluating and developing possible programs to forecast the next 3-5 years of benefit programs. Failure to deliver recommendations within the agreed upon timeline will result in liquidated damages of 10% of the agreed upon cost.

11. Adhoc Reports

Contractor will deliver accurate ad hoc reports to the City within the agreed upon timeframe for that project, assuming all necessary data has been received in a timely manner. Contractor's failure to meet this requirement will result in liquidated damages in the amount of 10% of the adhoc report fees for each adhoc report not delivered with the correct data and in the required timeframe.

12. In-Network Discount Guarantee

Contractor will complete an In-Network Discount Guarantee analysis as directed by the City to verify the actual savings achieved within an agreed timeframe. Contractor will include all supporting documentation. Contractor's failure to complete these reports within the required timeframe will result in liquidated damages of 10% of project fees.

**Exhibit D**  
**City of Austin, Texas**  
**EQUAL EMPLOYMENT/FAIR HOUSING OFFICE**  
**NON-DISCRIMINATION CERTIFICATION**  
**SOLICITATION NO. JSD0110**

**City of Austin, Texas**  
**Human Rights Commission**

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

**Sec. 4-2 Discriminatory Employment Practices Prohibited.** As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B) (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

**City of Austin**  
**Minimum Standard Non-Discrimination in Employment Policy:**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy for the Austin, Texas metropolitan area.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, OR THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

**Sanctions:**

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

**Term:**

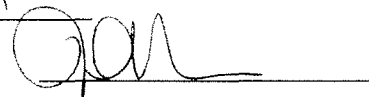
The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 30<sup>th</sup> day of November, 2011

CONTRACTOR

Authorized  
Signature

Title



Jean A. Moore

HRB West Division Leader

2011 AUG 10 AM 10:11

**TOWERS WATSON** *tw*

One Bridgepoint  
6300 Bridgepoint Parkway  
Suite 300  
Austin, TX 78730

T +1 512 345 9999

**PRIVATE AND CONFIDENTIAL**

City of Austin  
Purchasing Office  
Municipal Building  
124 W. 8<sup>th</sup> St., 3<sup>rd</sup> Floor, Rm 310  
Austin, Texas 78701

Proposal To Provide Actuarial And Consulting Services  
Solicitation No. JSD0110, Closing Date 8/10/ 2011 – 2:00 PM



REQUEST FOR PROPOSAL ADDENDUM  
PURCHASING OFFICE  
CITY OF AUSTIN, TEXAS

DESCRIPTION: ACTUARIAL & CONSULTING SERVICES  
RFP NO. JSD0110 ADDENDUM NO. 2  
DATE OF ADDENDUM 8/2/2011

This Request for Proposal is hereby amended to incorporate the following:

1. The following documents are hereby attached to the solicitation:
  - The additional written questions received and the answers thereto
2. The Closing date as viewed on the "Solicitation Details View" of the City of Austin's Purchasing Web Site is hereby corrected to read: 8/10/2011. The correct closing date appeared on all other relevant documents in the solicitation.
3. All other terms and conditions shall remain the same.

APPROVED BY: Signed copy available in Purchasing Office  
Jeff Dilbert, (512) 974-2651  
Purchasing Office, Finance and Administrative Services Department

ACKNOWLEDGED BY:

\_\_\_\_\_  
BIDDER                      AUTHORIZED SIGNATURE                      DATE

RETURN ONE (1) COPY TO PURCHASING OFFICE, CITY OF AUSTIN,  
PRIOR TO CLOSING DATE OR WITH YOUR PROPOSAL; FAILURE TO DO  
SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR  
PROPOSAL.

REQUEST FOR PROPOSAL NO: JSD0110  
CITY OF AUSTIN PURCHASING OFFICE  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT  
PROGRAMS

Addendum #2 Solicitation Clarification Questions

- Q: Is the City interested in looking at actual dollar comparisons for base and the various other elements of total compensation or is the focus on whether the various components of the program are consistent with what other organizations in the City's defined labor market(s) are paying?
- A: For evaluation purposes, proposers should provide individual and combined benefit and compensation analysis and valuations. Proposers should indicate their recommendation for providing the total compensation analysis based on best practices and industry standards.
- Q: If the focus is on actual dollar comparisons, how many different employee subgroups exist within the City (assuming that different groups have different compensation and benefit programs available to them)?
- A: Proposers should indicate their solution to the project 3.3.5 and the recommended subgroups.
- Q: Although the City has identified five labor markets, what is not clear is whether they are seeking only a public sector comparison or if they are looking at both a public and private sector assessment.
- A: The total compensation analysis survey should include similar sized entities from both public and private sector.
- Q: What is the timing for the review (3 months, 6 months, one year?)
- A: For evaluation purposes, the cost sheet should be based on providing the total compensation report annually. In the proposal response, Proposers should indicate their recommendation for the providing the total compensation analysis, including their recommended timeline for review, based on best practices and industry standards.





TO: Veronica Lara, Director  
Department of Small and Minority Business Resources

FROM: Jeff Dilbert, Buyer II, Purchasing Office

DATE: July 1, 2011

SUBJECT: Approval to use Zero Goals for Solicitation No. JSD0110

Project Name: Actuarial and Consulting Services

Commodity Code(s): 94612

Estimated Value: \$2,500,000

The Purchasing Office has determined that the following Goals are appropriate for this non-professional services purchase:

☒ No Goals (Goal of 0%)

This determination is based on the following reasons:

This solicitation will be bid by and awarded to a prime contractor. No subcontracting opportunities have been identified.

Per paragraph 8.2.1 of the Rules Governing the Minority and Women Owned Business Enterprise Procurement Program, please approve the use of the above goals by completing and returning the below endorsement. If you have questions, please call me at 974-2995.

☒ Approval is hereby granted to use the above Goals.

☐ Approval is hereby denied. Recommend the use of the following goals based on the below reasons:

a. Goals: ☐ % MBE ☐ % WBE

b. Subgoals ☐ % African American ☐ % Hispanic

☐ % Native/Asian American ☐ % WBE

This determination is based on the following reasons: no subcontracting opportunities

Raymond M. Young, Jr.  
Veronica Lara, Director

Date: July 8, 2011

# CITY OF AUSTIN, TEXAS

## Purchasing Office REQUEST FOR PROPOSAL (RFP) Offer Sheet

**SOLICITATION NO:** JSD0110

**COMMODITY/SERVICE DESCRIPTION:** Actuarial & Consulting Services

**DATE ISSUED:** 7/4/2011

**PRE-PROPOSAL CONFERENCE TIME AND DATE:** 7/12/2011 at 11:00AM

**REQUISITION NO.:** RQM580011052400369

**COMMODITY CODE:** 94612

**LOCATION:** MUNICIPAL BUILDING, 124 W 8<sup>th</sup> STREET  
3<sup>rd</sup> Floor Conference Room  
AUSTIN, TEXAS 78701

**FOR CONTRACTUAL AND TECHNICAL  
ISSUES CONTACT:**

**PROPOSAL DUE PRIOR TO:** 8/10/2011 at 2:00PM

Jeff Dilbert

**COMPLIANCE PLAN DUE PRIOR TO:** N/A

**PROPOSAL CLOSING TIME AND DATE:** 8/10/2011 at 2:00PM

Buyer II

**Phone:** (512) 974-2651

**LOCATION:** MUNICIPAL BUILDING, 124 W 8<sup>th</sup> STREET  
RM 310, AUSTIN, TEXAS 78701

*It is the policy of the City of Austin to involve certified Minority Owned Business Enterprises (MBEs) and Woman Owned Business Enterprises (WBEs) in City contracting. MBE and WBE goals for this Solicitation are contained in Section 0900.*

*All Contractors and Subcontractors must be registered to do business with the City prior to submitting a response to a City Solicitation. In the case of Joint Ventures, each individual business in the joint venture must be registered with the City prior to submitting a response to a City solicitation. If the Joint Venture is awarded a contract, the Joint Venture must register to do business with the City. Prime Contractors are responsible for ensuring that their Subcontractors are registered. Registration can be done through the City's on-line vendor registration system. Log onto <https://www.cityofaustin.org/purchase> and follow the directions.*

### **SUBMIT 1 ORIGINAL AND SIX (6) SIGNED COPIES AND ONE (1) ELECTRONIC VERSION OF PROPOSAL**

**SOLICITATION TO:**

Insert Vendor Name & Address

Signature of Person Authorized to Sign Offer

Signer's Name and Title: (please print or type)

**FEDERAL TAX ID NO.** \_\_\_\_\_

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

**Company Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip Code** \_\_\_\_\_

**Phone No. (      )**

**Fax No. (      )**

**BELOW INFO MUST MATCH THE NAME AND ADDRESS ON INVOICE AND IN COMPANY PROFILE WITH CITY**

**Company "Remit To" Name:** \_\_\_\_\_

**Remit to Address:** \_\_\_\_\_

**City, State, Zip Code** \_\_\_\_\_

**Email Address** \_\_\_\_\_

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All other Sections may be viewed at: <https://www.cityofaustin.org/purchase> by clicking the link to "Vendor Self Service (VSS)", sign in if registered, register, or use public access to follow the links to "Business Opportunities" and "Search for Solicitation."

**RETURN FOLLOWING DOCUMENTS WITH BID/PROPOSAL/QUOTE/RESPONSE/SUBMITTAL\*\***

- Cover Page                      Offer Sheet
- Section 0600                    Proposal
- Section 0700                    Reference Sheet (if required)
- Sections 0800 - 0835          Certifications and Affidavits (return all applicable Sections)
- Section 0900                    MBE/WBE Procurement Program Package or No Goals Utilization Plan, if applicable
- Bid Guaranty                    (if required)

**\*\* See also Section 0200, Solicitation Instructions, Section 0400, Supplemental Purchase Provisions, and Section 0500, Scope of Work/Specification, for additional documents that must be submitted with the Offer.**

**NOTES:**

The Vendor agrees, if this Offer is accepted within 90 calendar days after the Due Date, to fully comply in strict accordance with the Solicitation, specifications and provisions attached thereto for the amounts shown on the accompanying Offer.

**\* INCORPORATION OF DOCUMENTS.** Section 0100, Standard Purchase Definitions; Section 0200, Standard Solicitation Instructions; and Section 0300, Standard Purchase Terms and Conditions are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address: <http://www.ci.austin.tx.us/purchase/standard.htm>.

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office at the below address. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

When sending a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below.

P.O. Address for US Mail	Street Address for Hand Delivery or Courier Service
City of Austin	City of Austin, Purchasing Office
Purchasing Office	Municipal Building
P.O. Box 1088	124 W 8 <sup>th</sup> Street, Rm 310
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

**Notes:** Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered. Unless authorized in the Solicitation, telegraphic or facsimile Offers will not be accepted.

# 2011

## Benefits Enrollment Guide



## For Retirees & Surviving Spouses

**Medical - Vision - Dental - Life Insurance - Wellness**



REQUEST FOR PROPOSAL: CITY OF AUSTIN PURCHASING OFFICE  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS  
EXHIBIT II 2011 BENEFITS ENROLLMENT GUIDE FOR RETIREES & SURVIVING SPOUSES

# Important Information about this Retiree and Surviving Spouse Guide

City of Austin retirees and surviving spouses of City retirees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time.

This *Guide* is designed to help you understand your benefits. Review this material carefully before making your enrollment decisions. Keep this *Guide* to refer to during the 2011 Plan Year.

Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, or contract), and not by the information in this *Guide*. If there is a conflict between the provisions of the plan you selected and this *Guide*, the terms of the plan govern.

For detailed information about the plans, refer to each plan instrument or contact the vendor directly.

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The City of Austin is committed to compliance with the Americans with Disabilities Act.  
Call the Human Resources Department (HRD)  
at 512-974-3400 (Voice) or 512-974-2445 (TTY) for more information.

# Contact Information

## *City of Austin*

### **Open Enrollment**

October 18 – November 21, 2010

### **Online Enrollment System:**

[www.coaopenenrollment.com](http://www.coaopenenrollment.com)

Telephone Enrollment System: 512-493-1350

### **Employee Benefits Division**

505 Barton Springs, Suite 600

Austin, TX 78704

Phone number: 512-974-3284

Fax number: 512-974-3420

Office hours: 7:30 a.m. to 5:00 p.m., Monday – Friday

Call for: Benefits enrollment, changing coverage, adding/dropping dependents, and life insurance claims.

[www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment)

### **CompuSys/Erisa Administrative Services**

Phone number: 512-250-9397

Toll-free number: 800-933-7472

Relay Texas: 800-735-2989

Office hours: 7:30 a.m. to 5:30 p.m., Monday – Friday

Call for: Manual payments and COBRA Administration.

## *Health Plans*

Call for: ID card, claims, benefits, and prescription coverage information.

### **UnitedHealthcare PPO and HMO**

Medical phone number: 800-430-7316

Vision phone number: 800-203-4317

Office hours: 7:00 a.m. to 8:00 p.m., Monday – Friday

[www.myuhc.com](http://www.myuhc.com) – Medical Providers

[www.myuhc.com](http://www.myuhc.com) or [www.365wellst.com](http://www.365wellst.com) – Prescription Coverage

[www.uhcvision.com](http://www.uhcvision.com) – Vision Program Providers

[www.ubhprovdirect.com](http://www.ubhprovdirect.com) – Mental Health Providers

### **Davis Vision Plan**

Phone number: 888-445-2290

Office hours: 7:00 a.m. to 10:00 p.m., Monday – Friday

8:00 a.m. to 3:00 p.m., Saturday

11:00 a.m. to 3:00 p.m., Sunday

[www.davisvision.com](http://www.davisvision.com) – Vision Program Providers

### **Delta Dental Insurance Company**

Phone number: 800-336-8264

Office Hours: 6:15 a.m. to 6:30 p.m., Monday – Friday

[www.deltadentalins.com](http://www.deltadentalins.com) – Dental Plan Providers

### **Assurant Employee Benefits – Heritage Plus with Specialty Benefit Plan**

Phone number: 800-443-2995

Office Hours: 7:00 a.m. to 5:30 p.m., Sunday – Saturday

[www.assurantemployeebenefits.com](http://www.assurantemployeebenefits.com) – Dental Plan Providers

## *Retirement Systems*

Office hours for the retirement systems: 8:00 a.m. to 5:00 p.m., Monday – Friday.

### **City of Austin Employees'**

### **Retirement System**

418 E. Highland Mall Blvd.

Austin, TX 78752-3720

Phone number: 512-458-2551

Fax number: 512-458-5650

[www.coaers.org](http://www.coaers.org)

### **Austin Fire Fighters Relief and Retirement Fund**

4101 Parkstone Heights Dr., Suite 270

Austin, TX 78746

Phone number: 512-454-9567

Fax number: 512-453-7197

[www.afrs.org](http://www.afrs.org)

### **City of Austin Police Retirement System**

2520 South IH-35, Suite 205

Austin, TX 78704

Phone number: 512-416-7672

Fax number: 512-416-7138

[www.ausprs.org](http://www.ausprs.org)

# Benefits Changes for 2011

In 2011, the City continues to offer a competitive benefits package.

## Patient Protection and Affordable Care Act—Health Care Reform

In response to the Health Care Reform Act, the City is required to make the following changes to **both** the PPO and HMO medical plans.

- Cover adult children up to age 26, currently covered to age 25.
- Eliminate the lifetime maximum benefit. Currently at \$2,000,000.
- Cover preventive services at 100%. If charged for an office visit, office visit copays apply.
  - ❖ Mammograms
  - ❖ Colonoscopies
  - ❖ Immunizations
  - ❖ Well woman and well child exams
  - ❖ Vision exams for children under age 5

## Medical—UnitedHealthcare Choice HMO

- Increase outpatient surgery copay from \$300 to \$600.
- Increase hospital copay from \$600 to \$1,000.
- Increase out-of-pocket maximum from \$2,500 to \$3,500.
- Increase prescription copays from \$10/\$25/\$45 to \$10/\$35/\$55 (90-day supply).
- Increase mail order prescription copays from \$30/\$75/\$135 to \$30/\$105/\$165.

## Medical—UnitedHealthcare Choice Plus PPO

- Increase In-Network deductible from \$300 to \$500.
- Increase In-Network out-of-pocket maximum from \$2,500 to \$3,000.
- Increase Out-of-Network deductible from \$900 to \$1,500.
- Increase Out-of-Network out-of-pocket maximum from \$10,000 to \$12,000.
- Increase prescription copays from \$10/\$25/\$45 to \$10/\$30/\$50.
- Increase mail order prescription copays from \$20/\$50/\$90 to \$20/\$60/\$100 (90-day supply).
- Lower the reimbursement to out-of-network providers by implementing a Maximum Non-Network Reimbursement Program. Members utilizing out-of-network services may be charged more by the providers.

## For Both Medical Plans

Implement Mandatory Specialty Pharmacy Program. Retirees must use mail order Specialty Pharmacy for specialty drugs at a single copay for a 30-day supply.

## Vision—New Vendor!

- **Davis Vision** will be the vendor.
- Vision rates will decrease.
- Plan enhancements - fixed costs for lens upgrades. Fashion, Design, or Premier frames are available. Refer to page 20 of this Guide for details.
- If you are currently enrolled in Superior Vision and you do not participate in Open Enrollment, you will be automatically enrolled in Davis Vision for 2011.

Please read - Important!

If you **do not** wish to make any benefit changes or add/drop dependent(s), you **do not** need to participate in Open Enrollment. Your current 2010 benefits will automatically roll over to 2011.



# Open Enrollment Information

## 2010 Coverage Information Statement

Attached to the front of your Benefits Packet is your 2010 Coverage Information Statement. This statement is not available if you retired in September or later or retirees currently not enrolled in City benefits. Your statement contains:

- Your Personal Identification Number (PIN) for enrolling.
- Your current 2010 benefits with 2011 rates.
- Your current coverage level for each benefit, i.e. Retiree Only, Retiree and Spouse, along with the name of each covered dependent.

## September, October, November, and December 2010 Enrollment Changes

If you made a change to your benefits that will be effective in September through December of 2010, verify that the change is listed on your 2010 Coverage Information Statement. If the change is not listed, you will need to participate in Open Enrollment and make the change again in order for the change to remain in effect for 2011.

## Retiree Open Enrollment Presentations

If you are considering making changes to your benefits or have questions about Open Enrollment, make plans to attend one of the four retiree presentations listed below. At these presentations you will be able to:

- Listen to representatives from UnitedHealthcare, Davis Vision, Assurant Employee Benefits, and Delta Dental.
- Ask benefits questions.
- Make your Open Enrollment changes.
- Update your COA Retiree Beneficiary Designation form.

**When:** October 29 and November 5  
9:00 a.m. and 10:30 a.m.

**Where:** Learning & Research Center  
2800 Spirit of Texas Drive, Austin Texas

## ID Cards

All participants enrolled in UnitedHealthcare, Davis Vision, Assurant Employee Benefits, and Delta Dental will receive new ID Cards by January 1, 2011.

Where To Go for Help?

Call the Employee Benefits Division at 512-974-3284.

# How to Make Benefits Changes

There are two ways to participate in Open Enrollment. To assist you in the process, review the information below:

## 1. Online Enrollment (Available Monday, October 18 – Sunday, November 21)

To enroll, go to: [www.coaopenenrollment.com](http://www.coaopenenrollment.com). This system is available 24/7.

To log in, use your PIN Number located on your 2010 Coverage Information Statement.

**Retiree tab** – Allows you to verify and update your address and marital status.

- To add a spouse or domestic partner to your benefits, you must change your marital status first.

**Dependents tab** – Allows you to add or drop dependents to or from your coverage.

- To drop a dependent from **ALL** benefits coverage, click in the square next to the dependent's name.
- To drop a dependent from a specific benefit, select that benefit tab. For example, to drop a dependent from medical only, choose the medical tab and follow the prompts.
- To add a dependent for the first time, you must provide the required documentation to the City of Austin by Friday, November 19, 2010.

**Save tab** – Allows you to save your 2011 changes and print a copy of your 2011 online verification for your records.

## 2. Telephone Enrollment (Available Monday, October 18 – Friday, November 12)

To enroll, call **512-493-1350**, between the hours of 8:00 a.m. to 5:00 p.m. Monday – Friday. Closed Veterans' Day, November 11. Spanish speaking operators are available.

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### After Participating in Open Enrollment

- A 2011 Confirmation Statement will be mailed to your home address within 48 hours of participating.
- Verify that your benefits changes have been made.
- If your benefits changes are not correct, participate in Open Enrollment again or call Erisa at **512-250-9397**.

### Keep your 2011 Confirmation Statement

- Verify that deductions are correct on your first annuity paycheck (January 2011).
- If you notice a deduction error, call the Employee Benefits Division at **512-974-3284**. You will need to provide a copy of your statement to have the error corrected.

### Reminders:

1. To enroll a spouse or domestic partner using the Online Enrollment System, you must first change your marital status in the "Retiree" tab.
2. If you are adding a dependent to benefits for the first time, you must provide the required documentation to the Employee Benefits Division no later than November 19, 2010.
3. If you are not making any changes to your benefits, you **do not** need to participate in Open Enrollment.

# Eligibility

As a City retiree or the surviving spouse of a City retiree, you are eligible to participate in medical, dental, and/or vision coverage.

Retirees may also elect to purchase coverage for dependents. The following is a list of eligible dependents for whom you may purchase coverage. Each of these individuals may or may not be your dependent for Federal tax purposes. That determination depends upon Federal law.

## **Your eligible dependents are:**

**Spouse:** Your legally married spouse, including a declared common-law spouse. Only one spouse may be covered at any time.

**Domestic partner:** The individual who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with a City retiree if, under Texas law, the individual would not be prevented from marrying the retiree on account of age, consanguinity, or prior undissolved marriage to another. A domestic partner may be of the same or opposite gender as the retiree.

**Children:** Your biological children, stepchildren, legally adopted children, children for whom you have obtained court-ordered guardianship or conservatorship, qualified children placed pending adoption, grandchildren, and children of your domestic partner if you also cover your domestic partner.

## **To be eligible, your children must:**

- Be dependent on you in a regular parent-child relationship as reasonably determined by the City, be the subject of a Qualified Medical Child Support Order, or be the subject of an Administrative Writ.
- Be under 26 years of age.

**Dependent grandchildren:** Your unmarried grandchild must meet the requirements listed above, and must also qualify as a dependent (as defined by the Internal Revenue Service) on your or your spouse's Federal income tax return.

**Disabled children:** To continue City coverage past the age limit, your disabled child must otherwise meet the requirements for eligible dependents and must also meet the following definition.

- A disabled child is a child who, due to a mental or physical disability, is incapable of earning a living at the time he or she would otherwise cease to be a dependent, if the child is covered as a dependent at that time, and if at that time he or she depends on you for principal support and maintenance.
- A disabled child continues to be considered an eligible dependent as long as the child remains incapacitated, unmarried, dependent on you for principal support and maintenance, and you continuously maintain the child's coverage as a dependent under the plan from the date he or she otherwise would lose dependent status.
- A dependent child who loses eligibility and later becomes disabled is not eligible to be covered. A disabled child who was not covered as a dependent immediately prior to the time he or she would otherwise cease to be a dependent is not eligible to be covered.

**Dependents do not include:**

- Individuals on active duty in any branch of military service (except to the extent and for the period required by law).
- Permanent residents of a country other than the United States.
- Parents, grandparents, or other ancestors.
- Grandchildren who do not meet the definition of dependent grandchildren who are not claimed on your or your spouse's tax return.

**An individual is not eligible to be covered:**

- As both a City employee and a City retiree, for the same benefit.
- As both a City employee or City retiree and as a dependent of a City employee or City retiree, for the same benefit.
- As a dependent of more than one City employee or City retiree, for the same benefit.

### Changes in Family?

When you add or drop a dependent during Open Enrollment, the change is effective January 1, 2011. For changes to be effective immediately, call the Employee Benefits Division at 974-3284 within 31 days of the status change to schedule an appointment with a Benefits Specialist.

# Required Dependent Documentation

## Documentation

To provide coverage for a dependent under any of the City's benefits programs, you must submit documentation that supports your relationship to the dependent.

### Acceptable documents include:

**For a spouse:** A marriage certificate or declaration of informal (common-law) marriage, which has been recorded as provided by law.

**For a domestic partner:** A Domestic Partnership Affidavit and Agreement form must be signed by the Retiree and domestic partner. Also a Domestic Partnership Tax Dependent Status form must be signed by the Retiree.

**For a child:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship, or qualified medical child support order, or be the subject of an Administrative Writ.

**For a child of a domestic partner:** The domestic partner must be covered in order to cover a child of a domestic partner for the same benefit. A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship.

**For a stepchild:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship, and a marriage certificate or declaration of informal marriage indicating the marriage of the child's parent and stepparent.

**For a dependent grandchild:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts (for newborns) issued by the hospital or court order establishing legal adoption, guardianship, or conservatorship for your child and grandchild and (if applicable) a marriage certificate or declaration of informal marriage that supports the relationship between you and your grandchild.

**For a disabled child:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship. A completed Dependent Eligibility Questionnaire verifying an ongoing total disability. Written documentation from a physician verifying an ongoing total disability may be required.

**For a qualified child placed pending adoption:** An agreement executed between you and a licensed child-placing agency or TDFPS, which meets the requirements listed above in the Dependent Eligibility Section.

# Enrollment Changes During the Year

## Enrollment Changes for Retirees

Certain events in your and your family's lives may occur during the year that may affect your medical, vision, and/or dental coverage. Examples of a family status change are:

- Marriage or divorce.
- A dependent's death.
- Termination of employment or reduction in work hours.
- Newly eligible dependent.
- Loss of dependent eligibility.
- Domestic partner no longer qualifies or domestic partnership is dissolved.
- Medicare coverage becomes effective.

You may change coverage as long as you submit an enrollment form within 31 days of the family status change to the Employee Benefits Division. The change will be effective the first day of the month after your enrollment form is submitted.

In the case of a newborn dependent, medical coverage is temporarily effective on the date of birth for any eligible child born while you are a covered retiree. Coverage continues for the child for 31 days. Coverage extends beyond that date only if you submit an enrollment form within 31 days of the child's birth.

## Retiree Coverage Ending Dates

Coverage for you and your dependents will end on the last day of the month following these dates:

- The date you fail to pay any required premium.
- The date the City ceases to offer coverage to retirees.
- The date plan in question is terminated.
- The date the coverage in question is terminated (or if reduced, coverage ends to the extent of the reduction).
- The date you voluntarily terminate your or your dependents' coverage.
- The date you or your dependents no longer meet eligibility requirements.
- The date of your death.

## Enrollment Changes for Surviving Spouses

As a Surviving Spouse, you are eligible for medical, dental, and/or vision benefits. If at any time you cancel **all** benefits, you cannot re-enroll in Surviving Spouse benefits.

You may request a change to your coverage only at the following times:

- During Open Enrollment.
- If you are enrolled in UnitedHealthcare HMO and move outside the plan's service area.
- If you are enrolled in Assurant Employee Benefits - Heritage Plus with Specialty Benefit Plan and move where there are no providers in your service area, you must change to the Delta Dental plan or drop coverage.
- Within 31 days of obtaining other coverage.

## Surviving Spouse Coverage Ending Dates

Surviving spouse medical coverage will end on the last day of the month following any of these dates:

- The date you fail to pay any required premium.
- The date you remarry.
- The date you are covered under another group plan, except for Medicare.
- The date the City ceases to offer coverage to surviving spouses.
- The date the plan in question is terminated.
- The date the coverage in question is terminated (or if reduced, coverage ends to the extent of the reduction).
- The date you voluntarily terminate coverage.
- The date you no longer meet eligibility requirements.
- The date of your death.

## Retirees & Surviving Spouses Canceling Coverage

You may cancel medical coverage for yourself and/or your dependents, if applicable, at any time during the calendar year. However, you may not drop dental or vision coverage during the calendar year unless it corresponds with a change in family status. Exception, if you are covered by Assurant Employee Benefits-Heritage Plus with Specialty Benefit Plan, you move where there are no plan providers in your service area.

### Need Help?

When you need help with your benefits,  
call the Employee Benefits Division at **512-974-3284**

# Medical Plans

UnitedHealthcare will provide the HMO and PPO medical coverage for 2011. As a retiree, you may choose the medical plan that best meets your needs. Provider information is available online at: [www.myuhc.com](http://www.myuhc.com)

Select UnitedHealthcare Choice for the HMO and UnitedHealthcare Choice Plus for the PPO.

To review your benefits and enroll online, go to: [www.coaopenenrollment.com](http://www.coaopenenrollment.com)

Things to consider when choosing a medical plan:

- Amount of out-of-pocket expenses.
- Amount of copay for Specialists.
- Predictability of inpatient hospital expenses.
- Mail Order copays for Prescription Drug coverage.

### ***Do you need treatment before your ID card arrives?***

If your coverage begins and you haven't received your ID card from your medical plan, give the provider your Social Security Number and the group number of your plan.

UnitedHealthcare **HMO** or **PPO** Group No: **704244**

To print a temporary ID card, go to: [www.myuhc.com](http://www.myuhc.com) and click on "Register Now."

## **Medicare Eligibility Requirements**

A retiree or covered dependent that is eligible for Medicare due to age must enroll in Medicare Parts A and B. When you or your covered dependents are enrolled in Medicare, Medicare is considered primary and will pay benefits before the medical plan you have selected considers payment for covered services.

If the Medicare-eligible retiree or dependent does not enroll in Parts A and B, benefits under a City-sponsored plan will be reduced to the amount that would have been payable had he or she enrolled in Medicare Parts A and B.

To find out more about how each plan coordinates benefit payments with Medicare, contact the plans directly.

For information about Medicare Part D, refer to pages 30 and 31 of this *Guide*.

## **Coordination of Benefits**

Coordination of Benefits is a group health insurance policy provision that provides a method for determining which coverage will apply (primary or secondary) when an individual is covered under more than one plan. It also keeps benefits paid from exceeding the amount of expenses incurred. In most cases, medical coverage offered through the City is considered primary for you while you are under age 65. If you or your dependents have other coverage, refer to the appropriate plan document for information about Coordination of Benefits.



Schedule of Benefits – UnitedHealthcare			
	HMO	PPO – In-Network	
		In-Network	Out-of-Network
Individual Deductible	None.	\$500 per covered person, per calendar year.	\$1,500 per covered person, per calendar year.
Family Deductible Maximum	None.	Three Individual Deductibles.	Three Individual Deductibles.
Out-of-Pocket Maximum	\$3,500 per covered person or \$7,000 per family, per calendar year.	\$3,000 per covered person, per calendar year.	\$12,000 per covered person, per calendar year.
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Maximum Allowable Charge	The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment.	The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment. In the case of Out-of-Network benefits, the covered person may be responsible for paying charges in excess of the maximum allowable charge in addition to any deductible, coinsurance, copays, or facility fee required by the Plan.	
Selection of Doctor	Members select a network doctor.	Members select a network doctor.	Members select a non-network doctor.
Service Locations	Services are provided at in-network doctors' offices, hospitals, and other medical facilities. If a required service is not available in-network and you obtain the service from an outside provider, pre-approval is required.	Services are provided at in-network doctors' offices, hospitals, and other medical facilities. If a required service is not available in-network and you obtain the service from an outside provider, pre-approval is required.	Services are provided in non-network doctors' offices, hospitals, and other medical facilities.
Residency Requirements	Must live or work in the service area (Bastrop, Blanco, Burnet, Caldwell, Hays, Travis and Williamson counties). Children for whom you have been court-ordered to provide medical support are not required to live in the area.	None. UnitedHealthcare is a national network; contact UnitedHealthcare directly for a list of doctors and/or facilities in your area.	None.
Out-of-Network Benefits	None unless a medical emergency.	\$1,500 deductible. Plan pays 60%, up to maximum allowable charge. Out-of-Network benefits are subject to In-Network benefit plan limits and Pre-approval and Pre-notification requirements. In addition to the above, Outpatient Surgical Facility subject to a \$250 facility fee. Inpatient Hospital Services subject to a \$250 per day facility fee.	

Medical Benefits		
	HMO	PPO – In-Network
Doctor's Charges <u>Office</u>	\$20 Primary Care Physician copay per visit. \$45 Specialist copay per visit.	\$20 Primary Care Physician copay per visit. \$35 Specialist copay per visit.
Well Woman & Well Child Exam	Plan pays 100%, no copay.	Plan pays 100%, no copay.
Doctor's Charges <u>Maternity</u>	\$20 copay for first office visit. Plan pays 100% thereafter.	\$20 copay for first office visit. Calendar year deductible applies. Plan pays 85%.
<u>Urgent Care/Non-Hospital Minor Emergency Centers</u>	\$45 copay per visit.	\$35 copay per visit.
<u>Convenience Care Clinics</u>	\$20 copay per visit.	\$20 copay per visit.
Outpatient Surgery <u>Doctor's Charges</u> <u>Facility Fee</u>	\$20 Primary Care Physician copay. \$45 Specialist copay. \$600 copay.	Calendar year deductible applies. Plan pays 85%. \$75 copay.
<u>Colonoscopies</u>	Plan pays 100%, no copay	Plan pays 100%, no co-insurance.
Hospital Inpatient Services <u>Doctor's Charges</u> <u>Facility Fee</u>	Included in Hospital Services. \$1000 copay per confinement. Limited to semi-private room rate. Other than emergency room, pre-notification required.	Calendar year deductible applies. Plan pays 85%. Limited to semi-private room rate. Pre-notification required.
Hospital Emergency Room Services	\$150 copay per visit.	\$100 copay per visit.
Ambulance Service	\$100 copay.	Calendar year deductible applies. Plan pays 85%.
Allergy and other Covered Injections	Injections are covered at 50%. Plan pays 50% for allergy serum and allergy testing. Plan pays 100% for all other injections. If charged for an office visit, office visit copays apply.	Injections are covered at 100%. Plan pays 100% for allergy serum and allergy testing. If charged for an office visit, office visit copays apply.
Immunizations	Plan pays 100%, if charged for an office visit, office visit copays apply.	Plan pays 100%, if charged for an office visit, office visit copays apply. 30% coinsurance for Shingles vaccination if under age 60.
Physical and Occupational Therapy	\$45 copay per visit.	\$35 copay per visit.
Chiropractic	\$45 copay per visit. Limited to 20 visits per covered person, per calendar year.	\$35 copay per visit. Limited to 20 visits per covered person, per calendar year.
Speech Therapy	\$45 copay per visit. Limited to rehabilitative speech therapy.	\$35 copay per visit.
Nutrition Consultation	\$45 copay per visit. Limited to three visits per covered person, per calendar year.	\$35 copay per visit. Limited to three visits per covered person, per calendar year.

Medical Benefits		
	HMO	PPO – In-Network
Acupuncture	Not covered.	\$35 copay per visit. Limited to \$1,000 per covered person, per calendar year.
Outpatient Diagnostic X-Ray and Laboratory	Plan pays 100%.	Plan pays 100%.
CT, MRI, PET Scans	\$100 copay. Pre-notification required.	\$100 copay. Pre-notification required.
Mental Health Care <u>Outpatient</u>	\$20 copay per visit.	\$20 copay per visit.
Mental Health Care <u>Inpatient</u>	\$1000 copay per confinement. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. calendar year. Pre-notification required.
Chemical Dependency	\$1000 copay per confinement. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required.
	Lifetime maximum benefit of three series of treatments per covered person.	
Extended Care/Skilled Nursing Facility	\$25 copay per day. Limited to 30 days per covered person, per calendar year. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Limited to 60 days per covered person, per calendar year. Pre-notification required.
Home Health Care	\$30 copay per visit.	Plan pays 100%. Limited to 120 visits per covered person, per calendar year.
Hospice Care	Plan pays 100%. Calendar Year maximum benefit of \$20,000 per covered person. Pre-notification required.	Plan pays 100%. Pre-notification required.
Durable Medical Equipment	Plan pays 100%. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Disposable Medical Supplies	Plan pays 80%.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Prosthetic/Orthotic Devices	Plan pays 80%. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Diabetic Equipment (Insulin pumps/related supplies)	Plan pays 80%. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Diabetic Supplies	See Prescription Drug Benefits.	
Other Covered Medical Expenses	Refer to your Medical Plan Document or contact UnitedHealthcare.	

## Vision Benefits Provided Through Medical Plans

	HMO	PPO – In-Network	
		Routine Vision Network	Choice Plus Plan In-Network
Annual Routine Vision Exam	\$10 copay for eyeglass vision exam or contact lens exam. Members must use the Routine Vision Network.	\$20 copay.	\$35 copay.
Annual Contact Lens Fitting Fee	Amount charged is due at time service is rendered. Submit a vision claim form for reimbursement of contact lens fitting fee, less a \$10 copay.	Amount charged is due at time service is rendered. Submit a vision claim form for full reimbursement of contact lens fitting fee.	Included in Annual Routine Vision Exam copay.
Frames, Standard Lenses and Contact Lenses	Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers.	Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers.	Not available at private practices. Retail chain providers may offer a discount.

## Prescription Drug Benefits

	HMO	PPO – In-Network
Retail Pharmacy <i>Limited to a 30-day supply.</i>	<u>Generic/Preferred/Non-preferred</u> Tier 1 / Tier 2 / Tier 3 \$10 / \$35 / \$55 copay per prescription.	<u>Generic/Preferred/Non-preferred</u> Tier 1 / Tier 2 / Tier 3 \$10 / \$30 / \$50 copay per prescription.
Mail Order Pharmacy <i>Limited to a 90-day supply.</i>	\$30 / \$105 / \$165 copay per prescription.	\$20 / \$60 / \$100 copay per prescription.
Diabetic Supplies See also Diabetic Equipment	Supplies are covered at a participating pharmacy for the copays listed above. Insulin and related diabetic supplies can be purchased with one copay using mail order. Preferred (Tier 2) or non-preferred (Tier 3) copays apply. Insulin pumps and related supplies are covered under the medical benefit. PPO participants must meet annual deductible. Co-insurance will apply on both plans for Diabetic Equipment.	

Benefits are provided for specialty prescription drug products. Patients who require a specialty prescription drug will be directed to a designated pharmacy with whom UHC has arrangements to provide those specialty prescription drug products. When they are directed to a designated pharmacy and choose not to obtain the specialty prescription drug from the designated pharmacy, there will be no coverage.

Smoking Cessation Program/Drugs – A participant can receive an FDA approved smoking cessation drug at no cost, if the participant:

- Is covered under a City medical plan.
- Attends one of the smoking cessation programs conducted by the City's Employee Assistance Program.
- Obtains a prescription from his or her physician.
- Contacts the Employee Benefits Division.

This provision applies to prescription smoking cessation drugs and to over-the-counter nicotine replacement therapy drugs (patch, gum, etc.) at a retail pharmacy or through mail order.

## Retirees

The amount you pay for medical coverage is based on the following:

- Years of service with the City.
- Level of coverage (i.e. retiree only, retiree and spouse, retiree and children, etc.).
- Medicare eligibility.

**Years of service** – Your cost of coverage is determined by continuous years of employment with the City of Austin or creditable years of service, whichever is greater. Your years of creditable service are determined by your retirement system and include military or City retirement system buy backs or City-purchased service credit. If you withdrew any of your contributions from your retirement system prior to your retirement, your creditable service will not include any years for which contributions were withdrawn. Also, your years of creditable service will not include any years of employment accrued with an employer, other than the City, that participates in the Proportionate Retirement Program.

**Medicare Rates** – Apply only when a retiree and/or a covered spouse or domestic partner are **enrolled** in both Medicare Parts A and B. See Medical Rates section of this *Guide*.

## Surviving Spouses

The amount you pay for surviving spouse medical coverage is based on the following:

- City established rates for surviving spouse medical coverage.
- Your spouse's years of service with the City.
- Medicare eligibility.

**Years of service** – Your cost of coverage is determined by your spouse's continuous years of employment with the City of Austin or creditable years of service, whichever is greater. Your spouse's years of creditable service are determined by his or her retirement system and include military or City retirement system buy backs or City-purchased service credit. If your spouse withdrew any contributions from a City retirement system prior to retirement, creditable service will not include any years for which contributions were withdrawn. Also, years of creditable service will not include any years of employment accrued with an employer, other than the City, that participates in the Proportionate Retirement Program.

**Medicare Rates** – Apply only when a surviving spouse is **enrolled** in both Medicare Parts A and B. See Medical Rates section of this *Guide*.

# Deduction Errors

## Premium Payments

Premium payments for coverage must be deducted automatically from the check you receive from your retirement system. If you do not receive a monthly retirement check or your check is not enough to pay for your coverage selections, you must make arrangements with the Employee Benefits Division at 512-974-3284 to pay your premium. Payment coupons will be provided by CompuSys/Erisa Administrative Services and must be returned with payment to Erisa. Payments must be made on a monthly basis and are due on the first day of the month of coverage. If payment is not received within the required timeline, coverage will be terminated.

## Premium Deduction Errors

**Data Entry Error/Delay.** If a data entry error occurs or if data entry is delayed, it will not invalidate the coverage reflected on your enrollment form. Upon discovery, an adjustment will be made to reflect the correct premium deduction. If underpayment of premium occurs, the City has the right to collect any additional premium owed by you. Conversely, if overpayment occurs, the City will reimburse you any amount overpaid.

**Enrollment Form Errors.** It is your responsibility to ensure that information on your enrollment form is correct. If a premium deduction error occurs, you must notify the Employee Benefits Division of the Human Resources Department immediately. If an overpayment occurs due to an error you made when completing your enrollment form, the City will reimburse you up to a maximum of 31 days of premium. Conversely, if underpayment occurs due to an error you made on your enrollment form, the City has the right to collect any additional premium owed.

Questions about your Benefits Deductions?

Call the Employee Benefits Division at 512-974-3284.

# Retiree Medical Rates for 2011

“With Medicare” rates apply only when the covered persons have both Medicare Parts A and B. If a retiree or spouse/domestic partner is eligible for Medicare due to age, the retiree or spouse/domestic partner must enroll in both Parts A and B.

**The rates shown below are the monthly rates for both medical plans.**

	Years of Service	UnitedHealthcare HMO	UnitedHealthcare PPO
Retiree without Medicare A & B	Less than 5	\$529.06 (9A1)	\$529.06 (8A1)
	5 through 9	478.52 (9A2)	478.52 (8A2)
	10 through 14	377.48 (9A3)	377.48 (8A3)
	15 through 19	276.39 (9A4)	276.39 (8A4)
	20 or more	124.80 (9A5)	124.80 (8A5)
Retiree with Medicare A & B	Less than 5	\$311.05 (9B1)	\$311.05 (8B1)
	5 through 9	281.34 (9B2)	281.34 (8B2)
	10 through 14	221.93 (9B3)	221.93 (8B3)
	15 through 19	162.50 (9B4)	162.50 (8B4)
	20 or more	73.37 (9B5)	73.37 (8B5)
Retiree and Spouse/Domestic Partner both without Medicare A & B	Less than 5	\$1064.81 (9C1/9C6)	\$1064.81 (8C1/8C6)
	5 through 9	984.42 (9C2/9C7)	984.42 (8C2/8C7)
	10 through 14	823.70 (9C3/9C8)	823.70 (8C3/8C8)
	15 through 19	662.93 (9C4/9C9)	662.93 (8C4/8C9)
	20 or more	421.83 (9C5/9C0)	421.83 (8C5/8C0)
Retiree and Spouse/Domestic Partner both with Medicare A & B	Less than 5	\$772.64 (9D1/9D6)	\$772.64 (8D1/8D6)
	5 through 9	717.52 (9D2/9D7)	717.52 (8D2/8D7)
	10 through 14	607.30 (9D3/9D8)	607.30 (8D3/8D8)
	15 through 19	497.03 (9D4/9D9)	497.03 (8D4/8D9)
	20 or more	331.68 (9D5/9D0)	331.68 (8D5/8D0)
Retiree without Medicare A & B, and Spouse/Domestic Partner with Medicare A & B	Less than 5	\$990.65 (9E1/9E6)	\$990.65 (8E1/8E6)
	5 through 9	914.70 (9E2/9E7)	914.70 (8E2/8E7)
	10 through 14	762.84 (9E3/9E8)	762.84 (8E3/8E8)
	15 through 19	610.92 (9E4/9E9)	610.92 (8E4/8E9)
	20 or more	383.11 (9E5/9E0)	383.11 (8E5/8E0)
Retiree with Medicare A & B, and Spouse/Domestic Partner without Medicare A & B	Less than 5	\$846.79 (9F1/9F6)	\$846.79 (8F1/8F6)
	5 through 9	787.24 (9F2/9F7)	787.24 (8F2/8F7)
	10 through 14	668.15 (9F3/9F8)	668.15 (8F3/8F8)
	15 through 19	549.04 (9F4/9F9)	549.04 (8F4/8F9)
	20 or more	370.40 (9F5/9F0)	370.40 (8F5/8F0)
Retiree with Medicare A & B, and Children	Less than 5	\$579.01 (9G1)	\$579.01 (8G1)
	5 through 9	534.42 (9G2)	534.42 (8G2)
	10 through 14	445.27 (9G3)	445.27 (8G3)
	15 through 19	356.08 (9G4)	356.08 (8G4)
	20 or more	222.33 (9G5)	222.33 (8G5)

	Years of Service	UnitedHealthcare HMO	UnitedHealthcare PPO
Retiree without Medicare A & B, and Children	Less than 5	\$797.02 (9H1)	\$797.02 (8H1)
	5 through 9	731.60 (9H2)	731.60 (8H2)
	10 through 14	600.82 (9H3)	600.82 (8H3)
	15 through 19	469.97 (9H4)	469.97 (8H4)
	20 or more	273.77 (9H5)	273.77 (8H5)
Retiree and Spouse/Domestic Partner both without Medicare A & B, and Family	Less than 5	\$1332.77 (9I1/9I6)	\$1332.77 (8I1/8I6)
	5 through 9	1237.51 (9I2/9I7)	1237.51 (8I2/8I7)
	10 through 14	1047.04 (9I3/9I8)	1047.04 (8I3/8I8)
	15 through 19	856.52 (9I4/9I9)	856.52 (8I4/8I9)
	20 or more	570.80 (9I5/9I0)	570.80 (8I5/8I0)
Retiree without Medicare A & B, and Spouse/Domestic Partner with Medicare A & B, and Family	Less than 5	\$1258.61 (9J1/9J6)	\$1258.61 (8J1/8J6)
	5 through 9	1167.78 (9J2/9J7)	1167.78 (8J2/8J7)
	10 through 14	986.18 (9J3/9J8)	986.18 (8J3/8J8)
	15 through 19	804.51 (9J4/9J9)	804.51 (8J4/8J9)
	20 or more	532.08 (9J5/9J0)	532.08 (8J5/8J0)
Retiree with Medicare A & B, and Spouse/Domestic Partner without Medicare A & B, and Family	Less than 5	\$1114.75 (9K1/9K6)	\$1114.75 (8K1/8K6)
	5 through 9	1040.33 (9K2/9K7)	1040.33 (8K2/8K7)
	10 through 14	891.49 (9K3/9K8)	891.49 (8K3/8K8)
	15 through 19	742.63 (9K4/9K9)	742.63 (8K4/8K9)
	20 or more	519.37 (9K5/9K0)	519.37 (8K5/8K0)
Retiree and Spouse/Domestic Partner both with Medicare A & B, and Family	Less than 5	\$1040.60 (9L1/9L6)	\$1040.60 (8L1/8L6)
	5 through 9	970.60 (9L2/9L7)	970.60 (8L2/8L7)
	10 through 14	830.64 (9L3/9L8)	830.64 (8L3/8L8)
	15 through 19	690.62 (9L4/9L9)	690.62 (8L4/8L9)
	20 or more	480.64 (9L5/9L0)	480.64 (8L5/8L0)

## Surviving Spouse Medical Rates for 2011

	Years of Service	UnitedHealthcare HMO	UnitedHealthcare PPO
Surviving Spouse without Medicare A & B	Less than 5	\$534.97 (9Y1)	\$534.97 (8Y1)
	5 through 9	487.36 (9Y2)	487.36 (8Y2)
	10 through 14	392.21 (9Y3)	392.21 (8Y3)
	15 through 19	297.06 (9Y4)	297.06 (8Y4)
	20 or more	154.36 (9Y5)	154.36 (8Y5)
Surviving Spouse with Medicare A & B	Less than 5	\$319.06 (9Z1)	\$319.06 (8Z1)
	5 through 9	293.36 (9Z2)	293.36 (8Z2)
	10 through 14	241.99 (9Z3)	241.99 (8Z3)
	15 through 19	190.57 (9Z4)	190.57 (8Z4)
	20 or more	113.48 (9Z5)	113.48 (8Z5)



# Davis Vision

Healthy eyes and clear vision are an important part of your overall health and quality of life. The Davis Vision Plan will help you care for your eyes while saving you money.

To find Davis Vision care providers and for more plan information, go to: [www.davisvision.com](http://www.davisvision.com), or call 888-445-2290.

If you are not a current member, click on the Member link under the Open Enrollment/Discount Plan section and enter the client code 2481.

## Plan Design

Covered Service – In-network Benefits (out-of-network benefits are available)																											
Comprehensive Eye Exam – \$10 copay, one exam per calendar year																											
<p>Frames – in lieu of contact lenses</p> <p>Once per calendar year.</p> <p>Up to \$125 retail allowance toward provider-supplied frame plus 20% off overage*</p> <p>OR</p> <p>Any Fashion or Designer frame from Davis Vision's exclusive Collection (with retail values up to \$175), Covered in Full.</p> <p>OR</p> <p>Any Premier frame from Davis Vision's exclusive Collection (with retail values up to \$225), Covered in Full after an additional \$25 copayment.</p> <p>One year eyeglass breakage warranty included at no additional cost.</p>		<p>Contacts – in lieu of frames</p> <p>Once per calendar year.</p> <p>Up to \$120 allowance toward provider-supplied contacts plus 15% off overage*</p> <p>Standard Contacts - evaluation, fitting fees, and follow-up care, \$25 copay applies</p> <p>Specialty Contacts - evaluation, fitting fees, and follow-up care, up to a \$60 allowance plus 15% off overage*, \$25 copay applies.</p> <p>OR</p> <p>Davis Vision's Collection contact lenses, evaluation, fitting fees, and follow-up care, Covered in Full after \$25 copay. (up to 4 boxes of disposable).</p> <p>OR</p> <p>Medically necessary with prior approval, Covered in Full.</p>																									
<p>Standard Eyeglass Lenses – Single, Bifocals, Trifocals, Lenticular, and Standard Scratch Coating.</p> <p>\$25 copay, once per calendar year.</p> <p>Polycarbonate lenses for children are covered in full up to age 19.</p>																											
<p>Lens Options</p> <table><tr><td>Standard progressive addition lenses</td><td>\$50 copay</td><td>Premium AR Coating</td><td>\$48 copay</td></tr><tr><td>Premium progressives (i.e. Varilux, etc.)</td><td>\$90 copay</td><td>Ultra AR coating</td><td>\$60 copay</td></tr><tr><td>Intermediate-vision lenses</td><td>\$30 copay</td><td>High-index lenses</td><td>\$55 copay</td></tr><tr><td>Blended-segment lenses</td><td>\$20 copay</td><td>Polarized lenses</td><td>\$75 copay</td></tr><tr><td>Ultraviolet coating</td><td>\$12 copay</td><td>Photochromic glass lenses</td><td>\$20 copay</td></tr><tr><td>Standard anti-reflective (AR) coating</td><td>\$35 copay</td><td></td><td></td></tr></table>				Standard progressive addition lenses	\$50 copay	Premium AR Coating	\$48 copay	Premium progressives (i.e. Varilux, etc.)	\$90 copay	Ultra AR coating	\$60 copay	Intermediate-vision lenses	\$30 copay	High-index lenses	\$55 copay	Blended-segment lenses	\$20 copay	Polarized lenses	\$75 copay	Ultraviolet coating	\$12 copay	Photochromic glass lenses	\$20 copay	Standard anti-reflective (AR) coating	\$35 copay		
Standard progressive addition lenses	\$50 copay	Premium AR Coating	\$48 copay																								
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Ultraviolet coating	\$12 copay	Photochromic glass lenses	\$20 copay																								
Standard anti-reflective (AR) coating	\$35 copay																										
<p>*Additional Discounts – are not available at Wal-Mart</p>																											

## The rates shown below are the monthly rates for Davis Vision

Retiree Only	\$4.36	V1
Retiree & Spouse or Domestic Partner	\$8.64	V2
Retiree & Child(ren)	\$8.48	V3
Retiree & Family or Domestic Partner & Child(ren)	\$12.90	V4
Surviving Spouse	\$4.36	V6

# Dental Plans

The City of Austin offers retirees and surviving spouses two dental coverage options. The following information briefly describes the two dental plans. For detailed information about the plans, refer to the information provided or contact the vendor directly.

## **Delta Dental**

If you enroll in Delta Dental, you can select any dentist to provide dental services; however, if you select a dentist in one of Delta Dental's networks (DPO or Premier), you will have lower out-of-pocket costs. The DPO Program allows you the greatest reduction in your out-of-pocket expenses, since this select group of dentists in your area will provide dental benefits at a charge which has been contractually agreed upon between Delta Dental and the DPO Dentist. These charges are generally lower than those charged by the majority of dentists in the same area. If you select a dentist in the Premier Network, you will not be balanced billed for amounts over the Usual, Customary and Reasonable (UCR) fee. If you select a Non-Delta dentist, you will be responsible for any extra amount charged by the dentist over the benefits that Delta Dental will pay, in addition to any deductibles and maximums specified by the Plan. When contacting a dentist, ask whether the dentist participates in Delta DPO Network or Premier Network.

## **Plan Features**

- Diagnostic and Preventive Services covered at 100%.
- Basic Services covered at 80%.
- Major Services covered at 50%.
- Orthodontia Services covered at 50%.
- \$50 Deductible per covered person (does not apply to Diagnostic and Preventive Services).
- \$150 Deductible per family, per calendar year.
- \$50 Deductible for Orthodontic Services per covered person.
- \$1,000 per patient maximum per covered person, per calendar year.
- \$1,000 lifetime orthodontic maximum per covered person.

## **Assurant Employee Benefits - Heritage Plus with Specialty Benefit Plan**

The Assurant Employee Benefits Plan is a prepaid dental plan that offers benefits through a network of plan dentists. If enrolled in this plan, you are responsible for specific copay amounts when services are provided by a network dentist. Members must select a network general dentist. Members can use the Specialty Plan to obtain services from network or non-network specialists for specific services listed in the member plan documents. Plan limitations and exclusions apply. See the plan documents for details.

### **Plan Features**

- No deductibles.
- No waiting periods.
- Coverage for pre-existing conditions.
- No claim forms to file for plan dentist and plan specialty dentist services.
- No referrals required for specialty dentist services.
- No annual maximum for plan dentist and plan specialty dentist services.
- Plan specialty benefits have copay schedule. Refer to your plan document for copays.

To find a dentist call 800-443-2995, or visit [www.assurantemployeebenefits.com](http://www.assurantemployeebenefits.com). At the Website, click on For Members section, choose Find a Dentist—then under Prepaid/Managed Care Plans, select Heritage Series. Services provided by an SBA Plan Specialty Dentist, and services provided by a Plan Specialty Dentist (a specialty dentist who is a part of the plan provider network but does not accept the SBA copay schedule), will be provided to you at a rate lower than the specialist's normal retail charges.

# Dental Plans Comparison

	Delta Dental			Assurant Employee Benefits - Heritage Plus with Specialty Benefit Plan
	DPO Network	Premier Network	Out-of-Network	In-Network
Selection of Dentist	Member can go to general dentist or specialist in network.	Member can go to general dentist or specialist in network.	Member can go to any general dentist or specialist.	Members must select a network general dentist. Members can use the Specialty Plan to obtain services from network and non-network specialists.
Annual Deductible	\$50 per person/\$150 per family per calendar year. Deductible does not apply to Diagnostic or Preventive Services.	\$50 per person/\$150 per family per calendar year. Deductible does not apply to Diagnostic or Preventive Services.	\$50 per person/\$150 per family per calendar year. Deductible does not apply to Diagnostic or Preventive Services.	None.
Covered Services (other than Orthodontia)	Diagnostic and Preventive – covered at 100% of DPO fee schedule. Basic – covered at 80% of DPO fee schedule. Major – covered at 50% of DPO schedule.	Diagnostic and Preventive – covered at 100% of Premier fee schedule (UCR). Basic – covered at 80% of Premier fee schedule (UCR). Major – covered at 50% of Premier fee schedule (UCR).	Diagnostic and Preventive – covered at 100% of UCR. Basic – covered at 80% of UCR. Major – covered at 50% of UCR. Also responsible for amounts above Usual, Customary and Reasonable (UCR).	Member pays applicable copays according to the schedule of benefits when services are provided by a network dentist.
Annual Maximum Benefit	\$1,000 per person per calendar year.	\$1,000 per person per calendar year.	\$1,000 per person per calendar year. Also responsible for amounts above UCR.	No maximum for network dentist. \$2,000 annual maximum for non-plan specialty dentist.
Orthodontia	50% of DPO fee schedule.	50% of Premier fee schedule (UCR).	50% of UCR. Also responsible for amounts above UCR.	25% discount when services are received from a network specialist. No age limitations (adults and children are both covered).

# Dental Plans Comparison

	Delta Dental			Assurant Employee Benefits - Heritage Plus with Specialty Benefit Plan
	DPO Network	Premier Network	Out-of-Network	In-Network
Orthodontia Maximum Benefit	\$1,000 per person per lifetime.	\$1,000 per person per lifetime.	\$1,000 per person per lifetime.	No orthodontia maximum when services are received from a network specialist.
Benefit Waiting Period	None.	None.	None.	None.
One Year Commitment	Allows members to cancel coverage only during Open Enrollment or within 31 days of a change in family status.			
Identification Cards	Two cards per retiree are issued.			
Claim Forms	None.	None.	Members file claims to be reimbursed for covered expenses. (Some dental offices may file claims and bill the balance after the plan has paid.)	None.
Additional Information	For questions about eligibility, participating network dentists, plan benefits, claim forms, etc., call (800) 336-8264.			For questions about eligibility, participating network dentist, plan benefits, claim forms, etc., call (800) 443-2995.

## The rates shown below are the monthly rates for both dental plans

	Delta Dental	Assurant Employee Benefits Heritage Plus with Specialty Benefit Plan
Retiree Only	\$27.33 (I1)	\$10.14 (A1)
Retiree & One Dependent	\$57.50 (I2)	\$16.64 (A2)
Retiree & Family or Domestic Partner & Child(ren)	\$84.20 (I3)	\$25.77 (A3)
Surviving Spouse	\$27.33 (I6)	\$10.14 (A6)

# Life Insurance

## Coverage Description

The City provides \$1,000 of retiree life insurance at no cost to retirees. Coverage is effective the first day of the following month in which you retire. Retirees are automatically enrolled in this benefit, provided you complete a Retiree Beneficiary Form.

Additional death benefits are available as follows:

- Employees Retirement System – \$10,000.
- Police Retirement System – \$10,000.
- Fire Fighters Relief and Retirement Fund – no death benefit offered.

Life insurance coverage is not available for dependents of retirees.

## Choosing a Beneficiary

In the event of your death, life insurance benefits are paid to your named beneficiary(ies). The City provides a Beneficiary Designation Form for this purpose. Unless prohibited by law, your life insurance benefits will be distributed as you indicated on your Beneficiary Designation Form. If your named beneficiary is under 18 years of age at the time of your death, court documents appointing a guardian may be required before payment can be made. You should talk with an attorney to make sure that benefits to a minor will be paid according to your wishes.

## Reviewing Your Beneficiary Designation Form

You can review your beneficiary designation any time during the year. It is important that you keep this information current so that the person(s) you want to receive benefits are listed. To review your beneficiary information, you must visit the Employee Benefits Division of the Human Resources Department and bring a picture I.D.

## Filing a Life Insurance Claim

Your beneficiary must file the life insurance claim with the Employee Benefits Division and submit the appropriate documents:

- Retiree death – one original death certificate.  
Additional documents will be required if death is due to an accident.
- Vendor claim forms.
- All life insurance claims are paid in a lump sum, unless you request another method of payment in writing and the insurance carrier approves your request.

# Take Charge

## Consumer Tips

To get the most out of your health care benefits, take an active role.

- Schedule annual exams.
- Talk with your doctor about health screenings based on your age, gender, and health history.
- For a chronic condition, consult with your doctor or other health professionals about disease management.
- Gather all of the medications you take on a regular basis and show them to your health care provider.
- Use generic drugs and over-the-counter alternatives, when possible.

Read on to learn more about taking charge of your health and being a good benefits consumer.

## Understanding a Formulary

A formulary is a list of prescription drugs created by an insurance company, which lists the drugs covered under the plan and the level of coverage provided.

Most formularies provide three categories of coverage, often referred to as "tiers."

**Tier One** – Low copay for generic drugs.

**Tier Two** – A higher copay for preferred or brand name drugs.

**Tier Three** – The highest copay for the most expensive brand name drugs (non-preferred).

Some drugs are excluded from formularies altogether. Make sure you review your enrollment materials to understand the costs of your prescription medication under the medical plan you choose.

Review your medical plan's prescription drug formulary. Go to: [www.myuhc.com](http://www.myuhc.com) and log in.

## Generic Drugs

Generic drugs can save you money and can be as effective as name brands. The Food and Drug Administration (FDA) regulates generics, just as it does name brands, to ensure safety and quality. Today, generics are available for about half of all prescription drugs. If you are currently taking a name brand drug, you may be reluctant to switch to a generic. Talk to your doctor about whether a generic drug is right for you. Refer to the Prescription Drug Benefits section in the Schedule of Benefits for a comparison of prescription copays.

## Getting Information About Generic Drugs

*Consumer Reports Best Buy Drugs* [www.crbestbuydrugs.org](http://www.crbestbuydrugs.org) provides information about prescription medication available to treat specific illnesses and diseases, the differences among them, and their costs. Always ask your doctor about whether a particular medication is right for you.

REQUEST FOR PROPOSAL: CITY OF AUSTIN PURCHASING OFFICE  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS  
EXHIBIT II 2011 BENEFITS ENROLLMENT GUIDE FOR RETIREES & SURVIVING SPOUSES

# How to Use Mail Order

Each medical plan has a mail order prescription drug benefit that offers you home delivery and, in some instances, can save you money. Generally, these programs are designed to cover drugs used to treat chronic conditions and/or medications taken for more than 30 days.

To begin using mail order:

- Have your doctor write a prescription for a 90-day supply of your medication (ask for three refills).
- Complete the mail order form provided by your medical plan.
- Attach your prescription.
- Provide a check or credit card information.
- Mail this information to the medical plan's pharmacy.

Within 7 to 14 days, your prescription will be delivered to you, postage paid. UnitedHealthcare **PPO** participants can receive 90 days of medication for **two** copays. UnitedHealthcare **HMO** participants receive 90 days of medication for **three** copays.

If your doctor allows you to take a generic drug, this should be indicated on the prescription. The mail order pharmacy will then fill your prescription using a generic form of your medication.

Three weeks before your mail order supply runs out, you will need to request a refill. Follow directions provided by your medical plan for refills.

For information about your plan's mail order pharmacy benefit or to order forms, call UnitedHealthcare at 800-430-7316.

## What Your Medical Plan Does for You

As the cost of medical care and prescription drugs increases, medical plan copays change. However, City medical plans continue to provide valuable protection from the real costs of medical products and services. The chart below demonstrates how the plans work to provide financial protection for some commonly-used products and services.

	<b>Cost Without Insurance</b>	<b>Member Share HMO</b>	<b>PPO</b>
<b>Medical Services</b>			
Primary Care Visit	\$107	\$20	\$20
Specialist	\$166	\$45	\$35
Inpatient Hospital (4 days)	\$28,700	\$1,000	\$3,000
MRI Scan	\$1,803	\$100	\$100
Ambulance Service	\$1,246	\$100	\$612
<b>Prescription Drugs</b> (Asthma 30-day supply)			
Tier 1	\$31	\$10	\$10
Tier 2	\$135	\$35	\$30
Tier 3	\$210	\$55	\$50

Note: August 2010 data.



REQUEST FOR PROPOSAL: CITY OF AUSTIN PURCHASING OFFICE  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS  
EXHIBIT II 2011 BENEFITS ENROLLMENT GUIDE FOR RETIREES & SURVIVING SPOUSES

# Wellness Resources

## HealthyConnections: City of Austin Wellness Program

Retirees and their spouses are eligible to participate in some of the City's HealthyConnections Wellness Program, including:

- Smoking Cessation Program.
- Free Flu Shot Clinics.
- Wellness Seminars and Classes.
- Group Exercise Classes.

Retirees who are interested in receiving email updates about HealthyConnections opportunities can email the Program at [healthyconnections@ci.austin.tx.us](mailto:healthyconnections@ci.austin.tx.us) and request to be added to the email notification list.

For more information call 512-974-3284.

## Health Assessments

UnitedHealthcare offers a free Health Assessment for its members. A Health Assessment is a handy "self test" that provides a personalized report with specific health recommendations just for you.

To complete your Health Assessment, go to: [www.myuhc.com](http://www.myuhc.com)

1. Log in with your member ID and password.
2. Click on "Health Assessment" on the right-hand side of the page.
3. Read the introduction page and select "Spanish Health Assessment" or "English Health Assessment."
4. Click on "Launch University of Michigan Health Assessment," then follow the instructions to complete the assessment.

The Health Assessment should take 10-20 minutes to complete. Once you are done, click "Submit" for a comprehensive report. You may choose to print and share with your doctor or other healthcare provider.

## LIVESTRONG Survivorship Notebook

If you or someone in your family has been diagnosed with cancer, the Lance Armstrong Foundation has provided the City of Austin a valuable resource, the *LIVESTRONG Survivorship Notebook*.

This notebook includes information and tools to help you organize your care, keep all of your medical information in one place, and understand how to deal with the physical, emotional, and practical issues all cancer patients face. The accompanying *Survivorship Stories* booklet shares the very real stories of other cancer patients and how they LIVESTRONG.

The *LIVESTRONG Survivorship Notebook* is available for free in the Human Resources Department at One Texas Center, 505 Barton Springs Road, Suite 600.

REQUEST FOR PROPOSAL: CITY OF AUSTIN PURCHASING OFFICE  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS  
EXHIBIT II 2011 BENEFITS ENROLLMENT GUIDE FOR RETIREES & SURVIVING SPOUSES

# Federal Requirements

## ADA Compliance

The City is committed to complying with the Americans with Disabilities Act (ADA). Reasonable accommodation, including equal access to communications, will be provided upon request. For more information, call the Human Resources Department at 512-974-3400 or 512-974-2445 (TTY number). For any services in the *Guide* for which a TTY number is not listed, use the Relay Texas TTY number 800-735-2989 for assistance. For more information, visit the Website at: [www.ci.austin.tx.us/ada](http://www.ci.austin.tx.us/ada)

## Dependent Eligibility

Individuals whose coverage ended, or who were not eligible for coverage, because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in plans offered by the City of Austin. Enrollment will be effective January 1, 2011. For more information on enrollment contact the Employee Benefits Division of the Human Resources Department at 512-974-3284.

## The Health Insurance Portability and Accountability Act of 1996 (HIPAA)

This act imposes the following restrictions on group health plans:

- *Limitations on pre-existing exclusion periods:* Pre-existing conditions can apply only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received during a period beginning six months prior to an individual's enrollment date, and any pre-existing condition exclusion is not permitted to extend for more than 12 month after the enrollment date. Further, a pre-existing condition exclusion period may be reduced by any creditable previous coverage the individual had.
- *Special enrollment:* Group health plans must allow certain individuals to enroll upon the occurrence of certain events, including new dependents and loss of other coverage. Loss of coverage includes:
  - o Reaching a lifetime limit on all benefits.
  - o Termination of employer contributions toward other coverage.
  - o Moving out of an HMO service area.
  - o Ceasing to be a "dependent," as defined by the other plan.
  - o Loss of coverage to a class of similarity situated individuals under the other plan (e.g. part-time employees).

Additionally, individuals entitled to special enrollment must be allowed to enroll in all available benefit package options and to switch to another option if he or she has a spouse or dependent with special enrollment rights.

- *Prohibitions against discriminating against individual participants and beneficiaries based on health status:* Plans may not establish rules for eligibility of any individual to enroll under the terms of the plan based on certain health status-related factors, including health status, medical condition, claims experience, receipt of health care, medical history, genetic information, evidence of insurability, or disability.
- *Standards relating to benefits for mothers and newborns:* Plans must provide for a 48-hour minimum stay for vaginal childbirth, and a 96-hour minimum stay for cesarean childbirth, unless the mother or medical provider shortens this period. No inducements or penalties can be used with the mother or medical provider to circumvent these rules.

- *Parity in the application of certain limits to mental health benefits:* Plans must apply the same annual and lifetime limits (i.e. dollar amounts) that apply to other medical benefits to benefits for mental health. Plan provisions regarding limits on the number of visits or days of coverage are not affected by this requirement. If this requirement results in a one percent or more increase in plan costs or premiums, this rule does not apply.

HIPAA gives the City, as the plan sponsor of a non-Federal governmental plan, the right to exempt the plan in whole or in part from the requirements described above. The City has decided to formally implement all of these requirements.

The effect of this decision as it applies to each of the above requirements and the Plan is as follows:

- The Plan does not currently have a pre-existing condition limitation; therefore, the plan is already in compliance with this provision.
- The Plan will provide special enrollment periods.
- The Plan will comply with the non-discrimination rules.
- The Plan will comply with the standards for benefits for mothers and newborn children.
- The Plan will comply with the rules on mental health benefits.

**The HIPAA Privacy Rules for Health Information** were established to provide comprehensive Federal protection concerning the privacy of health information. The Privacy Rules generally require the City to take reasonable steps to limit the use, disclosure, and requests for Protected Health Information to the minimum necessary to accomplish the intended purpose. The City is committed to implementing the Privacy Rules.

**The Women's Health and Cancer Rights Act of 1998** was enacted on October 21, 1998. It provides certain protections for breast cancer patients who elect breast reconstruction in connection with a mastectomy. Specifically, the act requires that health plans cover post-mastectomy reconstructive breast surgery if they provide medical and surgical coverage for mastectomies. Coverage must be provided for:

- Reconstruction of the breast on which the mastectomy has been performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance.
- Prostheses and physical complications of all stages of mastectomy, including lymph edemas.
- Secondary consultation whether such consultation is based on a positive or negative initial diagnosis.

The benefits required under the Women's Health and Cancer Rights Act must be provided in a manner determined in consultation with the attending physician and the patient. These benefits are subject to the health plan's regular copays and deductibles.

## **Prescription Drug Coverage and Medicare**

**Beneficiary Creditable Coverage Disclosure Notice.** This notice provides information about prescription coverage through the City of Austin and prescription drug coverage available through Medicare. Review the prescription drug coverage available through City health plans and through Medicare before making any enrollment decisions.

This notice also provides resources you can use to get additional information and assistance.

- On January 1, 2006, new prescription drug coverage became available to individuals with Medicare Part A. This coverage is available through Medicare prescription drug plans, also referred to as Medicare Part D. All such plans provide standard, minimum level of coverage established by Medicare.

- The City of Austin has determined that prescription drug coverage offered through City health plans will pay – on average – for all plan participants, as much as the standard Medicare prescription drug coverage. The coverages are considered to be “actuarially equivalent.” For this reason, an individual with City coverage is not penalized if he or she decides to enroll in Medicare Part D at a later time.
- If you currently have prescription drug coverage through a City health plan, you may choose to enroll in Medicare Part D annually between November 15 and December 31, or when you first become eligible for Medicare Part D.

**Please Read the Following Carefully:**

- If you keep the City health plan and enroll in Medicare Part D, you will continue to use your prescription benefit under one of the City’s medical plans and pay the appropriate copay.
- You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.
- If you choose to enroll in Medicare Part D and drop your City health plan (which includes prescription drug coverage) be aware that you and your covered spouse may not be able to enroll in a City health plan in future years.
- If you drop your City health plan and enroll in Medicare Part D, you must also drop any dependents from your City health plan. Regardless of intervening events (such as a family status change) you will not be able to reinstate coverage in a City health plan until the next Open Enrollment.
- If you die, and you and your spouse are not enrolled in a City health plan, your spouse will not be eligible for Surviving Spouse coverage through the City.
- If you are a Surviving Spouse and drop City coverage, you will not be able to reinstate City coverage.
- If you drop or lose your City coverage and do not enroll in Medicare Part D after your current City coverage ends, you may have to pay a higher premium to enroll in Medicare Part D at a later time.
- If 63 days or more pass without your having prescription drug coverage that is at least as good as Medicare Part D, your monthly Medicare Part D premium will increase at least 1% per month for every month past your initial enrollment period that you have no coverage or have lesser coverage. In addition, you may have to wait until the following November to enroll.

If you are enrolled in Medicare Part D or a Medicare Advantage Plan and enrolled in a City health plan, you may have duplicate prescription coverage. If you would like to review your coverage(s) or for more information about prescription drug coverage, contact the Employee Benefits Division of the Human Resources Department at 512-974-3284.

Detailed information about Medicare Part D will be available in a handbook entitled “Medicare & You 2009.” Medicare will mail you a copy of this handbook when eligible. In addition, you may be contacted directly by Medicare prescription drug plans.

Information and assistance on prescription drug plans is available as follows:

Visit: [www.medicare.gov](http://www.medicare.gov) for personalized help. Call the Health and Human Services Commission of Texas toll free at 888-834-7406, local number 800-252-9330. Call 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048.

Financial assistance may be available for individuals with limited income and resources through the Social Security Administration (SSA). For more information, visit the SSA Website at: [www.socialsecurity.gov](http://www.socialsecurity.gov). Or call 800-772-1213. TTY users should call 800-325-0778.

## **Continuation of Coverage for Domestic Partners**

The City offers covered individuals the opportunity to continue medical coverage, vision coverage, and/or dental coverage at their own cost in the case of certain qualifying events.

Each retiree or covered individual is required to notify the Employee Benefits Division of the Human Resources Department within 31 days of dissolution of the Domestic Partnership, child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's COBRA administrator, will then notify all covered individuals of their rights to enroll in Continuation of Coverage for Domestic Partners coverage. Notice to a covered individual who is the Domestic Partner or former Domestic Partner of the covered retiree is considered proper notification to all other covered individuals residing with the Domestic Partner or former Domestic Partner at the time the notification is made.

## **COBRA Continuation of Coverage**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, is a Federal law that requires employers to offer qualified beneficiaries the opportunity to continue medical coverage and/or dental coverage at their own cost in the case of certain qualifying events.

### **Qualified Beneficiary**

A qualified beneficiary is you or your family member who was covered under a City-sponsored medical, vision, or dental plan on the day before a qualifying event. A child who is born to or placed for adoption with a qualified beneficiary during the period of COBRA continuation coverage is himself or herself, a qualified beneficiary. If more than one family member is eligible, each person may elect continued coverage separately.

### **Qualifying Events**

The City offers continued medical, vision, and/or dental coverage for covered individuals if certain qualifying events occur. As determined by Federal law, qualifying events include:

- The loss of eligibility for coverage.
- Your divorce or legal separation from your spouse.
- Your dependent child's loss of eligibility because he or she no longer meets the definition of an eligible dependent under the Plan.
- Your becoming entitled to Medicare benefits. This event does not apply to City of Austin retirees.
- Your death.

### **Notice Requirements**

Each retiree or qualified beneficiary is required to notify the Employee Benefits Division of the Human Resources Department within 60 days of a divorce, legal separation, or a child no longer meeting the definition of dependent. Erisa, the City's COBRA administrator, will then notify all qualified beneficiaries of their rights to enroll in COBRA coverage. Notice to a qualified beneficiary who is the spouse or former spouse of the covered retiree is considered proper notification to all other qualified beneficiaries residing with the spouse or former spouse at the time the notification is made.

### **How to Enroll for Coverage**

You have 60 days in which to elect coverage under COBRA from the later of:

- The date coverage ends.
- The date you are notified of your rights under COBRA.

Your COBRA Enrollment Form must be mailed to Erisa. You then have an additional 45 days from the date you elect COBRA coverage to pay the amount owed. Your payment must be received in Erisa's office by the 45th day.

If you make your election and pay on time, coverage under COBRA will begin the day after your group benefits would have otherwise ended. After the initial payment, payments for COBRA coverage must be made on a monthly basis and are due on the first day of the month of coverage with a grace period of 30 days. Payments must be received within 30 days of the due date or coverage will be cancelled.

### **Your Cost for Coverage**

If you choose to continue medical, vision, and/or dental coverage under COBRA, you will be responsible for paying the total premium, plus a 2% administrative fee. The total premium includes the amount you paid as a retiree plus the amount the City contributed toward the cost of your coverage. If you qualify for 29 months of COBRA continuation coverage due to disability, your cost will equal 102% of the total premium for the first 18 months and 150% for the 19th through the 29th month of COBRA coverage. If you elect COBRA coverage, your premium payments must be mailed directly to Erisa.

If premiums for City retirees increase, the new premiums also apply to members who have elected coverage under COBRA. You will be notified of new rates prior to the effective date.

### **How Long Coverage Continues**

Depending on the qualifying event, medical, vision, or dental coverage may be continued under COBRA 18, 29, or 36 months past the qualifying event.

You and covered family members may elect to continue coverage for up to 18 months if coverage ends due to a change in your status or you no longer can participate in retiree benefits.

If a retiree or covered family member is determined to be disabled under the Social Security Act either at the time of a qualifying event, or at any time during the first 60 days of COBRA coverage, the disabled individual and all covered family members may be eligible for up to 29 months of COBRA coverage, rather than 18 months. In order for the disabled individual and any qualified family members to be eligible for the 29 months of COBRA coverage, the disabled family member must meet the requirements listed below before the first 18 months expires.

The individual must:

- Be determined to be disabled by the Social Security Administration.
- Notify the City within 60 days of the Social Security Administration's determination of disability.

A covered family member may elect to continue coverage for up to 36 months if coverage ends due to:

- Your dependent child's loss of eligibility due to restrictions of the Plan.
- Your divorce or legal separation from your spouse.
- Your becoming entitled to Medicare benefits.
- Your death.

It is possible that a qualified beneficiary may experience a second qualifying event while enrolled in COBRA coverage. In that case, the maximum period of COBRA coverage will be the longest period for which the qualified beneficiary is eligible.

## **When Coverage Ends**

Your continued coverage under COBRA generally ends after the expiration of the period described in How Long Coverage Continues. However, under certain circumstances, COBRA coverage may end before the full period of eligibility. Coverage will end on the earliest of the following dates, if any of these dates occur before the end of the applicable COBRA period:

- The date you fail to pay any required premiums when due.
- The date you become covered under another group health plan or Medicare unless you had Medicare prior to COBRA coverage.
- The date the City ceases to offer medical, vision, or dental benefits to retirees.

If you or a covered dependent becomes covered under another group benefit plan, you are normally not eligible to continue coverage under COBRA. However, if the new coverage has a pre-existing condition exclusion or limitation that limits your coverage under the new plan, you may keep your COBRA coverage for the remainder of the time you are eligible, or until the limitation expires, whichever comes first.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. If the other group medical plan's pre-existing condition rule does not apply to you, your COBRA coverage through the City may be terminated.

## **COBRA and Dependents**

COBRA participants may add or maintain coverage for eligible dependents according to the same provisions as retirees. If you have questions about COBRA and dependents, contact Erisa.

## **Surviving Spouse Coverage**

Your spouse will be able to continue his or her coverage through the City after your death, provided your spouse was enrolled as your dependent in a City-sponsored medical, dental, and/or vision plan at the time of your death. Surviving Spouse coverage is not available to domestic partners.

Surviving Spouse coverage is not available to any of your dependents other than your spouse, regardless of whether the dependent was covered under a City-sponsored plan at the time of your death. The coverage offered to Surviving Spouses is the same as those offered to retirees.

## **How to Enroll for Coverage**

Your spouse has 31 days from the date of your death to enroll in the Surviving Spouse coverage. The completed Surviving Spouse Retiree Benefits Enrollment Form must be submitted to the Employee Benefits Division. If your spouse does not enroll within 31 days or terminates Surviving Spouse coverage for any reason, he or she will not be able to enroll at a later date. Surviving Spouse coverage will begin the date after his or her coverage otherwise would have ended.

## **Cost for Coverage**

Rates for Surviving Spouse coverage are provided in the rates section of this *Guide*. Premium payments must be deducted automatically from the monthly check your spouse receives from your retirement system. If your spouse does not receive a monthly check or the check is not enough to pay for his or her coverage, your spouse must make arrangements with the Employee Benefits Division at 512-974-3284 to pay for his or her premium. Payment coupons will be provided by CompuSys/Erisa Administrative Services and must be returned with payment to Erisa. Payments must be made on a monthly basis and are due on the first day of the month of coverage. If payment is not received within the required timeline, coverage will be terminated.

[illegible]



EXHIBIT II 2011 BENEFITS ENROLLMENT GUIDE FOR RETIREES & SURVIVING SPOUSES  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS

**CITY OF AUSTIN, TEXAS**  
Purchasing Office  
**REQUEST FOR PROPOSAL (RFP)**  
**Offer Sheet**

**SOLICITATION NO:** JSD0110

**COMMODITY/SERVICE DESCRIPTION:** ACTUARIAL AND  
CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS

**DATE ISSUED:** 7/4/2011

**REQUISITION NO.:** RQM580011052400369

**PRE-PROPOSAL CONFERENCE TIME AND DATE:** 7/12/2011 at  
11:00AM

**COMMODITY CODE:** 94612

**LOCATION:** MUNICIPAL BUILDING, 124 W 8<sup>th</sup> STREET  
3<sup>rd</sup> Floor Conference Room  
AUSTIN, TEXAS 78701

**FOR CONTRACTUAL AND TECHNICAL  
ISSUES CONTACT:**

Jeff Dilbert

**PROPOSAL DUE PRIOR TO:** 8/10/2011 at 2:00PM

**COMPLIANCE PLAN DUE PRIOR TO:** N/A

**PROPOSAL CLOSING TIME AND DATE:** 8/10/2011 at 2:00PM

Buyer II

**Phone:** (512) 974-2651

**LOCATION:** MUNICIPAL BUILDING, 124 W 8<sup>th</sup> STREET  
RM 310, AUSTIN, TEXAS 78701

*It is the policy of the City of Austin to involve certified Minority Owned Business Enterprises (MBEs) and Woman Owned Business Enterprises (WBEs) in City contracting. MBE and WBE goals for this Solicitation are contained in Section 0900.*

*All Contractors and Subcontractors must be registered to do business with the City prior to submitting a response to a City Solicitation. In the case of Joint Ventures, each individual business in the joint venture must be registered with the City prior to submitting a response to a City solicitation. If the Joint Venture is awarded a contract, the Joint Venture must register to do business with the City. Prime Contractors are responsible for ensuring that their Subcontractors are registered. Registration can be done through the City's on-line vendor registration system. Log onto <https://www.cityofaustin.org/purchase> and follow the directions.*

**SUBMIT 1 ORIGINAL AND SIX (6) SIGNED COPIES AND ONE (1) ELECTRONIC VERSION OF  
PROPOSAL**

**SOLICITATION TO:**

Insert Vendor Name & Address

Signature of Person Authorized to Sign Offer

Signer's Name and Title: (please print or type)

**FEDERAL TAX ID NO.** \_\_\_\_\_

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

**Company Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip Code** \_\_\_\_\_

**Phone No. (       )**

**Fax No. (       )**

**BELOW INFO MUST MATCH THE NAME AND ADDRESS ON INVOICE AND IN COMPANY PROFILE WITH CITY**

**Company "Remit To" Name:** \_\_\_\_\_

**Remit to Address:** \_\_\_\_\_

Offer Sheet

City, State, Zip Code\_\_\_\_  
 Email Address\_\_\_\_

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All other Sections may be viewed at: <https://www.cityofaustin.org/purchase> by clicking the link to "Vendor Self Service (VSS)", sign in if registered, register, or use public access to follow the links to "Business Opportunities" and "Search for Solicitation."

**RETURN FOLLOWING DOCUMENTS WITH BID/PROPOSAL/QUOTE/RESPONSE/SUBMITTAL\*\***

- Cover Page Offer Sheet
- Section 0600 Proposal
- Section 0700 Reference Sheet (if required)
- Sections 0800 - 0835 Certifications and Affidavits (return all applicable Sections)
- Section 0900 MBE/WBE Procurement Program Package or No Goals Utilization Plan, if applicable
- Bid Guaranty (if required)

**\*\* See also Section 0200, Solicitation Instructions, Section 0400, Supplemental Purchase Provisions, and Section 0500, Scope of Work/Specification, for additional documents that must be submitted with the Offer.**

**NOTES:**

The Vendor agrees, if this Offer is accepted within 90 calendar days after the Due Date, to fully comply in strict accordance with the Solicitation, specifications and provisions attached thereto for the amounts shown on the accompanying Offer.

**\* INCORPORATION OF DOCUMENTS.** Section 0100, Standard Purchase Definitions; Section 0200, Standard Solicitation Instructions; and Section 0300, Standard Purchase Terms and Conditions are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address: <http://www.ci.austin.tx.us/purchase/standard.htm>.

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office at the below address. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

When sending a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below.

P.O. Address for US Mail	Street Address for Hand Delivery or Courier Service
City of Austin	City of Austin, Purchasing Office
Purchasing Office	Municipal Building
P.O. Box 1088	124 W 8 <sup>th</sup> Street, Rm 310
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

**Notes:** Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered. Unless authorized in the Solicitation, telegraphic or facsimile Offers will not be accepted.

# 2011 Employee Benefits Guide



*It's More Than a Day's Pay*



## Important Information About Your Benefits

Medical • Vision • Dental • Life Insurance • Disability • FLEXTRA • Wellness • More

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The City of Austin is committed to compliance with the Americans with Disabilities Act. Call HRD at 974-3400 (Voice) or 800-735-2985 (Relay Texas TTY Number) for more information.

Photo credits: Jim Linton, Human Resources Department

The Human Resources Department would like to thank the employees who gave permission for the use of their photographs in this *Benefits Guide*.

# Contact Information

## Employee Benefits Division

### City of Austin Human Resources Department

Phone number: **512-974-3284**

Fax number: 512-974-3420

[www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment)

Benefits Forms: <http://cityspace>

HealthyConnections: <http://cityspace>

Employee Discounts: <http://cityspace>

Contact the plans directly during normal business hours for ID cards, claims, benefits, and coverage information.

## Health Plans

UnitedHealthcare HMO and PPO

Medical phone number: 800-430-7316

Vision phone number: 800-203-4317

Medical Providers: [www.myuhc.com](http://www.myuhc.com)

Prescription: [www.myuhc.com](http://www.myuhc.com) or [www.365wellst.com](http://www.365wellst.com)

Vision Providers: [www.uhcvision.com](http://www.uhcvision.com)

Mental Health Providers: [www.ubhprovider.com](http://www.ubhprovider.com)

## FLEXTRA Accounts

FLEXTRA Health Care Account

FLEXTRA Dependent Care Account

Administered by: CompuSys/Erisa Group (Erisa)

Phone number: 512-250-9397

Toll-free number: 800-933-7472

Benefits Card: [www.benefitspaymentsystem.com](http://www.benefitspaymentsystem.com)

## Dental Plan

Dental Assistance Plan

Administered by: CompuSys/Erisa Group (Erisa)

Phone number: 512-250-9397

Toll-free number: 800-933-7472

## Employee Assistance Program

Alliance Work Partners

Phone number: 512-328-1144

Toll-free number: 800-343-3822 (24 hours)

Relay Texas: 800-448-1823

Toll-free Teen Helpline: 800-334-8336

[www.alliancewp.com](http://www.alliancewp.com)

**Member first time login:**

E-Mail Address: [coamember@alliancewp.com](mailto:coamember@alliancewp.com)

Password: AWP4me

## Vision Plan

Davis Vision

Toll-free number: 888-445-2290

Vision Providers: [www.davisvision.com](http://www.davisvision.com)

## COBRA

Administered by: CompuSys/Erisa Group (Erisa)

Phone number: 512-250-9397

## Legal Plan

Texas Legal Protection Plan

Phone number: 512-327-1372

[www.tlpp.org](http://www.tlpp.org)

## When you need help with your benefits, turn to us

**Employee Benefits Division, HRD**

505 Barton Springs, Suite 600

Office hours: 7:30 a.m. to 5:00 p.m.

Phone number: **512-974-3284**

Outlook Email: [HRD.Benefits](mailto:HRD.Benefits) or

[HRD.Benefits@ci.austin.tx.us](mailto:HRD.Benefits@ci.austin.tx.us)

Call for: Benefits questions and enrollment, changing coverage, adding/dropping dependents, life insurance claims, applying for Short Term and Long Term Disability, claims issues, and vendor disputes.

To save waiting time, schedule an appointment with a Benefits Specialist for assistance.

# Benefits Guide Information

City of Austin employees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time. These benefits are not a guarantee of your employment with the City.

This *Guide* is designed to help you understand your benefits. Review this material carefully before making your enrollment decisions. Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage, or contract), and not by the information in this *Guide*. If there is a conflict between the provisions of the plan you selected and this *Guide*, the terms of the plan govern.

For detailed information about the plans, refer to each plan instrument or contact the vendor or the Employee Benefits Division of the Human Resources Department.

## City Benefits Philosophy

The City is concerned for the health and welfare of its employees and is committed to providing cost-effective benefits that assist employees in being physically and mentally healthy. The benefits provided to employees may range from reimbursement plans to educational programs, but all benefits plans require employees to assume responsibility for the choices they make and to be informed on how to use their benefits effectively.

As part of this philosophy, the City is committed, as resources permit, to making available a comprehensive benefits program that includes plans for:

- Health care
- Wellness
- Disability income
- Income replacement
- Death benefits
- Education and training
- Paid time away from work
- Childcare

In keeping with this philosophy, the City will explore other areas of benefits to the extent they fill a need of a major portion of the workforce and to the extent they can be provided cost effectively and efficiently on a group basis.

## Communications

The benefits program is communicated to employees and to their dependents through a variety of media. Methods used include presentations, newsletters, and the website. In addition, benefits staff is available by phone or in person to discuss benefits issues with employees and their families. Communication goals of the benefits program include:

- Educating employees on how to use their benefits.
  - ❖ Employees should understand their responsibility for the choices they make and for following the requirements of the plans.
- Educating employees on how to be better consumers of all benefits.
  - ❖ Employee choices should be appropriate for their needs.
  - ❖ Employees should contribute to the fiscal integrity and cost effectiveness of the plans by making informed choices when using their benefits.
- Increasing employee understanding of the value of their benefits.



# Online Resources

## Benefits Online Resources

You can access benefits information 24/7 on <http://cityspace>, the City's Intranet website or [www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment). You will be able to view eligibility requirements, plan choices, or view and print the City's benefits guides for active employees and retirees.

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## UnitedHealthcare HMO and PPO

Visit [www.myuhc.com](http://www.myuhc.com) to do the following:

### View Directory

From the main page of the website, click on "Find Physician or Facility" and follow the steps. Be sure you select UnitedHealthcare Choice for the HMO or UnitedHealthcare Choice Plus for the PPO from the drop down menu.

To view your plan's prescription formulary, print a temporary ID card, and/or print EOBs, you must register.

1. Click the "Register Now" button.
  2. Enter ID card information or your Social Security Number and birth date as requested.
  3. Enter the UnitedHealthcare group number - 704244
  4. Enter email address or sign up for a free email account.
  5. Create a user name and password – then start using myuhc.com
- 

## Davis Vision

Davis Vision members can verify eligibility and benefits, locate a provider, place an order, check claim status, and download forms online by registering at: [www.davisvision.com](http://www.davisvision.com)

Follow these steps to register:

1. From the main page, select the "Members" link.
  2. Click the "Register Now" button.
  3. Enter the policy holder's information.
  4. Create a username, password, and security question.
  5. Click the "Register" button.
- 

## FLEXTRA Health Care – Benefits Card

FLEXTRA Health Care participants can view account activity and balances online by registering at: [www.benefitspaymentsystem.com](http://www.benefitspaymentsystem.com)

Follow these steps to register:

1. From the main page, click the "Participant Login" link.
2. Click the "Create Account" link.
3. Enter policy holder's information and benefits card number.
4. Create a user ID and password.
5. Click the "Submit" button.

# Frequently Asked Questions

## Eligibility Questions

- Q. If I am not sure how to access my benefits or who to call, where should I begin?
- A. If you need assistance with any of the benefits offered by the City of Austin, call the Employee Benefits Division at 974-3284 and ask to speak with a Benefits Specialist.
  
- Q. How do I enroll my newborn in my medical plan?
- A. Call the Employee Benefits Division at 974-3284 within 31 days of your child's birth to schedule an appointment with a Benefits Specialist. You must provide a certified birth certificate, the complimentary birth certificate, or a verification of birth facts issued by the hospital and complete a Benefits Enrollment Form.
  
- Q. Can I include my parents on my insurance plan?
- A. No. Parents cannot be enrolled in benefits offered by the City of Austin.
  
- Q. My child is graduating from college next week, and will turn 21 next month; do I have to drop him/her from my insurance?
- A. No. Your dependents may continue coverage until age 26, as long as they meet the eligibility requirements.
  
- Q. How do I add or remove my domestic partner from my benefits?
- A. Call the Employee Benefits Division at 974-3284 to schedule an appointment with a Benefits Specialist. Documentation is required.
  
- Q. I am resigning my position from the City of Austin, how can I continue my coverage?
- A. COBRA is offered to you and your covered dependents when coverage has ended. You will receive a COBRA information packet within three weeks of your separation. For more information, call Erisa, the City's COBRA Administrator at 250-9397.

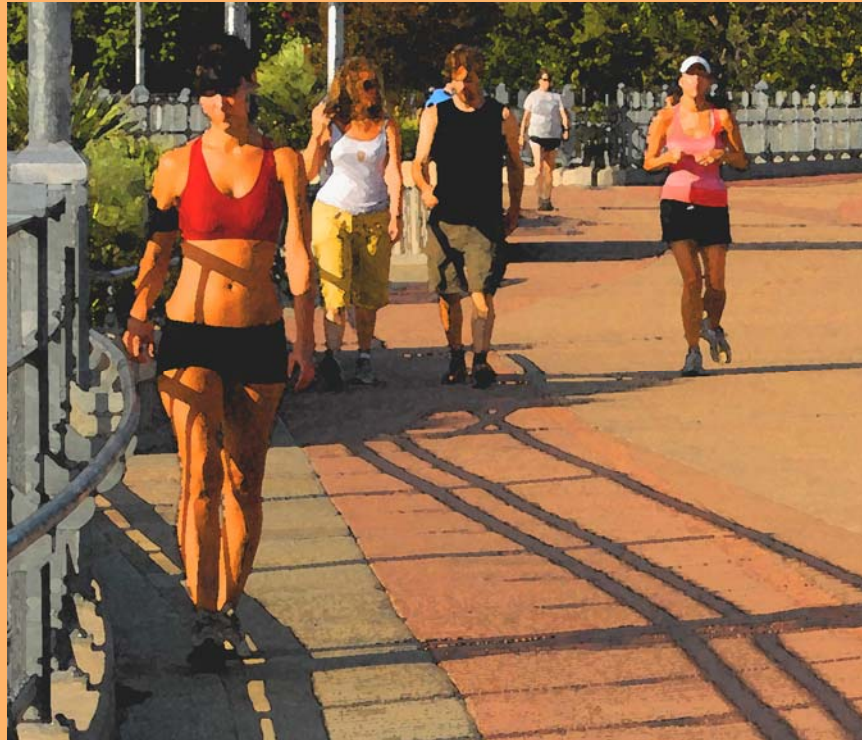
## Benefits Questions

- Q. How do I begin the process for Short Term and/or Long Term Disability?
- A. Call the Employee Benefits Division at 974-3284.
  
- Q. When can I expect to receive my ID cards?
- A. You should receive your ID cards within four to six weeks of enrolling or making changes to your benefits.
  
- Q. If I need to see a doctor or have a prescription filled prior to receiving my ID card, what should I do?
- A. You should pay for the services out-of-pocket, submit a claim form and your receipt to the vendor. You will be reimbursed (minus the copays). If you are in the PPO and utilize a non-network doctor or facility, the amount will be applied toward your out-of-network deductible.
  
- Q. If I enroll in FLEXTRA Health Care, how do I check my account balance?
- A. Go to: [www.benefitspaymentsystem.com](http://www.benefitspaymentsystem.com) or call Erisa at 250-9397.
  
- Q. Can I make changes to my benefits during the year?
- A. Yes, within 31 days of a qualifying life event, such as adding a newborn, marriage/divorce, loss of coverage, or receiving coverage through another company.
  
- Q. If I am called for Military Leave, what steps should I take concerning my benefits?
- A. Call the Employee Benefits Division at 974-3284 to complete a Benefits Enrollment Form.
  
- Q. I will be out on leave (without pay). What should I do to make sure that my benefits continue?
- A. Call the Employee Benefits Division at 974-3284 to make arrangements to pay your benefits premiums.



# Benefit Eligibility

- Employee Eligibility
- Dependent Eligibility
- Persons Not Eligible
- Documentation
- Coverage Information





# Employee Eligibility

As a City employee, including any person in the six-month probationary period, your work status is one of the following: Full-time, Part-time, or Temporary.

As a Full-time or Part-time employee, you may choose any combination of the benefits listed below.

## Full-time Employee – 30 or more hours per week

If you are in a regular budgeted position scheduled to work at least 30 hours per week, you are considered full-time and are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- Short Term Disability
- Long Term Disability
- FLEXTRA
- Wellness Program
- Employee Assistance Program
- Commuter Program
- Prepaid Legal Services
- Deferred Compensation
- Retirement (mandatory)
- Childcare Assistance

As a full-time employee, you are eligible for four types of coverage that do not require you to pay a premium:

- Medical – Employee Only
- Dental – Employee Only
- Basic Life Insurance
- Short Term Disability

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## Part-time Employee – 20 to 29 hours per week

If you are a part-time employee scheduled to work 20 to 29 hours per week, you are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- Short Term Disability
- Long Term Disability
- FLEXTRA
- Wellness Program
- Employee Assistance Program
- Commuter Program
- Prepaid Legal Services
- Deferred Compensation

Part-time employees who work 20 to 29 hours per week, are enrolled for Short Term Disability coverage at no cost to the employee.

## Part-time Employee – Less than 20 hours per week

If you are a part-time employee scheduled to work less than 20 hours per week, you are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- FLEXTRA
- Wellness Program
- Employee Assistance Program
- Commuter Program
- Prepaid Legal Services
- Deferred Compensation

Part-Time employees choosing to purchase Supplemental or Dependent Life coverage, must also purchase Basic Life coverage.

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## Temporary Employee

A temporary employee is an employee who is not in a regular budgeted position with the City. Temporary employees are eligible to participate in:

- Wellness Program
- Employee Assistance Program
- Commuter Program
- Deferred Compensation

# Dependent Eligibility

## Enrolling Dependents for Benefits

If you are a full-time or part-time employee, your dependents are eligible for:

- Medical
- Dental
- FLEXTRA
- Employee Assistance Program
- Vision
- Life Insurance
- Wellness Program
- Prepaid Legal Services - children must be unmarried

## Eligible Dependents

Your spouse and children who meet the descriptions listed below can be enrolled for benefits.

Your eligible dependents are:

**Spouse:** Your legally married spouse, including a declared common-law spouse. Only one spouse may be covered at any time.

**Domestic Partner:** The individual who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with a City employee if, under Texas law, the individual would not be prevented from marrying the employee on account of age, consanguinity, or prior undissolved marriage to another. A domestic partner may be of the same or opposite gender as the employee.

**Children:** Your biological children, stepchildren, legally adopted children, children from whom you have obtained court-ordered guardianship or conservatorship, qualified children placed pending adoption, grandchildren, and children of your domestic partner if you also cover your domestic partner for the same benefit.

To be eligible, your children must:

- Be Dependent on you in a regular parent-child relationship as reasonably determined by the City, be the subject of a Qualified Medical Child Support Order, or be the subject of an Administrative Writ.
- Be under 26 years of age.

**Dependent grandchildren:** Your unmarried grandchild must meet the requirements listed above, and must also qualify as a dependent (as defined by the Internal Revenue Service) on your or your spouse's Federal income tax return.

**Disabled children:** To continue City coverage past the age limit, your disabled child must otherwise meet the requirements for eligible dependents and must also meet the following definition:

- A disabled child is a child who, due to a mental or physical disability, is incapable of earning a living at the time he or she would otherwise cease to be a dependent, if the child is covered as a dependent at that time, and if at that time he or she depends on you for principal support and maintenance.
- A disabled child continues to be considered an eligible dependent as long as the child remains incapacitated, unmarried, dependent on you for principal support and maintenance, and you continuously maintain the child's coverage as a dependent under the plan from the date he or she otherwise would lose dependent status.
- A dependent child who loses eligibility and later becomes disabled is not eligible to be covered. A disabled child who was not covered as a dependent immediately prior to the time he or she would otherwise cease to be a dependent is not eligible to be covered.





## Persons Not Eligible

Dependents do not include:

- Individuals on active duty in any branch of military service (except to the extent and for the period required by law).
- Permanent residents of a country other than the United States.
- Parents, grandparents, or other ancestors.
- Grandchildren who do not meet the definition of dependent grandchildren who are not claimed on your or your spouse's tax return.

An individual is not eligible to be covered:

- As both a City employee and a City retiree, for the same benefit.
- As both a City employee or City retiree and as a dependent of a City employee or City retiree, for the same benefit.
- As a dependent of more than one City employee or City retiree, for the same benefit.

## Documentation

To provide coverage for a dependent under any of the City's benefits programs, you must submit documentation that supports your relationship to the dependent.

Acceptable documents include:

- **For a spouse:** A marriage certificate or declaration of informal (common-law) marriage, which has been recorded as provided by law.
- **For a domestic partner:** A Domestic Partnership Affidavit and Agreement form must be signed by the employee and domestic partner. Also a Domestic Partnership Tax Dependent Status form must be signed by the employee.
- **For a child:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship, or qualified medical child support order, or be the subject of an Administrative Writ.
- **For a child of a domestic partner:** The domestic partner must be covered in order to cover a child of a domestic partner for the same benefit. A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship.
- **For a stepchild:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship, and a marriage certificate or declaration of informal marriage indicating the marriage of the child's parent and stepparent.
- **For a dependent grandchild:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts (for newborns) issued by the hospital or court order establishing legal adoption, guardianship, or conservatorship for your child and grandchild and (if applicable) a marriage certificate or declaration of informal marriage that supports the relationship between you and your grandchild.
- **For a disabled child:** A certified birth certificate, complimentary birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship. A completed Dependent Eligibility Questionnaire verifying an ongoing total disability. Written documentation from a physician verifying an ongoing total disability may be required.
- **For a qualified child placed pending adoption:** An agreement executed between you and a licensed child-placing agency or TDFPS, which meets the requirements listed in the Dependent Eligibility section.

### Note:

Dependents not eligible for the City's insurance programs unfairly raise costs for the City, as well as for all participants in the program.



# Coverage Information

## Changing Coverage

To change coverage you must call the Employee Benefits Division to schedule an appointment with a Benefits Specialist.

As an employee, you may request changes to your coverage only at the following times:

- During Open Enrollment.
- Within 31 days of the date you initially become eligible for coverage.
- Within 31 days of a qualifying life event or HIPAA special enrollment periods.

If you do not complete an enrollment form within the timeframes listed above, you must wait until the next Open Enrollment.

## Qualifying Life Events

During the plan year, when you have a qualifying life event — such as marriage, divorce, establishing a committed living arrangement as domestic partners, dissolution of domestic partnership, loss of coverage, and birth of a child — you may make changes to your coverage within 31 days of the event.

You must contact the Employee Benefits Division within 31 days of the event, to complete a Benefits Enrollment Form and provide the following supporting documentation:

- Certified birth certificate, complimentary hospital certificate, or Verification of Birth Facts issued by the hospital for the birth of a child.
- Marriage license or a Domestic Partnership Affidavit and Agreement Form.
- Divorce decree signed by the judge showing the date the divorce was final or a notarized Domestic Partnership Dissolution Affidavit.
- Documentation from the employer or health insurance carrier confirming the date coverage became effective or was lost.

To drop coverage for dependents who no longer meet the eligibility requirements, you must contact the Employee Benefits Division to complete a Benefits Enrollment Form.

If you have questions concerning your Benefits, call the Employee Benefits Division at 974-3284.

## Coverage Starting Dates

Coverage will be effective for you and your dependents as follows, providing you complete a Benefits Enrollment Form, submit required documentation, and pay any premiums owed:

- If you enroll within 31 days of the date you are first eligible, coverage for you and any dependents you enroll will be effective on the date you are first eligible.
- If you enroll during Open Enrollment, coverage for you and any dependents you enroll will be effective on January 1 of the following year.
- If you enroll within 31 days of a qualifying life event except for the birth of a child or the court-ordered adoption, placement for adoption, guardianship, or conservatorship of a child, coverage for you and any dependents you enroll will be effective the earlier of the first day of the following pay period or the first day of the month following the date you submit the enrollment form.
- Medical coverage is temporarily effective on the date of birth for any child born while you are a covered employee. This includes an eligible grandchild born to your covered dependent. Coverage continues for the child for 31 days. Coverage will extend past the 31 days only if you visit the Employee Benefits Division within the first 31 days of birth, complete a Benefits Enrollment Form, and pay any required premiums. You must complete an enrollment form to add the newborn, even if you have family coverage.
- If you enroll within 31 days of the court-ordered adoption, placement for adoption, guardianship or conservatorship of a child, coverage for you and any dependents you enroll will be effective on the date of the adoption, placement for adoption, guardianship, or conservatorship. You must complete an enrollment form to add the child, even if you have family coverage.

## Coverage Ending Dates

Coverage for you and your dependents will end on the earliest of the following:

- The date the plan in question is terminated.
- The date the coverage in question is terminated or reduced.
- The date the plan is amended to end coverage for your or your dependents' class of participants.
- The last day of the pay period in which you voluntarily terminate your or your dependents' coverage.
- The last day of the pay period in which you or your dependents no longer meet eligibility requirements.

## Premium Information

For employees scheduled to work 20 or more hours per week, the City pays a portion of your dependent's medical and dental premiums. The amount paid by the City is not taxable to you if your dependent is a qualified dependent as defined by the Internal Revenue Service (IRS). You are responsible for determining whether your dependent meets the IRS dependent definition.

## Taxable Fringe

If you choose benefits coverage for a dependent who does not qualify to be claimed on your Federal income tax return, you may have to pay taxes on the amount of money the City contributes for his or her medical and/or dental benefits. This money is considered taxable income, and must be reported to the IRS. The City refers to this money as *taxable fringe*. A spouse is never subject to taxable fringe.

If at least one of the children for whom you have purchased medical and/or dental coverage is a child you claim as a dependent on your Federal income tax return, the City's contribution will not be considered taxable income.

## Premium Deduction Errors

It is your responsibility to verify that the premium deductions taken from your earnings are correct. Any deduction errors must be reported immediately to the Employee Benefits Division at 974-3284.

**Data Entry Error/Delay.** If a data entry error occurs or if data entry is delayed, it will not invalidate the coverage on your Benefits Enrollment Form. Upon discovery, an adjustment will be made to reflect the correct premium deduction. If underpayment of a premium occurs, the City has the right to collect any additional premiums owed by you. If overpayment occurs, the City will reimburse you any amount overpaid up to a maximum of 28 days (two pay periods) of premiums.

**Enrollment Form Errors.** It is your responsibility to ensure that information on the Benefits Enrollment Form is correct. If a premium deduction error occurs, notify the Employee Benefits Division immediately. If an underpayment occurs due to an error you made on the Benefits Enrollment Form, the City has the right to collect any additional premiums owed.

## Waiving Coverage

If you are a full-time employee declining or dropping medical and/or dental coverage for yourself, you must:

- Provide proof of other insurance for the coverage you are declining or dropping.
- Complete a Benefits Enrollment Form.
- Sign a waiver indicating you are aware that medical and/or dental coverage is available at no cost to you through the City.

If you later decide you want to be covered, you will not be able to enroll for coverage until the next Open Enrollment, except within 31 days of a qualifying life event.

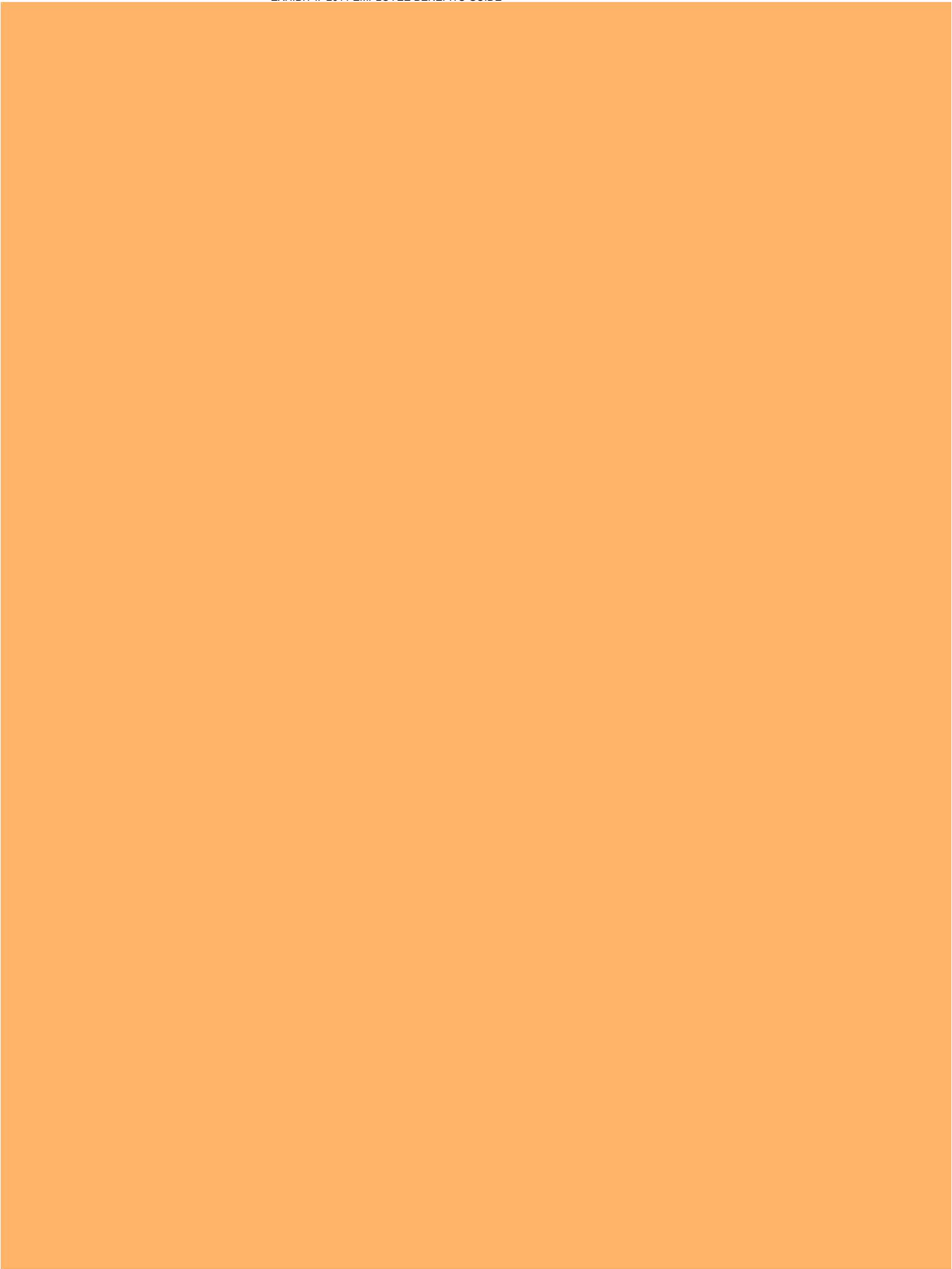




# Plan Choices

- Medical
- Vision
- Dental
- Life Insurance
- Disability
- FLEXTRA
- Prepaid Legal





# Medical Plans: UnitedHealthcare HMO and PPO

## UnitedHealthcare

Will provide the HMO and PPO medical coverage. As an employee, you may choose the medical plan that best meets your needs. Provider information is available online at: [www.myuhc.com](http://www.myuhc.com). Select UnitedHealthcare Choice for the HMO and UnitedHealthcare Choice Plus for the PPO.

Things to consider when choosing a medical plan:

- Amount of out-of-pocket expenses
- Amount of copays for Specialists
- Predictability of inpatient hospital expenses
- Mail Order copays for Prescription Drug coverage

## Do you need treatment before your ID card arrives?

If your coverage begins and you haven't received your ID card from your medical plan, give the provider your Social Security Number and the group number of your plan.

UnitedHealthcare HMO or PPO Group No: 704244

To print a temporary ID card, go to: [www.myuhc.com](http://www.myuhc.com) and click on "Register Now."

## Medical Rates—Per Pay Period, effective January 1, 2011

	UnitedHealthcare HMO and PPO			
	Full-Time 30+ hours per week	Part-Time 20-29 hours per week	Part-Time Less than 20 hours per week	
			HMO	PPO
Employee Only	\$0.00	\$79.75	\$230.07	\$210.28
Employee & Spouse or Domestic Partner	\$125.99	\$268.75	\$516.28	\$471.84
Employee & Child(ren)	\$92.81	\$218.99	\$440.82	\$402.96
Employee & Family or Domestic Partner & Child(ren)	\$211.51	\$397.03	\$710.47	\$649.38

Schedule Of Benefits – UnitedHealthcare			
	HMO	PPO – In-Network	
		In-Network	Out-of-Network
Individual Deductible	None.	\$500 per covered person, per calendar year.	\$1,500 per covered person, per calendar year.
Family Deductible Maximum	None.	Three Individual Deductibles.	Three Individual Deductibles.
Out-of-Pocket Maximum	\$3,500 per covered person or \$7,000 per family, per calendar year.	\$3,000 per covered person, per calendar year.	\$12,000 per covered person, per calendar year.
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Maximum Allowable Charge	The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment.	The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment. In the case of Out-of-Network benefits, the covered person may be responsible for paying charges in excess of the maximum allowable charge in addition to any deductible, coinsurance, copays, or facility fee required by the Plan.	
Selection of Doctor	Members select a network doctor.	Members select a network doctor.	Members select a non-network doctor.
Service Locations	Services are provided at in-network doctors' offices, hospitals, and other medical facilities. If a required service is not available in-network and you obtain the service from an outside provider, pre-approval is required.	Services are provided at in-network doctors' offices, hospitals, and other medical facilities. If a required service is not available in-network and you obtain the service from an outside provider, pre-approval is required.	Services are provided in non-network doctors' offices, hospitals, and other medical facilities.
Residency Requirements	Must live or work in the service area (Bastrop, Blanco, Burnet, Caldwell, Hays, Travis and Williamson counties). Children for whom you have been court-ordered to provide medical support are not required to live in the area.	None. UnitedHealthcare is a national network; contact UnitedHealthcare directly for a list of doctors and/or facilities in your area.	None.
Out-of-Network Benefits	None unless a medical emergency.	\$1,500 deductible. Plan pays 60%, up to maximum allowable charge. Out-of-Network benefits are subject to In-Network benefit plan limits and Pre-approval and Pre-notification requirements. In addition to the above, Outpatient Surgical Facility subject to a \$250 facility fee. Inpatient Hospital Services subject to a \$250 per day facility fee.	



Medical Benefits		
	HMO	PPO – In-Network
Doctor's Charges <u>Office</u>	\$20 Primary Care Physician copay per visit. \$45 Specialist copay per visit.	\$20 Primary Care Physician copay per visit. \$35 Specialist copay per visit.
Well Woman & Well Child Exam	Plan pays 100%, no copay.	Plan pays 100%, no copay.
Doctor's Charges <u>Maternity</u>	\$20 copay for first office visit. Plan pays 100% thereafter.	\$20 copay for first office visit. Calendar year deductible applies. Plan pays 85%.
<u>Urgent Care/Non-Hospital Minor Emergency Centers</u>	\$45 copay per visit.	\$35 copay per visit.
<u>Convenience Care Clinics</u>	\$20 copay per visit.	\$20 copay per visit.
Outpatient Surgery Doctor's Charges <u>Facility Fee</u>  <u>Colonoscopies</u>	\$20 Primary Care Physician copay. \$45 Specialist copay. \$600 copay.  Plan pays 100%, no copay	Calendar year deductible applies. Plan pays 85%. \$75 copay.  Plan pays 100%, no co-insurance.
Hospital Inpatient Services Doctor's Charges <u>Facility Fee</u>	Included in Hospital Services. \$1000 copay per confinement. Limited to semi-private room rate. Other than emergency room, pre-notification required.	Calendar year deductible applies. Plan pays 85%. Limited to semi-private room rate. Pre-notification required.
Hospital Emergency Room Services	\$150 copay per visit.	\$100 copay per visit.
Ambulance Service	\$100 copay.	Calendar year deductible applies. Plan pays 85%.
Allergy and other Covered Injections	Injections are covered at 50%. Plan pays 50% for allergy serum and allergy testing. Plan pays 100% for all other injections. If charged for an office visit, office visit copays apply.	Injections are covered at 100%. Plan pays 100% for allergy serum and allergy testing. If charged for an office visit, office visit copays apply.
Immunizations	Plan pays 100%, if charged for an office visit, office visit copays apply.	Plan pays 100%, if charged for an office visit, office visit copays apply. 30% coinsurance for Shingles vaccination if under age 60.
Physical and Occupational Therapy	\$45 copay per visit.	\$35 copay per visit.
Chiropractic	\$45 copay per visit. Limited to 20 visits per covered person, per calendar year.	\$35 copay per visit. Limited to 20 visits per covered person, per calendar year.
Speech Therapy	\$45 copay per visit. Limited to rehabilitative speech therapy.	\$35 copay per visit.
Nutrition Consultation	\$45 copay per visit. Limited to three visits per covered person, per calendar year.	\$35 copay per visit. Limited to three visits per covered person, per calendar year.



Medical Benefits		
	HMO	PPO – In-Network
Acupuncture	Not covered.	\$35 copay per visit. Limited to \$1,000 per covered person, per calendar year.
Outpatient Diagnostic X-Ray and Laboratory	Plan pays 100%.	Plan pays 100%.
CT, MRI, PET Scans	\$100 copay. Pre-notification required.	\$100 copay. Pre-notification required.
Mental Health Care <u>Outpatient</u>	\$20 copay per visit.	\$20 copay per visit.
Mental Health Care <u>Inpatient</u>	\$1000 copay per confinement. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. calendar year. Pre-notification required.
Chemical Dependency	\$1000 copay per confinement. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required.
	Lifetime maximum benefit of three series of treatments per covered person.	
Extended Care/Skilled Nursing Facility	\$25 copay per day. Limited to 30 days per covered person, per calendar year. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Limited to 60 days per covered person, per calendar year. Pre-notification required.
Home Health Care	\$30 copay per visit.	Plan pays 100%. Limited to 120 visits per covered person, per calendar year.
Hospice Care	Plan pays 100%. Calendar Year maximum benefit of \$20,000 per covered person. Pre-notification required.	Plan pays 100%. Pre-notification required.
Durable Medical Equipment	Plan pays 100%. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Disposable Medical Supplies	Plan pays 80%.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Prosthetic/Orthotic Devices	Plan pays 80%. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Diabetic Equipment (Insulin pumps/related supplies)	Plan pays 80%. Pre-notification required.	Calendar year deductible applies. Plan pays 85%. Pre-notification required for any item over \$1,000.
Diabetic Supplies	See Prescription Drug Benefits.	
Other Covered Medical Expenses	Refer to your Medical Plan Document or contact UnitedHealthcare.	

Vision Benefits Provided Through Medical Plans			
	HMO	PPO – In-Network	
		Routine Vision Network	Choice Plus Plan In-Network
Annual Routine Vision Exam	\$10 copay for eyeglass vision exam or contact lens exam. Members must use the Routine Vision Network.	\$20 copay.	\$35 copay.
Annual Contact Lens Fitting Fee	Amount charged is due at time service is rendered. Submit a vision claim form for reimbursement of contact lens fitting fee, less a \$10 copay.	Amount charged is due at time service is rendered. Submit a vision claim form for full reimbursement of contact lens fitting fee.	Included in Annual Routine Vision Exam copay.
Frames, Standard Lenses and Contact Lenses	Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers.	Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers.	Not available at private practices. Retail chain providers may offer a discount.
Prescription Drug Benefits			
	HMO	PPO – In-Network	
Retail Pharmacy <i>Limited to a 30-day supply.</i>	<u>Generic/Preferred/Non-preferred</u> Tier 1 / Tier 2 / Tier 3 \$10 / \$35 / \$55 copay per prescription.	<u>Generic/Preferred/Non-preferred</u> Tier 1 / Tier 2 / Tier 3 \$10 / \$30 / \$50 copay per prescription.	
Mail Order Pharmacy <i>Limited to a 90-day supply.</i>	\$30 / \$105 / \$165 copay per prescription.	\$20 / \$60 / \$100 copay per prescription.	
Diabetic Supplies See also Diabetic Equipment	Supplies are covered at a participating pharmacy for the copays listed above. Insulin and related diabetic supplies can be purchased with one copay using mail order. Preferred (Tier 2) or non-preferred (Tier 3) copays apply. Insulin pumps and related supplies are covered under the medical benefit. PPO participants must meet annual deductible. Co-insurance will apply on both plans for Diabetic Equipment.		
Benefits are provided for specialty prescription drug products. Patients who require a specialty prescription drug will be directed to a designated pharmacy with whom UHC has arrangements to provide those specialty prescription drug products. When they are directed to a designated pharmacy and choose not to obtain the specialty prescription drug from the designated pharmacy, there will be no coverage.			
Smoking Cessation Program/Drugs – A participant can receive an FDA approved smoking cessation drug at no cost, if the participant: <ul style="list-style-type: none"><li>• Is covered under a City medical plan.</li><li>• Attends one of the smoking cessation programs conducted by the City's Employee Assistance Program.</li><li>• Obtains a prescription from his or her physician.</li><li>• Contacts the Employee Benefits Division.</li></ul> This provision applies to prescription smoking cessation drugs and to over-the-counter nicotine replacement therapy drugs (patch, gum, etc.) at a retail pharmacy or through mail order.			

# Davis Vision Plan

Healthy eyes and clear vision are an important part of your overall health and quality of life. The Davis Vision Plan will help you care for your eyes while saving you money.

To find Davis Vision care providers and for more plan information, go to: [www.davisvision.com](http://www.davisvision.com), or call 888-445-2290. If you are not a current member, click on the Member link under the Open Enrollment/Discount Plan section and enter the client code 2481.

## Plan Design

Covered Service – In-network Benefits (out-of-network benefits are available)																															
Comprehensive Eye Exam – \$10 copay, one exam per calendar year																															
<p>Frames – in lieu of contact lenses Once per calendar year. Up to \$125 retail allowance toward provider-supplied frame plus 20% off overage*</p> <p>OR</p> <p>Any Fashion or Designer frame from Davis Vision's exclusive Collection (with retail values up to \$175), Covered in Full.</p> <p>OR</p> <p>Any Premier frame from Davis Vision's exclusive Collection (with retail values up to \$225), Covered in Full after an additional \$25 copayment.</p> <p>One year eyeglass breakage warranty included at no additional cost.</p>		<p>Contacts – in lieu of frames Once per calendar year. Up to \$120 allowance toward provider-supplied contacts plus 15% off overage*</p> <p>Standard Contacts - evaluation, fitting fees, and follow-up care, \$25 copay applies</p> <p>Specialty Contacts - evaluation, fitting fees, and follow-up care, up to a \$60 allowance plus 15% off overage*, \$25 copay applies.</p> <p>OR</p> <p>Davis Vision's Collection contact lenses, evaluation, fitting fees, and follow-up care, Covered in Full after \$25 copay. (up to 4 boxes of disposable).</p> <p>OR</p> <p>Medically necessary with prior approval, Covered in Full.</p>																													
<p>Standard Eyeglass Lenses – Single, Bifocals, Trifocals, Lenticular, and Standard Scratch Coating. \$25 copay, once per calendar year. Polycarbonate lenses for children are covered in full up to age 19.</p>																															
<table><tr><td colspan="4">Lens Options</td></tr><tr><td>Standard progressive addition lenses</td><td>\$50 copay</td><td>Premium AR Coating</td><td>\$48 copay</td></tr><tr><td>Premium progressives (i.e. Varilux, etc.)</td><td>\$90 copay</td><td>Ultra AR coating</td><td>\$60 copay</td></tr><tr><td>Intermediate-vision lenses</td><td>\$30 copay</td><td>High-index lenses</td><td>\$55 copay</td></tr><tr><td>Blended-segment lenses</td><td>\$20 copay</td><td>Polarized lenses</td><td>\$75 copay</td></tr><tr><td>Ultraviolet coating</td><td>\$12 copay</td><td>Photochromic glass lenses</td><td>\$20 copay</td></tr><tr><td>Standard anti-reflective (AR) coating</td><td>\$35 copay</td><td></td><td></td></tr></table>				Lens Options				Standard progressive addition lenses	\$50 copay	Premium AR Coating	\$48 copay	Premium progressives (i.e. Varilux, etc.)	\$90 copay	Ultra AR coating	\$60 copay	Intermediate-vision lenses	\$30 copay	High-index lenses	\$55 copay	Blended-segment lenses	\$20 copay	Polarized lenses	\$75 copay	Ultraviolet coating	\$12 copay	Photochromic glass lenses	\$20 copay	Standard anti-reflective (AR) coating	\$35 copay		
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*Additional Discounts – are not available at Wal-Mart																															

## Davis Vision Plan Rates—Per Pay Period, effective January 1, 2011

	Rate
Employee Only	\$2.18
Employee & Spouse or Domestic Partner	\$4.32
Employee & Child(ren)	\$4.24
Employee & Family or Domestic Partner & Child(ren)	\$6.45

# Dental Assistance Plan

This plan allows you to choose your own dentist and provides coverage for the following types of dental care: Preventive, Basic, Major, and Orthodontia.

Covered benefits are indicated by dental codes. A fixed fee schedule indicates the maximum amount paid per code. For detailed information, refer to the 2011 Dental Assistance Plan Document online at <http://cityspace>, the City's Intranet website or [www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment)

## Plan Design

Preventive Care	\$0 Deductible
Basic Care	\$50 Calendar Year Deductible
Major Care	\$50 Calendar Year Deductible
Calendar Year Maximum (includes Orthodontia expenses)	\$1,800
Lifetime Orthodontia Maximum Orthodontia Treatments	\$1,800 Covered at 50% of Maximum Allowable Charge
Night guards, splints, implants, and over dentures	Not Covered

## Dental Plan Rates—Per Pay Period, effective January 1, 2011

	Full-Time 30+ hours per week	Part-Time 20-29 hours per week	Part-Time Less than 20 hours per week
Employee Only	\$0.00	\$4.72	\$16.65
Employee & Spouse or Domestic Partner	\$18.84	\$22.58	\$46.62
Employee & Child(ren)	\$18.84	\$22.58	\$46.62
Employee & Family or Domestic Partner & Child(ren)	\$18.84	\$22.58	\$46.62

### Orthodontia Treatment

Expenses are paid **only** as the work progresses and receipts are submitted for reimbursement. Orthodontia benefits paid by the plan **are applied** toward the calendar year maximum.

# Life Insurance

## Basic Life Insurance

Is provided at no cost for full-time employees. You receive one times your base annual salary with a minimum of \$20,000. Part-time employees may purchase Basic Life Insurance.

## Supplemental Life Insurance

Is paid entirely by you. You must have the City's Basic Life Insurance to buy Supplemental Life Insurance. You may purchase Supplemental Life Insurance in amounts equal to one, two, three, or four times your base annual salary. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends.

Your supplemental life amount is rounded down to the next closest \$1,000. Your cost is based on your age, salary, and the amount of insurance selected. You may increase your Supplemental Life annually during Open Enrollment by one coverage level.

The City allows you to choose to have eligible Supplemental Life Insurance premiums deducted from your pay on a before-tax basis. To do so, you must indicate this choice on your Benefits Enrollment Form.

To calculate your rates, complete the Supplemental Life Insurance Worksheet at the end of the Life Insurance section.

## Choosing a Beneficiary

In the event of your death, life insurance benefits are paid to your named beneficiary(ies). The City provides a Beneficiary Designation Form for this purpose. Unless prohibited by law, your life insurance benefits will be distributed as you indicated on your Beneficiary Designation Form. If your named beneficiary is under 18 years of age at the time of your death, court documents appointing a guardian may be required before payment can be made. You should talk with an attorney to make sure that benefits to a minor will be paid according to your wishes.

**Beneficiary Designee for Dependent Life Insurance**  
If you choose to enroll your dependents for Dependent Life Insurance coverage, you are the beneficiary under the plan.

**Reviewing Your Beneficiary Designation Form**  
You can review your beneficiary designation any time during the year. It is important that you keep this information current so that the person(s) you want to receive benefits are listed. To review your beneficiary information, you must visit the Records Division of the Human Resources Department and bring a picture I.D.

Purchase Supplemental Life Insurance to further protect your family

## Changing Your Beneficiary

To change your beneficiary designations you may need to complete more than one form:

- For Basic Life, Supplemental Life, and your final paycheck, complete a City of Austin Employee Beneficiary Designation Form.
- City of Austin Employees' Retirement System (COAERS) participants should call COAERS at 458-2551.
- Sworn employees with the Police Retirement System should complete a Police Beneficiary Designation Form.
- If you participate in the Deferred Compensation Plan, you can designate a beneficiary online at:

[www.dcaustin.com](http://www.dcaustin.com)

City of Austin Beneficiary Designation Forms and Police Beneficiary Designation Forms are not available online. Forms are available from your Department's HR Representative or at the Employee Benefits Division.



### Imputed Income (I50)

Is your Basic Life Insurance coverage, Supplemental Life Insurance coverage, or a combination of both more than \$50,000.

If your base annual salary is more than \$50,000 and you do not wish to have any taxable I50 income, you must indicate this choice by selecting Cap Base Salary at \$50,000 when completing your Benefits Enrollment Form.

To estimate your taxable I50 income online, go to <http://cityspace>, the City's Intranet website or [www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment) and click on Employee tab.

If you purchase Supplemental Life and have your premiums taken out on a before-tax basis, you will incur imputed income on any amount in excess of \$50,000 (Basic Life Insurance + Supplemental Life Insurance). Imputed income is coded as I50 on your pay stub. This income is subject to Federal income tax and FICA (OASDI and Medicare), and is deducted on a monthly basis.

### Waiver of Premium

If you become totally and permanently disabled before age 65, your life insurance may be extended. Total and permanent disability means that, as a result of illness, injury, or pregnancy, you are unable to perform the duties of your own occupation or any gainful occupation for which you are reasonably suited by education, training, and experience.

The application process must be completed within one year of your last day actively at work. To apply for waiver of premium, contact the Employee Benefits Division.

To qualify for waiver of premium, you must submit written proof of your total and permanent disability to the insurance carrier. If approved, you will not be charged a premium. The insurance carrier may periodically require you to submit proof of your continuing disability.

### Accidental Death and Dismemberment (AD&D) Coverage

If you are enrolled in Basic and/or Supplemental Life Insurance, you also have AD&D coverage equal to the total amounts of your life insurance.

If you have an injury that results in a covered loss, as listed below, you receive a percentage of your AD&D coverage in effect on the date of the accident. The loss must occur within 365 days of the accident. Injury means bodily injury caused by an accident, occurring while coverage is in force and resulting directly and independently of all other causes in a loss covered by the AD&D policy.

Loss	Percentage	Loss	Percentage
Life	100%	Loss of speech	50%
One hand, one foot, or sight of one eye	50%	Loss of hearing	50%
Two or more of the above losses	100%	Thumb and index finger of same hand	25%

Loss of hands or feet means severance at or above the wrist or ankle. Loss of sight means total and irrecoverable loss of sight. Loss of speech means total and irrecoverable loss of speech. Loss of hearing means total and irrecoverable loss of hearing. Loss of thumb and index finger means the actual, complete, and permanent severance through or above the metacarpophalangeal joints.

An additional 10% of the full amount of Accidental Death and Dismemberment Benefit will be paid to your designated beneficiary(ies) if you die while wearing a properly fastened, original, factory-installed seat belt in an automobile accident that is covered under the Basic Life policy. However, the amount payable will not exceed \$10,000 for the Seat Belt Benefit. An additional Air Bag Benefit will be paid if certain conditions are met.

The Accidental Death and Dismemberment Benefit has some limitations and exclusions. Contact the Employee Benefits Division for the list of exclusions.

## Accelerated Death Benefits

If you are terminally ill, the life insurance carrier offers an accelerated death benefits provision that allows you to receive part of your life insurance prior to your death.

If you are diagnosed as terminally ill by a doctor, contact the Employee Benefits Division to apply for accelerated benefits. The insurance carrier may require you to be examined by a doctor of their choice, at their expense.

If you are approved for accelerated benefits, the benefit is payable in a lump sum up to 50% of the amount of your life insurance coverage. Accelerated benefits can be used with Basic and/or Supplemental Life Insurance. The accelerated benefits provision is subject to a minimum payout of \$10,000 and a maximum payout of \$500,000.

Accelerated benefits are payable only once during your lifetime. Some exclusions apply to the accelerated benefits provision. Refer to the appropriate life insurance certificate(s) for additional information. Accelerated benefits do not apply to Dependent Life Insurance.

## Filing a Life Insurance Claim

When you or your covered dependent dies, a life insurance claim must be filed with the Employee Benefits Division and the appropriate document(s) submitted:

- Employee death – one original death certificate.  
Additional documents will be required if death is due to an accident.
- Dependent death – one original death certificate.
- Vendor claim forms.
- All life insurance claims are paid in one lump sum, unless you request another method of payment in writing and the insurance carrier approves your request.

## Your Right to Convert

If you retire or terminate your employment with the City of Austin, you may convert your coverage to an individual policy with the life insurance carrier (subject to plan limitations). You must apply and pay your first premium no later than 31 days after the date coverage has ended. For additional information on conversion to an individual policy, contact the Employee Benefits Division.

## Dependent Life Insurance

Is available for your spouse, domestic partner, and children who are at least 14 days but under age 26. AD&D coverage is not available for dependents. You must have Basic Life Insurance offered by the City to be eligible to buy Dependent Life Insurance. You may choose from the two options listed in this section.

If you choose Dependent Life, you pay the entire premium. Rates are per pay period effective January 1, 2011.

Option 1	Coverage Amount	Rate
Spouse or Domestic Partner	\$10,000	\$ .60
Child six months and older	\$5,000	\$ .10
Child 14 days to six months	\$1,000	\$ .10
Family or Domestic Partner and Child(ren)	\$10,000/\$5,000/\$1,000	\$ .70
Option 2	Coverage Amount	Rate
Spouse or Domestic Partner	\$20,000	\$1.40
Child six months and older	\$10,000	\$ .24
Child 14 days to six months	\$1,000	\$ .24
Family or Domestic Partner and Child(ren)	\$20,000/\$10,000/\$1,000	\$1.63

### Reminder:

When you add a dependent to your life insurance, remember to complete a new Beneficiary Designation Form.



# Supplemental Life Insurance Worksheet

Employees must have Basic Life Insurance offered by the City to buy Supplemental Life Insurance.

You may buy Supplemental Life Insurance in amounts equal to one, two, three, or four times your base annual salary. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends.

To estimate your pay period cost for Supplemental Life Insurance, follow these steps or estimate your premium on <http://cityspace>, the City's Intranet website, click on Employee Benefits and Services. Scroll down to Life Insurance. You can also go to: [www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment)

1. Determine your Base Annual Salary. Do not include any hours for overtime.

$$\underline{\hspace{2cm}} \text{ Hour Work Week} \times 52 \text{ weeks} = \underline{\hspace{2cm}} \text{ Hours} \times \$\underline{\hspace{1cm}} = \$\underline{\hspace{1cm}}$$

Hourly Rate                      Annual Salary

2. To find the Supplemental Life Amount you may buy, multiply your Base Annual Salary (from STEP 1) by one, two three, or four. Then round your answer down to the next closest \$1,000.

$$\begin{array}{ccc} \$\underline{\hspace{2cm}} & \times 1, 2, 3, \text{ or } 4 = & \$\underline{\hspace{2cm}} \\ \text{Annual Salary} & & \text{Supplemental Life Amount} \end{array}$$

3. To find the Number of \$1,000 Units you may buy, divide the Supplemental Life Amount (from STEP 2) by 1,000.

$$\begin{array}{ccc} \$\underline{\hspace{2cm}} & \div 1,000 = & \underline{\hspace{2cm}} \\ \text{Supplemental Life Amount} & & \text{Number of \$1,000 Units} \end{array}$$

4. To find your Pay Period Cost, multiply the Number of \$1,000 Units (from STEP 3) by the Cost Per \$1,000 for your age group (see chart below). The answer in STEP 4 is your estimated cost per pay period.

$$\begin{array}{ccc} \underline{\hspace{2cm}} & \times \$\underline{\hspace{1cm}} & = \$\underline{\hspace{1cm}} \\ \text{Number of \$1,000 Units} & \text{Cost per \$1,000} & \text{Pay Period Cost} \end{array}$$

Age	Cost Per \$1,000 of Coverage	Age	Cost Per \$1,000 of Coverage
34 and under	\$0.030	55 to 59 years	\$0.170
35 to 39 years	\$0.035	60 to 64 years	\$0.220
40 to 44 years	\$0.045	65 to 69 years	\$0.350
45 to 49 years	\$0.075	70 and over	\$0.805
50 to 54 years	\$0.110		



# Disability

## Short Term Disability (STD)

Coverage is provided at no cost for employees who are scheduled to work 20 or more hours per week. The following information is only a summary of the program.

### Benefit Amount

70% of your base weekly salary, up to \$1,200 per week. The minimum payment is \$15 per week. Covers off-the-job injuries, illnesses or pregnancies. This is a taxable benefit.

### Coverage Period

You must satisfy a 30-day waiting period. During the waiting period you may use paid leave, but you must be off work continuously for 30 days. Benefits are payable on the 31<sup>st</sup> day, up to 60 days.

### Reduction in Benefits

Once approved for STD benefits, you must stop using any paid leave. Your benefits will be reduced by any paid leave or work earnings you receive from the City.

### Filing a Claim

You must file a claim with the Employee Benefits Division within 60 days of the disability date. Employee Benefits staff will assist you with the application process. The carrier determines whether the claim is approved or denied and notifies you of the determination in writing.

### Eligibility for Other Benefits

While receiving STD benefits, you may be eligible to continue medical, dental, vision, life insurance, and other benefits. Your eligibility depends on if you:

- Return to work
- Go on a Leave of Absence
- Go on FMLA leave
- Pay any required premiums
- Retire
- Terminate your employment

### Definition of Disability

Total disability or totally disabled means that you are prevented by illness, injury or pregnancy from performing the essential duties of your Occupation.

### When Benefits End

Your STD benefits automatically end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof of loss.
- The date you are no longer under the care of a physician.
- The date you refuse our request to submit to an examination by a physician or other qualified medical professional.
- The date your maximum benefit period ends.
- The date of your death.
- The date Long Term Disability (LTD) benefits become payable under the City's LTD program.

### Exclusions and Limitations

Your benefits do not cover any disability that:

- Is due to intentionally self-inflicted injury.
- Is due to war or any act of war (declared or not declared).
- Results from your commission of or attempt to commit a felony or your engagement in an illegal occupation.
- Is an occupational disease.
- Is an occupational injury.
- Is not under the ongoing care of a physician.

If you have another STD policy, check with your insurance carrier or agent to determine whether its benefits are affected by the City's STD program.

## Long Term Disability (LTD)

Coverage is an employee-paid benefit offered to employees scheduled to work 20 or more hours per week. The following information is only a summary of the program.

### Benefit Amount

60% of your base monthly salary, up to \$7,500 per month. The minimum payment is the greater of \$100 or 10% of your Monthly Benefit prior to any reduction for other income benefits. Covers off and on-the-job injuries, illnesses, or pregnancies. This is a non-taxable benefit. The chart below, indicates how many months you are eligible to receive LTD benefits. Once you are 62 or older, benefits are payable up to the maximum benefit period, which depends on your age when you become totally disabled.

<u>Age</u>	<u>Maximum Benefit Period</u>
62 but less than 63	42 months
63 but less than 64	36 months
64 but less than 65	30 months
65 but less than 66	24 months
66 but less than 67	21 months
67 but less than 68	18 months
68 but less than 69	15 months
69 or older	12 months

### Coverage Period

You must satisfy a 90-day waiting period. During the waiting period you may use paid leave or STD benefits, but you must be off work a total of 90 days. Benefits are payable until you are no longer disabled or are no longer qualified for LTD.

### Reduction in Benefits

Once approved for LTD benefits, you must stop using any paid leave. Your benefits will be reduced by any paid leave or work earnings you receive from the City.

### Filing a Claim

You must file a claim with the Employee Benefits Division within 180 days of the disability date. Employee Benefits staff will assist you with the application process. The carrier determines whether the claim is approved or denied and notifies you of the determination in writing.

### Eligibility for Other Benefits

While receiving LTD benefits, you may be eligible to continue medical, dental, vision, life insurance, and other benefits. Your eligibility depends on if you:

- Return to work
- Go on a Leave of Absence
- Go on FMLA leave
- Pay any required premiums
- Retire
- Terminate employment

### Definition of Disability

During the 90-day benefit waiting period and until benefits have been paid for 24 months, you are considered disabled if, as a result of illness, injury, or pregnancy, you are unable to perform the material duties of your own occupation with reasonable continuity and you experience a 20% loss of earnings.

After benefits have been paid for 24 months, you are considered disabled if, as a result of physical disease, mental disorder, injury, or pregnancy, you are unable to perform the material duties of *any* occupation. This includes any occupation for which you are reasonably suited by education, training, and experience and you experience a 20% loss of earnings.

### When Benefits End

Your LTD benefits automatically end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof of loss.
- The date you are no longer under the care of a physician.
- The date you refuse our request to submit to an examination by a physician or other qualified medical professional.
- The date you refuse to participate in a rehabilitation program.
- The date your maximum benefit period ends.
- The date of your death.

### Exclusions and Limitations

LTD coverage has the following exclusions and limitations:

- Is due to intentionally self-inflicted injury.
- Is due to war or any act of war (declared or not declared).
- Results from your commission of or attempt to commit a felony or your engagement in an illegal occupation.
- Is not under the ongoing care of a physician.
- LTD coverage has limitations for pre-existing conditions.
- Exceeds a limited benefit period. Some conditions are limited to 24 months. Please refer to the policy booklet for limitations.
- If you have another LTD policy, check with your insurance carrier or agent to determine whether its benefits are affected by the City's LTD program.

# Long Term Disability Worksheet

Your LTD premium is based on your base annual salary and age. To estimate your pay period cost for LTD coverage, follow these steps, or go to <http://cityspace>, the City's Intranet website or [www.cityofaustin.org/benefits/enrollment](http://www.cityofaustin.org/benefits/enrollment)

1. Determine your Base Annual Salary. Do not include any hours for overtime.

$$\underline{\hspace{2cm}} \text{ Hour Work Week} \times 52 \text{ weeks} = \underline{\hspace{2cm}} \text{ Hours} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Hourly Rate                      Annual Salary

2. To find the Number of \$100 Units of coverage you may buy, divide your Annual Salary (from STEP 1) by 100.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Annual Salary}} \div 100 = \underline{\hspace{2cm}}$$

Number of \$100 Units

3. To find your Annual Cost, multiply the Number of \$100 Units (from STEP 2) by the Cost Per \$100 of Base Annual Salary for your age group (see chart below). Your answer in STEP 3 is your estimated annual cost.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Number of \$100 Units}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Cost per \$100                      Annual Cost

4. To find your Pay Period Cost, divide your Annual Cost (from STEP 3) by 24 pay periods. The answer in STEP 4 is your estimated cost per pay period.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Annual Cost}} \div 24 \text{ pay periods} = \$ \underline{\hspace{2cm}}$$

Pay Period Cost

Age	Cost Per \$100 of Base Annual Salary	Age	Cost Per \$100 of Base Annual Salary
Under 30	\$0.094	50 to 59 years	\$0.512
30 to 39 years	\$0.127	60 to 69 years	\$0.391
40 to 49 years	\$0.274	70 and older	\$0.137

# FLEXTRA

FLEXTRA helps you keep more of your paycheck by reducing your Federal taxes. FLEXTRA allows you to pay for certain expenses before taxes are deducted from your pay. These expenses include childcare expenses and most out-of-pocket medical, dental, and vision care expenses and prescription copays.

FLEXTRA accounts are regulated by IRS code Section 125 and administered by Erisa. You may choose to participate in one or both of these accounts available through the City of Austin:

- FLEXTRA Health Care Account
- FLEXTRA Dependent Care Account

## FLEXTRA Health Care Account

You can use your FLEXTRA Health Care Account to pay for eligible medical, dental, and vision care expenses and prescription copays.

To participate, you:

- Estimate your out-of-pocket expenses for the calendar year using the FLEXTRA Health Care Worksheet at the end of the FLEXTRA section. If you enroll mid year as a new employee, estimate your expenses for the eligible pay periods remaining.
- Choose the amount to be deducted from your paycheck, (up to \$250 per pay period based on 24 pay periods per year).

Examples of Eligible Expenses include, but are not limited to:

- Copays
- Deductibles
- Coinsurance
- Facility Fees
- Expenses for hearing aids
- IRS approved over-the-counter drugs (must have a prescription from your physician)
- Medical and dental expenses in excess of the Maximum Allowable Charge or Plan limits
- Vision care expenses (exams, glasses, contact lenses, and vision correction surgery)

Examples of expenses that cannot be reimbursed through the FLEXTRA Health Care Account, include but are not limited to:

- Premiums for health coverage
- Expenses reimbursed by any other plan or policy
- Expenses for vitamins and cosmetics
- Expenses incurred before your effective date or after your termination date of participation in the FLEXTRA Health Care Account, unless continued under COBRA
- Over the counter drugs without a prescription

For a complete list of eligible expenses, call Erisa at 250-9397.

### Use It or Lose It

Estimate the money you put aside in your FLEXTRA accounts carefully. Money not claimed by the deadline will be lost.

### Dates to Remember

- March 15, 2012 to incur eligible IRS expenses.
- May 31, 2012 to submit claims for reimbursement from your 2011 accounts.

## Use the FLEXTRA Benefits Card for Added Convenience

When you enroll in the FLEXTRA Health Care Account, you will receive one FLEXTRA Benefits Card to pay for eligible expenses. Your account will be credited with the total amount you have elected for the year. When you use your card, approved expenses are automatically deducted from your FLEXTRA Health Care Account. You can always review your card balance at: [www.benefitspaymentsystem.com](http://www.benefitspaymentsystem.com)

The advantages of using the Benefits Card are listed below:

- Instant access to your Health Care Account funds
- No need to use out-of-pocket dollars
- No claims to file
- No waiting for reimbursement checks



## Here's How it Works:

- Use your card to pay for eligible expenses
- Use the card anywhere MasterCard is accepted
- Keep your receipts to verify the expense is eligible
- If you present your Benefits Card for payment and you have exceeded the amount you have set aside for the year, use of the card will be denied

## Important Information about your Benefits Card

Do not use your Benefits Card to pay for out-of-pocket expenses in early 2011 if you have any money left in your 2010 account. Instead, you should pay for these expenses at the point of service, and then submit a paper claim along with your receipts to Erisa for reimbursement, indicating that the claim is for your 2010 account.

## OR You May File a Claim

You may choose not to use the Benefits Card, and instead file claims for reimbursement; it's your choice. To do so, you complete a FLEXTRA Health Care claim form and submit the form along with your paid receipts and/or explanation of Benefits directly to Erisa. Claims for eligible over-the-counter drugs must be sent to Erisa.

## A Real Life Example of the FLEXTRA Health Care Account

Neil needs dental surgery in February 2011. After the dental plan pays its portion, Neil will owe \$1,200. During Open Enrollment, Neil decided to have \$50 per pay period put into his FLEXTRA Health Care Account on a pre-tax basis. (There are 24 benefits deductions taken during the calendar year. 24 pay periods x \$50 = \$1,200.) \$1,200 is placed in Neil's Health Care Account on January 1, 2011, even though the money hasn't yet been deducted from Neil's bi-weekly paychecks.

When Neil has surgery in February, he uses his FLEXTRA Benefits Card to pay his portion of the bill (\$1,200). Each pay period, Neil will see a \$50 deduction taken from his paycheck. Neil is reimbursing his FLEXTRA Health Care Account for the \$1,200.

By participating in the FLEXTRA Health Care Account, Neil paid for his surgery with money that was not taxed. In addition, Neil did not have to pay his portion of the bill (\$1,200) out of his checking account.

### Helpful Tip

Employees are often under the impression that all "medical expenses" can be deducted from their individual tax return. Generally, that is not the case. The expenses that can be deducted on the tax return are those expenses that exceed 7.5% of your adjusted gross income.

## FLEXTRA Health Care Account Worksheet

Use this worksheet to estimate your expenses for the Plan Year (January 1, 2011 to December 31, 2011). Listed below are some common FLEXTRA Health Care expenses. For a complete listing, go to: [www.irs.gov](http://www.irs.gov)

	Employee	Dependents	Total
Prescriptions	<i>You save money by using generic drugs. Consider maintenance and <b>prescribed</b> over-the-counter drugs.</i>		
Medications (including prescribed over-the-counter drugs)			\$
Copays for Doctor Visits			\$
Scheduled			
Non-Scheduled			
Medical Procedures	<i>Consider laser eye surgery, outpatient surgery, hospital copays, coinsurance, hospital stays, and lab work.</i>		
Procedures			\$
Dental Care	<i>Consider cleanings, x-rays, fillings, root canals, etc.</i>		
Routine and Procedures			\$
Orthodontia			\$
Vision Care			\$
Total annual health care estimate (cannot exceed \$6,000)			\$
Divide by 24 payroll deductions per calendar year or remaining eligible pay periods if you are a new employee. Maximum deduction is \$250 per pay period.			÷
Estimated contribution per eligible pay period (When participating in Open Enrollment, put this amount under FLEXTRA Health Care)			\$

### FLEXTRA Reimbursement Tips

1. Receipts: Whether you (or a family member) choose to use the FLEXTRA Benefits Card or file claims instead, always keep your receipts and save copies of the health plan's Explanation of Benefits.
2. Orthodontia expenses: The amounts reimbursable for orthodontia expenses are determined as claims are incurred throughout the course of treatment. The amount reimbursable through FLEXTRA is the difference between the amount billed and the amount paid by the dental plan. This amount may not match the payment plan you have set up with your dentist.

## FLEXTRA Dependent Care Account

If you pay for day care or after-school care, consider enrolling in the City's FLEXTRA Dependent Care Account. Why not save income taxes on your childcare expenses? A Dependent Care Account usually will save you more in taxes than the Federal Tax Credit; however, it depends on your income.

Your child must be: Under age 13 or physically or mentally incapable of self-care regardless of age, and spends at least eight hours a day in your home.

Dependent care must be used to enable you, or if you are married, you and your spouse, to be gainfully employed or to attend school full time. Generally, your spouse must have earnings from employment that are at least equal to the amount you contribute.

### Example of how the FLEXTRA Dependent Care Account works:

Susan's gross pay is \$1,000 per pay period. In her Dependent Care Account, she sets aside \$4,800 per year (\$200 per paycheck, based on 24 pay periods annually) for child care expenses.

This example shows how being enrolled in FLEXTRA Dependent Care makes it possible for Susan to take home more money by reducing her taxable income.

Per Pay Period	Paycheck With FLEXTRA Dependent Care	Paycheck Without FLEXTRA Dependent Care
Gross Pay	\$ 1,000.00	\$ 1,000.00
Dependent Care expenses reimbursed (with FLEXTRA)	- 200.00	- 0.00
Taxable Pay	\$ 800.00	\$ 1,000.00
Social Security (7.65% of taxable pay)	- 61.20	- 76.50
Income Tax (assuming 15% tax bracket)	- 120.00	- 150.00
After-Tax Pay	\$ 618.80	\$ 773.50
Paying for Dependent Care (without FLEXTRA)	\$ 0.00	\$ 200.00
Take Home Pay	\$ 618.80	\$ 573.50

### If you participate in the FLEXTRA Dependent Care Account you:

1. Estimate your out-of-pocket dependent care expenses for the calendar year using the Dependent Care Worksheet.
2. Choose the amount to be deducted from your paycheck, up to \$208 per pay period, based on 24 pay periods per year. If you enroll mid-year as a new employee, estimate your expenses for the eligible pay periods remaining.
3. Incur eligible IRS expenses. You may submit claims for babysitters, companions, or day care centers as allowed by the IRS. Your claim must include the name, address, and Social Security Number or Tax ID number of the day care provider.
4. Submit a FLEXTRA Dependent Care claim form and a copy of your paid receipts directly to Erisa. You may not claim expenses paid to a relative claimed on your or your spouse's tax return, or who is your child or stepchild and is under age 19 at the end of the tax year.
5. Receive reimbursement. Checks are mailed to you on a weekly basis for the amount of your eligible expenses, up to the current balance in your account. If your expenses are greater than the balance in your account, you will receive additional reimbursements as more before-tax dollars are placed in your account. If you have any questions about eligible providers, call Erisa at 250-9397.

## FLEXTRA Dependent Care Account Worksheet

Use this worksheet to estimate your expenses for the Plan Year (January 1, 2011 to December 31, 2011). Listed below are some common FLEXTRA Dependent Care expenses.

For a complete listing, go to: [www.irs.gov](http://www.irs.gov)

Activity	Monthly Cost	No. of Months	No. of Children	Total Cost
Day care for a child 6 or under – not in the first grade	\$	X_____months	X_____children	\$
Before-school care for a child up to age 13	\$	X_____months	X_____children	\$
After-school care for a child up to age 13	\$	X_____months	X_____children	\$
Summer care for a child up to age 13	\$	X_____months	X_____children	\$
Summer day camp for a child up to age 13	\$	X_____months	X_____children	\$
Total annual dependent care estimate				\$
Divide by 24 payroll deductions per calendar year or remaining eligible pay periods if you are a new employee. Maximum deduction is \$208 per pay period (maximum \$4,992).				÷
Estimated contribution per pay period (When participating in Open Enrollment, put this amount under FLEXTRA Dependent Care)				\$

If you are . . .	. . . this limit applies for your family each year. These limits may be reduced if you participate in a City Childcare Assistance Program. If you have questions, call 974-3284.
Single	\$4,992
Married, filing a joint tax return	Lesser of \$4,992, your income, or your spouse's income
Married, filing separate tax returns	Lesser of \$2,496, your income, or your spouse's income
Married with a spouse who is disabled or is a full-time student at least five calendar months of the year	\$2,496 if you have one dependent; \$4,992 if you have two or more dependents

### FLEXTRA and the City's Childcare Assistance Program

If you participate in both the FLEXTRA Dependent Care Account and the City's Childcare Assistance Program (see page 42) during the same year, funds you receive from the Childcare Assistance Program in excess of \$5,000 are taxable. If you have questions, call the City's Childcare Assistance Program at 974-3284.



## **FLEXTRA Fine Print**

### **Dependents and FLEXTRA**

Annual contributions will roll over if you do not participate in Open Enrollment.

To claim expenses for a dependent through FLEXTRA, that individual must qualify under Section 125 and in some cases, meet the City's eligibility requirements.

### **Enrolling in or Changing your FLEXTRA Accounts**

You can enroll or make changes to your FLEXTRA account(s) **only** at the following times:

1. As a new employee
2. During Open Enrollment
3. Within 31 days of an IRS permitted change

Examples of IRS permitted changes are listed below:

- Marriage or divorce
- Birth or adoption of a child
- Death of a spouse or child
- Beginning or end of spouse's employment
- Reduction in hours worked, which affects eligibility for benefits

## **Leaving City Employment**

### **FLEXTRA Health Care Account**

If you terminate employment with the City, you will have until May 31, 2012 to submit claims to Erisa for expenses that were incurred while you were employed with the City and you contributed to your FLEXTRA HealthCare Account.

If you have money remaining in your FLEXTRA Health Care Account, you may continue your participation through COBRA. For more information call Erisa, the City's COBRA Administrator at 250-9397.

### **FLEXTRA Dependent Care Account**

If you terminate employment with the City, you will have until March 15, 2012 to incur expenses and must submit claims to Erisa by May 31, 2012 for expenses accrued in your FLEXTRA Dependent Care Account.

Call Erisa at 250-9397 for more information on your FLEXTRA Account(s).

## **FLEXTRA Health Care and Dependent Care Recap**

1. FLEXTRA is governed by and must comply with the rules of the IRS.
2. FLEXTRA accounts do not result in tax savings for everyone. You should discuss with a tax advisor or obtain information from the IRS. Go to: [www.irs.gov](http://www.irs.gov)
3. You may continue contributions to your FLEXTRA Health Care Account through COBRA.
4. You may make changes to your FLEXTRA accounts only within 31 days of an IRS permitted change.
5. You may set aside up to \$250 per pay period for FLEXTRA Health Care.
6. You may set aside up to \$208 per pay period for FLEXTRA Dependent Care.
7. **USE IT OR LOSE IT!** You have until March 15, 2012 to incur expenses and until May 31, 2012 to submit claims for reimbursement from your 2011 accounts.

# Prepaid Legal Services

## Texas Legal Protection Plan (TLPP)

Employees have the opportunity to purchase prepaid legal services from the Texas Legal Protection Plan. Participating employees can access legal services as listed below. To cover children, children must be unmarried.

### Major Benefit Services

Benefits begin immediately on the effective date of coverage, with the exception of the “divorce, annulment, or modification of existing order” benefits, which have a six-month waiting period.

The following benefits are available one time per year per family.

**Action Benefits** – These services allow you to initiate the legal matter.

- Adoption Court Proceedings
- Bankruptcy Court Proceedings – Non-business
- Consumer Protection
- Divorce, Annulment, or Modification of Existing Order – (six-month waiting period)
- Estate Planning (Will, Power of Attorney, Living Will, Codicil)
- Name Change

**Protection Benefits** – These services are available to you as a defendant or respondent of the legal matter.

- Defense of Civil Action
- Defense of Felony Charge
- Habeas Corpus Court Proceedings
- Defense of Insanity or Infirmary Proceeding
- Defense of Misdemeanor Charge
- Defense of Misdemeanor – License Suspension (if action leads to suspension or revocation of license)
- Defense of Driving While Intoxicated
- Juvenile Court Proceedings (Family coverage required)

**Preventive Legal Services** – This category is an additional four hours of attorney time, per plan year, for legal advice, correspondence, negotiation, and documentation preparation. Members may use this time for issues not included in the major benefit services, as long as the issue is not specifically excluded.

**Legal Hotline Services** – Unlimited toll-free telephone access to attorneys for general legal advice and consultation.

**Participating Attorneys** – When using a Participating Attorney for a covered service, the plan pays the attorney’s time up to the plan maximum; there are no copayments or deductibles. TLPP provides you access to attorneys throughout the state of Texas. The directory of participating attorneys is provided to you at [www.tlpp.org](http://www.tlpp.org)

**Non-Participating Attorneys** – If you use an attorney who is not a Participating Attorney, coverage is available to you on an ‘indemnity’ basis; you will be partially reimbursed for the costs of covered legal services up to a specified dollar amount.

**Exclusions** – for a list of exclusions not covered by the plan, call TLPP at 327-1372.

### Your Right to Convert

If you retire or terminate your employment with the City of Austin, you may convert your coverage to an individual policy. You must apply and pay your first premium no later than 31 days after the date coverage has ended. For additional information call TLPP at 327-1372.

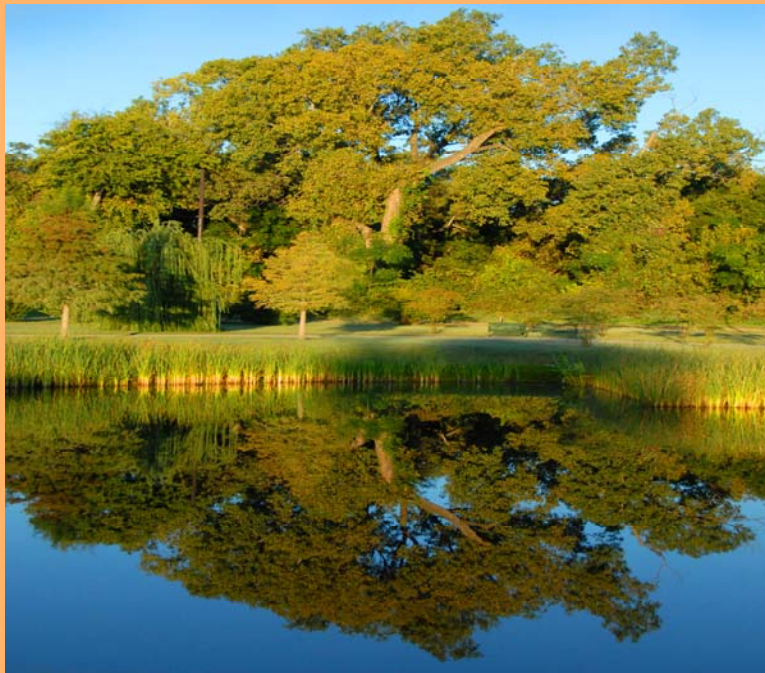
## TLPP Rates—Per Pay Period, effective January 1, 2011

	Rate
Employee Only	\$5.41
Employee & Family/ DP & Children	\$7.58



# Other Benefits

- Employee Communications
- Tuition Reimbursement
- Service Incentive Pay
- Childcare Program
- Commuter Program
- Leave
- Veteran Services Office
- Workers' Compensation
- Velocity Credit Union
- Retirement
- Social Security



Early morning in Butler Park



## Other Benefits

In addition to the benefits described on the following pages, the City offers other benefits that employees may access. These include:

- Bilingual Pay- Call the HRD Compensation Division at 974-3403
- Employee Discounts with local merchants- cityspace (see home page)
- Tax Preparation Assistance, if eligible- [www.foundcom.org](http://www.foundcom.org)
- Free Entry to City Parks (including Deep Eddy and Barton Springs pools)
- Free Library Card, regardless of residence

### Employee Communications

The Human Resources Department publishes newsletters to educate and inform the workforce about human resources-related issues.

- The *HR Update*, published monthly for employees
- The *HR Advisor*, published periodically for supervisors and managers

*CitySource Today* is an online weekly newsletter. It focuses on the people and projects that define the City of Austin workforce.

### Tuition Reimbursement Program

The City encourages employees to improve their job skills and career potential. To help employees reach their individual goals, the City provides Tuition Reimbursement for employees who meet eligibility requirements. The Tuition Reimbursement Program generally supports technical and academic courses at accredited schools and institutions.

To obtain information about eligibility or to find out how to apply, call the Human Resources Department at 974-3400, or go to <http://cityspace>, the City's Intranet website and click on HR Forms.

### Service Incentive Pay

Service Incentive Pay is a benefit for non-Civil Service employees who have completed at least five years of continuous City service as of the current year.

The formula for employees with five and up to seven years is: Completed years of uninterrupted service (up to seven years) x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$500, whichever is less.

The formula for employees with seven and up to 15 years is: Completed years of uninterrupted service (up to 15 years) x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$1,000, whichever is less.

The formula for employees with 15 or more years is: Completed years of uninterrupted service x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$1,500, whichever is less.

When calculating your benefit, use your hourly rate, scheduled work week, and length of service as of the current year.

By law, this benefit is subject to withholding tax. Taxes are withheld according to your W-4 Form. The benefit payment is included in the first paycheck issued in December.

If there is a conflict between the City's Personnel Policies on Service Incentive Pay and the information provided in this section of the *Guide*, the Personnel Policies govern. For more information about Service Incentive Pay, call the Compensation Division of the Human Resources Department at 974-3400.

## Childcare Program

The programs described below are offered to full-time, regular employees on a first-come, first-served basis and as funding permits.

### Childcare Assistance Program

City employees with children under the age of 13 may be eligible for financial assistance of up to \$50 per week per child for all-day, week-long care. Eligibility is based on household size and family income. For example, a family of four with a gross income of less than \$62,358 a year qualifies for assistance. Other requirements: Single parents must have child support orders in place. In a two-parent home, both parents must work at least thirty hours a week. Applications must be completed during open enrollment.

### Childcare Referral

City employees can receive assistance locating childcare near their home or work by contacting the Childcare Coordinator in the Employee Benefits Division of the Human Resources Department. Employees also can review inspection records of childcare providers maintained by the Texas Department of Family and Protective Services.

### Youth Camp Scholarship Program

This program is available to employees with children ages five through 12. The program provides vouchers worth up to \$50 a week for use at Parks and Recreation Department Centers. The sign-up period is March 1 through April 30. Children must be registered at the PARD camp of their choice before submitting a Youth Camp Scholarship application.



## Commuter Program

As part of the City's Clean Air Initiative, the City has an agreement with Capital Metro for the following benefits:

### Metro Buses

City employees can ride any Capital Metro bus for free using a bus pass. These cards are available from your departmental HR representatives, or the HRD office at One Texas Center. City employees must get a bus pass to access this benefit. Employees must also commit to riding the bus at least one day a week. Visit [www.capmetro.org](http://www.capmetro.org) and use the Online Trip Planner to learn the easiest and fastest way to commute to wherever you need to go.

### MetroAccess – Paratransit Services

The MetroAccess program serves employees with disabilities by providing shared-ride, door-to-door public transportation service for free. For more information call Capital Metro at 474-1200.

### RideShare Van Pools

City employees can also take advantage of Capital Metro's van pool services for free. Call the Rideshare Office at 477-RIDE (7433) and get matched to a van pool operating between your home and work location. Employees also have the option of forming their own van pool with the help of the Rideshare office. Capital Metro will provide the van, gas, insurance, and regular maintenance – all free for City employees.

For more information on the Commuter Program, go to <http://cityspace>, the City's Intranet website or call the Employee Benefits Division at 974-3284.

## Leave

The following information summarizes current leave policies. The benefits described do not imply a guarantee of employment or a continuation of the leave program. These leave policies are subject to change.

Refer to the City's Personnel Policies for more information. If there is a conflict between the information provided in this section of the *Guide* and the Personnel Policies, the Personnel Policies govern.

If you have any questions concerning leave, call the Employee Relations Division of the Human Resources Department at 974-3400.

### Paid Leave

Paid leave benefits are available for a number of approved reasons. Examples of paid leave benefits include:

- Official holidays
- Personal holidays
- Sick leave
- Personal (vacation) leave

The paid leave benefits described in this section apply to you if you are a full-time employee in a regular budgeted position. As a part-time employee, you are entitled to leave benefits on a prorated basis.

### Official Holidays

City holidays for 2011 are listed below. You may be required to work on an official holiday. If you are scheduled to work, you will be compensated for the holiday according to Personnel Policies.

Holiday	Date Observed
Martin Luther King, Jr.'s Birthday	January 17
Presidents' Day	February 21
Memorial Day	May 30
Independence Day	July 4
Labor Day	September 5
Veterans' Day	November 11
Thanksgiving Day	November 24
Friday after Thanksgiving	November 25
Christmas Eve	December 23
Christmas Day	December 26

### Personal Holidays

Upon completion of your six-month probationary period, you are eligible to take two personal holidays each year. If you do not use your personal holidays in the year earned, they cannot be carried over into the following year.



### Sick Leave

You earn four hours of sick leave per pay period if you are a full-time, regular employee working 40 hours per week. If you work other than a 40-hour work week, you accrue sick leave at a different rate. Civil Service employees also accrue sick leave at a different rate.

Sick leave must be earned before it can be used. If you do not use your sick leave, you may carry unused days forward into the next year. Sick leave may be accrued on an unlimited basis.

If you are on sick leave for at least five consecutive work days due to your own health condition, a return to work release form must be completed by your health care provider and given to your supervisor before you will be allowed to return to work.

### Personal (Vacation) Leave

You may use personal leave for any reason. The amount that you earn depends on how long you have worked continuously for the City and the number of hours you work each week.

The number of hours you earn per pay period as a full-time employee working 40 hours per week is listed on the following chart:

<b>If you have worked:</b>	<b>Hours you earn per pay period:</b>
Less than 5 years	4.34 hours
5 but less than 10 years	5.34 hours
10 but less than 15 years	6.00 hours
15 but less than 20 years	6.67 hours
20 years or more	7.67 hours

If you work other than a 40-hour work week, you accrue personal leave at a different rate. Civil Service employees also accrue personal leave at a different rate.

You should keep in mind a few other things about personal leave:

- You may request personal leave at any time once you have completed your probationary period.
- If you become ill while you are on personal leave, you may request that your personal leave be temporarily stopped and your absence be charged to sick leave.
- The maximum amount of personal leave you may accrue is 400 hours for a 40-hour work week. Payment of unused personal leave upon resignation or retirement is limited to 240 hours.
- You may use personal leave while on family or medical leave. Refer to Family and Medical Leave for more information.

### Employees on Leave of Absence

As a City employee, you may be granted a leave of absence under certain circumstances. All requests for leave of absence must be approved by your Department Director, and requests for leave of more than 30 days must be approved by the City Manager. The maximum total time for which a leave of absence may be granted is one year.

If you are on leave for at least five consecutive work days due to your own health condition, a return to work release form must be completed by your health care provider and given to your supervisor before you will be allowed to return to work.

If you are participating in the deferred compensation loan program and you are on an unpaid leave of absence, automatic deductions are not possible. You must contact the Deferred Compensation office to prevent default of your loan.

While you are on a leave of absence, if you do not wish to continue any or all of your benefits for yourself and/or your dependents, you must come to the Employee Benefits Division and complete a Benefits Enrollment Form to drop coverage.

If you choose to continue your benefits, you will be responsible for the full cost of premiums, including the City's contribution. Since you do not receive a paycheck while you are on an unpaid leave of absence, automatic deductions are not possible. To make arrangements to pay your benefits premiums, contact the Employee Benefits Division at 974-3284.

## Family and Medical Leave (FMLA)

If you have been employed by the City a minimum of 12 months and you have worked at least 1,250 hours during the 12 months prior to commencement of the leave, you are eligible for family or medical leave. As an eligible employee, you are allowed up to 12 weeks per calendar year for:

- Family leave:
  - ❖ For the birth and care of your child.
  - ❖ For the placement of a child for adoption or foster care.
- Medical leave:
  - ❖ To care for your seriously ill spouse, domestic partner, child, or parent.
  - ❖ For your own serious health condition that prevents you from performing one or more of the essential functions of your job.

Family leave must be taken within 12 months after the birth of a child or the placement of a child for adoption or foster care. Family leave may begin within a reasonable time before the birth or placement of a child.

You may take family leave continuously; however, you are not entitled to take family leave intermittently or on a reduced leave schedule unless approved by your Department Director. Medical leave can be taken continuously, intermittently, or on a reduced leave schedule if medically necessary.

Family and medical leave is unpaid leave. You may, however, use accrued personal leave while on family leave. When you request family leave for the birth and care of a child, you may use accrued personal leave and, if appropriate, sick leave. During medical leave you may use accrued sick leave and, after all accrued sick leave is used, you may ask to use accrued personal leave.

You must submit a request for family or medical leave to your supervisor at least 30 days prior to the planned event, such as scheduled surgery, scheduled hospitalization, birth, or adoption. If advance notification is not practical or the reason for leave is unplanned, you must give notice to your supervisor as soon as possible, but no later than two business days after you learn of the need for the leave.

Your Department Director may require you to provide satisfactory proof of the proper use of medical leave. If satisfactory proof is not provided, your request may be denied.

While on family or medical leave, medical and other benefits coverages will continue under the current conditions and costs, including the City's contribution to your benefits premiums. If you use accrued paid leave while on family or medical leave, benefits premiums will be taken automatically from your paycheck. If on unpaid leave, you must contact the Employee Benefits Division to make arrangements to pay your benefits premiums, if any.

If you do not wish to continue any or all of your benefits while on family or medical leave, you must contact the Employee Benefits Division to complete a Benefits Enrollment Form dropping coverage. If you fail to return from family or medical leave, you may be required to reimburse the City for the City's portion of the benefits premiums paid on your behalf during the unpaid leave.

After family or medical leave has ended, you will be returned to the position you held before your leave began or to a position with equal pay, benefits, and other employment terms and conditions. However, the City cannot guarantee that you will be returned to the position you held before your leave began.

## Military Family Leave

**Military Caregiver Leave (also known as Covered Service member Leave)**

Eligible employees who are family members of covered service members will be able to take up to 26 work weeks of leave in a "single 12-month period" to care for a covered service member with a serious illness or injury incurred in the line of duty on active duty. This 26-work-week entitlement is a special provision that extends FMLA job-protected leave beyond the normal 12 weeks of FMLA leave.

#### Qualifying Exigency Leave:

This leave helps families of members of the National Guard, Reserve, and Active Duty manage their affairs while the member is on Active Duty in support of a contingency operation. For more information, contact the Veterans Services Office at the City of Austin.



#### Veterans Services Office – Five Star Employer

The City of Austin is a Five Star Employer, with a Veterans Services Office. This office assists City employees in the National Guard and Reserve (and their families) and supports veterans who work for the City.

The City's program has three key areas:

- Veterans Consultant – The City provides training to departments about their responsibilities under USERRA, the Uniformed Services Employment and Reemployment Rights Act. This Federal legislation addresses a wide range of issues such as hiring, leave, and benefits.
- Ombudsman Services – The program offers mediation services as a link between the employee, the employee's family, and the department. The confidential services include listening to concerns and complaints, evaluating options, and offering solutions. The program strives to help all service members receive fair and equitable treatment from City, State, and Federal entities.
- Partnerships with Other Groups – the City's Veterans Services Office partners with a variety of organizations in the community and has shown leadership in this effort.

Specific City benefits also include the following:

- 15 days of paid military leave per fiscal year
- Military Pay Supplement Program
- Veteran's preference in the City hiring process
- Service credit toward City retirement for military service
- Continuation of benefits through Family and Medical Leave (FMLA)

For more information, contact Allen Bergeron, Veterans Consultant and Military Ombudsman, at 974-3459 or by email to [allen.bergeron@ci.austin.tx.us](mailto:allen.bergeron@ci.austin.tx.us). Or visit the website at: <http://www.ci.austin.tx.us/military>

## Workers' Compensation

Workers' Compensation is a program for managing medical treatment and loss of wages for employees who are injured on the job. The City provides this coverage for compensable injuries and illnesses according to State law. Your Workers' Compensation benefits are funded by the City.

If you are injured on the job, you may be eligible for payment of:

- All reasonable and necessary medical treatment
- 70% or 75% of your average weekly wage (depending on your hourly rate)

If you are injured on the job, the Departmental Workers' Compensation Representative (DWCR) in your department who is assigned to your case can answer questions about your benefits. If you are injured on the job, report your claim immediately to your supervisor. Ask your doctor to complete and sign the proper work status form and return it to your DWCR.

For more information, call your DWCR or the Risk Management staff of the Human Resources Department at 974-3400.

## Velocity Credit Union

As an employee of the City, you are eligible for membership in the Velocity Credit Union. Once you join Velocity, anyone in your family is eligible to join.

Some of the services available to credit union members include:

- Free checking/direct deposit
- Master Money™ Check Card
- Savings/investment accounts
- Low cost loans
- Multiple Austin-area locations and ATMs
- Youth Club accounts
- Safe deposit boxes
- Individual retirement accounts
- Internet Home Banking with Bill Pay
- Payroll deductions to savings and/or loans
- Financial planning, investment, and insurance service
- Savings bonds

## Retirement

The City values you as an employee. As part of your compensation, the City provides retirement benefits. Over the years, the City has made a significant investment in providing retirement benefits to employees, so it is important that you understand how your retirement benefits work.

Several programs are available to help you prepare for your retirement. These programs include mandatory participation in one of three separate retirement systems, an optional Deferred Compensation Program, and City contributions to Social Security on your behalf.

For more information about your defined benefit retirement plan, contact your retirement system.

### City of Austin Employees' Retirement System

Call 458-2551, or go to: [www.coaers.org](http://www.coaers.org)

#### Retirement Eligibility

Employees are eligible for retirement when they meet one of the following age and service requirements:

- 23 years creditable service at any age
- 20 years creditable service at age 55
- Any number of years creditable service at age 62

### Austin Fire Fighters Relief and Retirement Fund

Call 454-9567, or go to: [www.afrs.org](http://www.afrs.org)

#### Retirement Eligibility

Employees are eligible for retirement when they meet one of the following age and service requirements:

Early Retirement benefit:

- 10 years of service at age 45
- 20 years of service at any age

Normal Service Retirement benefit:

- Age 50 or 25 years of service

### City of Austin Police Retirement System

Call 416-7672, or go to: [www.ausprs.org](http://www.ausprs.org)

#### Retirement Eligibility

Employees are eligible for retirement when they meet one of the following age and service requirements:

- 23 years creditable service at any age (excluding Pre-membership Military Service)
- 20 years creditable service at age 55 (excluding Pre-membership Military Service)
- Any number of years creditable service at age 62

### Deferred Compensation Plan (457 Plan)

The Deferred Compensation Plan is a retirement savings plan that allows eligible employees to supplement any existing retirement/pension benefits by saving and investing before-tax dollars through voluntary salary deferral. ING Institutional Plan Services is the plan administrator.

You may enroll in the Deferred Compensation Plan or make changes in your deferrals any time during the year. You may also choose from a diverse array of investment options. Your account is tax-deferred until you withdraw money, usually at retirement.

You can review and manage your account at: [www.dcaustin.com](http://www.dcaustin.com) or by calling toll free at 877-66-AUSTIN (877-662-8784).

## Social Security

Social Security pays benefits once you meet certain eligibility requirements when you retire, become disabled, or die. Social Security taxes are paid by you and the City. The City pays the same amount as you do, 7.65% of your eligible earnings. Of this amount, 6.2% is for Old Age, Survivors and Disability Insurance (OASDI), and 1.45% is for Medicare Tax.

Contributions by firefighters to Social Security may vary, and in some cases may not be made at all. If you are a firefighter, contact the Fire Fighters Relief and Retirement Fund for more information about your Social Security benefits.

Questions about Social Security benefits may be directed to the Social Security Administration at 800-772-1213.







# Employee Wellness

- HealthyConnections
- Employee Assistance Program
- More Wellness Resources
- Consumer Tips







# HealthyConnections

The City is pleased to announce a new look and some significant improvements to its award-winning employee wellness program. Now called **HealthyConnections**, the program continues to help the workforce lead healthier lives. By providing information, tools, and programs, HealthyConnections strives to achieve these goals:

- A productive workforce with improved quality of life for employees and their families
- A reduction in medical claims
- More affordable health care for everyone

For more information about the program and upcoming wellness opportunities, visit HealthyConnections on the City's Intranet website. Employees with limited computer access at work, spouses, dependents, and retirees may contact HealthyConnections and request to be added to our distribution list to receive monthly updates.

Website: [www.cityspace.ci.austin.tx.us/services/employeeewellness](http://www.cityspace.ci.austin.tx.us/services/employeeewellness)

Email: [healthyconnections@ci.austin.tx.us](mailto:healthyconnections@ci.austin.tx.us)

Phone: Call 974-3284 and ask to speak to a Wellness Consultant

## Registration

Employees sign up for classes and activities on TRAIN (unless otherwise noted) which requires a City-network computer. Employees without computer access at work, spouses, dependents, and retirees can call 974-3284 and ask to speak to a Wellness Consultant.

## Participation Guidelines

City guidelines allow employees to flex their work schedule one hour per week to participate in certain wellness activities. Some wellness activities can be completed on work time. If you have questions, contact a Wellness Consultant.

## Rewards

The City is strongly committed to the health and well-being of its employees. Rewards are offered to encourage participation in the City's Wellness Program. Visit the website for more information.

## Program Brochure

The HealthyConnections Program Brochure for 2011 will be available in January on the wellness website and by hard copy through your department. The Program Brochure provides a summary of program offerings, which are also described briefly below:

### • Health Assessment

HealthyConnections is an online tool called a Health Assessment (HA) to achieve a healthy workforce. The HA is a questionnaire available through UnitedHealthcare, the administrator of the City medical plans. UHC keeps personal health information confidential. The HA evaluates an employee's personal health status and offers recommendations for making improvements. Group data from the HA (not personal information) helps the City tailor programs to meet the needs of the workforce.

A Health Assessment (HA) is a survey in which you answer questions about your overall health and lifestyle habits. It's a handy "self test" that provides a report with tailored health recommendations for you.



To complete your Health Assessment, go to: [www.myuhc.com](http://www.myuhc.com)

1. Log in with your member ID and password.
2. Click on "Health Assessment" on the right-hand side of the page.  
Read the introduction page and select "Spanish Health Assessment" or "English Health Assessment."  
Click on "Launch University of Michigan Health Assessment," then follow the instructions to complete the assessment.

The Health Assessment should take 10-20 minutes to complete. Once you are finished, click "Submit" for a comprehensive report. You may choose to print and share with your doctor or other health care provider.

- **Flu Shots**

HealthyConnections provides free flu shots for City employees, spouses, retirees, and dependents age 18 and older. Flu shot clinics are scheduled at a variety of City work locations and occur in the Fall.

- **Health Campaigns and Challenges**

During the year, HealthyConnections targets specific topics based on national health awareness campaigns to educate the workforce and encourage healthy lifestyle changes. Each campaign or challenge involves an educational component, a physical activity, or both. The campaigns and challenges will be both Citywide and at the department level.

- **Wellness Education**

A variety of seminars and classes on a wide range of health topics such as nutrition, diabetes, heart disease, weight management, stress, and more. These educational offerings help to improve quality of life for employees and their families. Look for information in your department, on the Wellness website, through emails, and in employee newsletters.

- **Smoking Cessation**

Two smoking cessation programs to help you quit smoking when you make the decision to do so. Smoking 101 is a 90-minute overview; 12 Weeks to Smoke Free offers weekly meetings led by a trained facilitator. The City will cover the cost of an over-the-counter or prescription medication recommended and prescribed by your doctor for any eligible member who participates in one of the City's smoking cessation programs. Employees, spouses, retirees, and eligible dependents who are enrolled in a City medical plan are eligible for this benefit. The benefit is good for six months from the date of request. A doctor's prescription is required for over-the-counter drugs.

- **Weight Watchers**

The City offers access to this nationally-recognized program aimed at helping individuals make wise food choices for long-term healthy living. Weight Watchers at Work offers convenient weekly meetings at the workplace, with confidential weigh-ins, educational materials, and support from group members and from the Weight Watchers leader.

- **Farm to Work**

Farm to Work is a unique partnership program with the Sustainable Food Center of Austin to coordinate the weekly delivery of pre-ordered baskets of fresh, locally grown produce to designated City work sites.

Ordering Link: [http://sustainablefoodcenter.org/ftw/City\\_of\\_Austin/otc](http://sustainablefoodcenter.org/ftw/City_of_Austin/otc)

- **PE Classes**

HealthyConnections offers a variety of opportunities to help employees improve their fitness and overall health. The program has something for everyone, regardless of your current fitness level, and encourages participants to have fun and go at their own pace. Examples of classes include:

- |        |              |
|--------|--------------|
| • Walk | • Strength   |
| • Run  | • Yoga       |
| • Swim | • Tai Chi    |
| • Bike | • Kickboxing |

# Employee Assistance Program (EAP)

Alliance Work Partners provides short-term *confidential* counseling to help you and your family deal with life's stresses and problems. This is a City-paid benefit.

Alliance Work Partners can help you with:

- Marital/family problems
- Domestic violence
- Psychological issues
- Crisis Management
- Legal problems
- Anger management
- Work/vocation issues
- Adolescence
- Substance abuse/dependency

If your EAP counselor makes a referral for additional assistance, you are responsible for the cost. However, when making the referral, your counselor will consider your resources, including applicable medical coverage.

As an added feature of the EAP, counselors can assist you with work-life issues such as:

- Financial planning
- Adoption education/coordination
- Consumer product information
- Child/elder care referral
- Academic services
- Travel information/referral
- Law Access – 30 minutes free

Alliance Work Partners has joined with Safe Ride to offer reimbursement for a cab ride, up to 30 miles one way, when you or a family member is impaired by alcohol or drugs. For more information, call Alliance Work Partners at 800-328-1144.

## More Wellness Resources

### LIVESTRONG Survivorship Notebook

If you or someone in your family has been diagnosed with cancer, the Lance Armstrong Foundation has provided the City of Austin a valuable resource, the *LIVESTRONG Survivorship Notebook*. This notebook includes information and tools to help you organize your care, keep all of your medical information in one place, and understand how to deal with the physical, emotional, and practical issues all cancer patients face. The accompanying *Survivorship Stories* booklet shares the very real stories of other cancer patients and how they LIVESTRONG.

LIVESTRONG Survivorship Notebooks are available for free at the front desk of the City of Austin Human Resources Department in One Texas Center, 505 Barton Springs Road, Sixth Floor. You may also download or order your own hard copy at: [www.livestrong.org](http://www.livestrong.org) (shipping charges will apply).

### Using Your FLEXTRA Health Care Dollars to Pay for Weight Management

If your doctor has recommended a weight loss program as a treatment for a specific disease diagnosis (such as hypertension, obesity, or heart disease), you may use your FLEXTRA Health Care dollars to pay for your membership in a weight reduction group and attendance at periodic meetings. For more information on eligible weight management expenses, go to: [www.irs.gov](http://www.irs.gov), and type "Publication 502" into the search function.

# Consumer Tips

## Understanding a Formulary

A formulary is a list of prescription drugs created by an insurance company, which lists the drugs covered under the plan and the level of coverage provided.

Most formularies provide three categories of coverage, often referred to as "tiers."

- Tier One – Low copay for generic and some brand name drugs.
- Tier Two – A higher copay for preferred or brand name drugs.
- Tier Three – The highest copay for the most expensive brand name drugs (non-preferred).

Some drugs are excluded from formularies altogether. Make sure you review your enrollment materials to understand the costs of your prescription medication under the medical plan you choose.

To review your medical plan's prescription drug formulary. Go to: [www.myuhc.com](http://www.myuhc.com) and log in.

## Generic Drugs

Generic drugs can save you money and can be as effective as name brands. The Food and Drug Administration (FDA) regulates generics, just as it does name brands, to ensure safety and quality. Today, generics are available for about half of all prescription drugs. If you are currently taking a name brand drug, you may be reluctant to switch to a generic. Talk to your doctor about whether a generic drug is right for you.

Refer to the Prescription Drug Benefits section in the Schedule of Benefits for a comparison of prescription copays.

## Getting Information About Generic Drugs

*Consumer Reports Best Buy Drugs* – [www.crbestbuydrugs.org](http://www.crbestbuydrugs.org) provides information about prescription medication available to treat specific illnesses and diseases, the differences among them, and their costs. Always ask your doctor about whether a particular medication is right for you.

Remember you can use your FLEXTRA Benefits Card to purchase these medications. Finally, talk to your doctor about the role that dietary and lifestyle changes can play in helping to alleviate your condition.

## What Your Medical Plan Does for You

As the cost of medical care and prescription drugs increases, medical plan copays change. However, the City medical plans still provide valuable protection from the real costs of medical products and services. The chart below demonstrates how the plans work to provide financial protection for some commonly-used products and services.

Medical Services	Cost Without Insurance	Employee Cost	
		HMO	PPO
Primary Care Visit	\$107	\$20	\$20
Specialist	\$166	\$45	\$35
Inpatient Hospital (4 days)	\$28,700	\$1,000	\$3,000
MRI Scan	\$1,803	\$100	\$100
Ambulance Service	\$1,246	\$100	\$612
Prescription Drugs			
Tier 1	\$31	\$10	\$10
Tier 2	\$135	\$35	\$30
Tier 3	\$210	\$55	\$50

For your share of the cost of medical and prescription drug expenses, use your FLEXTRA Health Care Account for tax savings and the FLEXTRA Benefits Card for added convenience.

Note: July 2010 data.

## How To Use Mail Order

Each medical plan has a mail order prescription drug benefit that offers you home delivery and, in some instances, can save you money. Generally, these programs are designed to cover drugs used to treat chronic conditions and/or medications taken for more than 30 days.

To begin using mail order:

- Have your doctor write a prescription for a 90-day supply of your medication (ask for three refills).
- Complete the mail order form provided by your medical plan.
- Attach your prescription.
- Provide a check or credit card information.
- Mail this information to the medical plan's pharmacy.

Within 7 to 14 days, your prescription will be delivered to you, postage paid. UnitedHealthcare PPO participants can receive 90 days of medication for two copays. UnitedHealthcare HMO participants receive 90 days of medication for three copays.

If your doctor allows you to take a generic drug, this should be indicated on the prescription. The mail order pharmacy will then fill your prescription using a generic form of your medication.

Three weeks before your mail order supply runs out, you will need to request a refill. Follow directions provided by your medical plan for refills.

For information about your plan's mail order pharmacy benefit or to order forms, call UnitedHealthcare at 800-430-7316.

## What Your Medical Plan Does for You – Diabetic Bundling

Participants who are required to take insulin, can realize significant savings if they utilize the mail order services offered through the PPO and HMO. If you submit a 90-day prescription for the insulin and related diabetic supplies at retail pharmacies, you will incur a copay for each 30-day prescription.

However, if you submit the 90-day prescriptions through the mail order program, you will incur only two copays if enrolled in the PPO Plan or three copays if enrolled in the HMO Plan. The copay incurred is for the insulin prescription; the other supplies are included at no cost to you.

Refer to the chart below for an example of the cost savings.

### PPO Plan example:

Item (90-day supply)	Total Cost	Plan Pays	You Pay PPO
Insulin (Tier 2)	\$912.83	\$852.83	\$60.00
Lancets	\$49.70	\$49.70	\$0.00
Syringes/Needles	\$93.72	\$93.72	\$0.00
Test Strips	\$707.15	\$707.15	\$0.00
<b>Total</b>	<b>\$1,763.40</b>	<b>\$1,703.40</b>	<b>\$60.00</b>

Benefits are provided for specialty prescription drug products. Patients who require a specialty prescription drug, will be directed to a designated pharmacy with whom UHC has arrangements to provide those specialty prescription drug products. When they are directed to a designated pharmacy and choose not to obtain the specialty prescription drug from the designated pharmacy, they will be subject to the non-network benefit level for that specialty prescription drug.

# Important Benefits Information

## ADA Compliance

The City is committed to complying with the Americans with Disabilities Act (ADA). Reasonable accommodation, including equal access to communications, will be provided upon request. For more information, call the Human Resources Department at 974-3400 or use the Relay Texas TTY number 800-735-2989 for assistance. For more information, visit the website at: [www.ci.austin.tx.us/ada](http://www.ci.austin.tx.us/ada)

## Governing Plan

Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage, or contract), and not by the information in this *Guide*. If there is a conflict between the provisions of the plan you selected and this *Guide*, the terms of the plan govern.

City of Austin employees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time. These benefits are not a guarantee of your employment with the City.

## Notice: Federal Requirements

### Dependent Eligibility

Individuals whose coverage ended, or who were not eligible for coverage, because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in plans offered by the City of Austin. Enrollment will be effective January 1, 2011. For more information on enrollment contact the Employee Benefits Division of the Human Resources Department at 974-3284.

### The Health Insurance Portability & Accountability Act of 1996 (HIPAA)

This act imposes the following restrictions on group health plans:

- *Limitations on pre-existing exclusion periods:* Pre-existing conditions can only apply to conditions for which medical advice, diagnosis, care, or treatment was recommended or received during a period beginning six months prior to an individual's enrollment date, and any pre-existing condition exclusion is not permitted to extend for more than 12 months after the enrollment date. Further, a pre-existing condition exclusion period may be reduced by any creditable previous coverage the individual had.
- *Special enrollment:* Group health plans must allow certain individuals to enroll upon the occurrence of certain events, including new dependents and loss of other coverage. Loss of coverage includes:
  - ❖ Termination of employer contributions toward other coverage.
  - ❖ Moving out of an HMO service area.
  - ❖ Ceasing to be a "dependent," as defined by the other plan.
  - ❖ Loss of coverage to a class of similarly situated individuals under the other plan (e.g., part-time employees).

Additionally, individuals entitled to special enrollment must be allowed to enroll in all available benefit package options and to switch to another option if he or she has a spouse or dependent with special enrollment rights.

- *Prohibitions against discriminating against individual participants and beneficiaries based on health status:* Plans may not establish rules for eligibility of any individual to enroll under the terms of the plan based on certain health status-related factors, including health status, medical condition, claims experience, receipt of health care, medical history, genetic information, evidence of insurability, or disability.
- *Standards relating to benefits for mothers and newborns:* Plans must provide for a 48-hour minimum stay for vaginal childbirth, and a 96-hour minimum stay for cesarean childbirth, unless the mother or medical provider shortens this period. No inducements or penalties can be used with the mother or medical provider to circumvent these rules.
- *Parity in the application of certain limits to mental health benefits:* Plans must apply the same annual and lifetime limits (i.e., dollar amounts) that apply to other medical benefits to benefits for mental health. Plan provisions regarding limits on the number of visits or days of coverage are not affected by this requirement. If this requirement results in a one percent or more increase in plan costs or premiums, this rule does not apply.

## City of Austin Policy on HIPAA

HIPAA gives the City, as the plan sponsor of a non-Federal governmental plan, the right to exempt the plan in whole or in part from the requirements described above. The City has decided to formally implement all of these requirements.

The effect of this decision as it applies to each of the above requirements and the Plan is as follows:

- The Plan does not currently have a pre-existing condition limitation; therefore, the plan is already in compliance with this provision.
- The Plan will provide special enrollment periods.
- The Plan will comply with the non-discrimination rules.
- The Plan will comply with the standards for benefits for mothers and newborn children.
- The Plan will comply with the rules on mental health benefits.

The HIPAA Privacy Rules for Health Information were established to provide comprehensive Federal protection concerning the privacy of health information. The Privacy Rules generally require the City to take reasonable steps to limit the use, disclosure, and requests for Protected Health Information to the minimum necessary to accomplish the intended purpose. The City is committed to implementing the Privacy Rules.

The Women's Health and Cancer Rights Act of 1998 was enacted on October 21, 1998. It provides certain protections for breast cancer patients who elect breast reconstruction in connection with a mastectomy.

Specifically, the act requires that health plans cover post-mastectomy reconstructive breast surgery if they provide medical and surgical coverage for mastectomies. Coverage must be provided for:

- Reconstruction of the breast on which the mastectomy has been performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance.
- Prostheses and physical complications of all stages of mastectomy, including lymph edemas.
- Secondary consultation whether such consultation is based on a positive or negative initial diagnosis.

The benefits required under the Women's Health and Cancer Rights Act must be provided in a manner determined in consultation with the attending physician and the patient. These benefits are subject to the health plan's regular copays and deductibles.

## Prescription Drug Coverage and Medicare

### Beneficiary Creditable Coverage Disclosure Notice

This notice provides information about prescription coverage through the City of Austin and prescription drug coverage available through Medicare. Review the prescription drug coverage available through City health plans and through Medicare before making any enrollment decisions.

This notice also provides resources you can use to get additional information and assistance.

- On January 1, 2006, new prescription drug coverage became available to individuals with Medicare Part A. This coverage is available through Medicare prescription drug plans, also referred to as Medicare Part D. All such plans provide a standard, minimum level of coverage established by Medicare.
- The City of Austin has determined that prescription drug coverage offered through City health plans will pay – on average – for all plan participants, as much as the standard Medicare prescription drug coverage. The coverages are considered to be “actuarially equivalent.” For this reason, an individual with City coverage is not penalized if he or she decides to enroll in Medicare Part D at a later time.
- If you currently have prescription drug coverage through a City health plan, you may choose to enroll in Medicare Part D annually between November 15 and December 31, or when you first become eligible for Medicare Part D.



### Please Read the Following Carefully:

- If you keep the City health plan and enroll in Medicare Part D, you will continue to use your prescription benefit under one of the City's medical plans and pay the appropriate copay.
- You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.
- If you choose to enroll in Medicare Part D and drop your City health plan (which includes prescription drug coverage) be aware that you and your covered spouse may not be able to enroll in a City health plan in future years.
- If you drop your City health plan and enroll in Medicare Part D, you must also drop any dependents from your City health plan. Regardless of intervening events (such as a family status change) you will not be able to reinstate coverage in a City health plan until the next Open Enrollment.
- If you die, and you and your spouse are not enrolled in a City health plan, your spouse will not be eligible for Surviving Spouse Coverage through the City.
- If you are a Surviving Spouse and drop City coverage, you will not be able to reinstate City coverage.
- If you drop or lose your City coverage and do not enroll in Medicare Part D after your current City coverage ends, you may have to pay a higher premium to enroll in Medicare Part D at a later date.
- If 63 days or more pass without your having prescription drug coverage that is at least as good as Medicare Part D, your monthly Medicare Part D premium will increase at least 1% per month for every month past your initial enrollment period that you have no coverage or have lesser coverage. In addition, you may have to wait until the following November to enroll.

If you are enrolled in Medicare Part D or a Medicare Advantage Plan and enrolled in the City health plan, you may have duplicate prescription coverage. If you would like to review your coverage(s) or for more information about prescription drug coverage, contact the Employee Benefits Division of the Human Resources Department at 512-974-3284.

Detailed information about Medicare Part D will be available in a handbook entitled "Medicare & You 2006." Medicare will mail you a copy of this handbook when eligible. In addition, you may be contacted directly by Medicare prescription drug plans.

Information and assistance on prescription drug plans are available as follows:

- Visit: [www.medicare.gov](http://www.medicare.gov) for personalized help.
- Call the Health and Human Services Commission of Texas toll free at 888-834-7406, local number 800-252-9330.
- Call 800-MEDICARE (800-633-4227).
- TTY users should call 877-486-2048.

Financial assistance may be available for individuals with limited income and resources through the Social Security Administration (SSA). For more information, visit the SSA website at: [www.socialsecurity.gov](http://www.socialsecurity.gov). Or call 800-772-1213. TTY users should call 800-325-0778.

### COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, is a Federal law that requires employers to offer qualified beneficiaries the opportunity to continue medical coverage, vision coverage, dental coverage, and/or participation in the FLEXTRA Health Care Account at their own cost in the case of certain qualifying events.

Continuation of your life insurance, short term disability, long term disability, FLEXTRA Dependent Care Account, and prepaid legal services is not available under COBRA.

The City offers continued medical coverage, dental coverage, vision coverage, and/or participation in the FLEXTRA Healthcare account for covered individuals if certain qualifying events occur.

### COBRA Notice Requirements

Each employee or qualified beneficiary is required to notify the Employee Benefits Division of the Human Resources Department within 60 days of a divorce, legal separation, child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's COBRA administrator, will then notify all qualified beneficiaries of their rights to enroll in COBRA coverage. Notice to a qualified beneficiary who is the spouse or former spouse of the covered employee is considered proper notification to all other qualified beneficiaries residing with the spouse or former spouse at the time the notification is made.

### Continuation of Coverage for Domestic Partners

The City offers covered individuals the opportunity to continue medical coverage, vision coverage, and/or dental coverage at their own cost in the case of certain qualifying events. Continuation of your life insurance, is not available under Continuation of Coverage for Domestic Partners.

Each employee or covered individual is required to notify the Employee Benefits Division of the Human Resources Department within 31 days of dissolution of the Domestic Partnership, child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's COBRA administrator, will then notify all covered individuals of their rights to enroll in Continuation of Coverage for Domestic Partners coverage. Notice to a covered individual who is the Domestic Partner or former Domestic Partner of the covered employee is considered proper notification to all other covered individuals residing with the Domestic Partner or former Domestic Partner at the time the notification is made.

### USERRA Continuation of Coverage

The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides that if you are required to be absent from work for a period of time due to voluntary or involuntary military service or training, you have certain re-employment and medical benefits continuation rights during your absence.

You and your family members have the opportunity to continue your benefits from the date coverage otherwise would end, provided you pay the premium. However, for absences of less than 31 days, you may continue benefits while paying only your usual share of the cost. When you return to work, no exclusions or waiting periods will apply.

### Surviving Spouse Coverage

Your spouse may be eligible for Surviving Spouse Medical, Dental, and Vision Coverage only if you meet one of the following requirements and complete a Surviving Spouse Benefits Enrollment Form within 31 days from the date of your death:

- You are a City retiree who retired under the City of Austin Employees' Retirement System, Austin Fire Fighters Relief and Retirement Fund, or City of Austin Police Retirement System.
- You are an active City employee who is eligible to retire with the City but chooses to continue to work for the City.
- You are a City retiree who has returned to active employment with the City.

If eligible, your spouse will be able to continue his or her coverage through the City after your death, provided your spouse was enrolled in a City-sponsored plan at the time of your death.

Surviving Spouse Coverage is not available to any of your dependents other than a surviving spouse, regardless of whether the dependent was covered under a City-sponsored plan at the time of your death. The coverage offered is the same coverage offered to City retirees.

### Surviving Family Peace Officer Benefit

If you are killed in the line of duty (your accident must be considered compensable under the City's Workers' Compensation program) while working for the City, your dependents who are enrolled in a City-sponsored medical plan at the time of your death are allowed to continue their medical coverage, if they complete a Surviving Family/Peace Officer Benefits Enrollment Form and pay the premium within 90 days from the date of your death. The City will continue to subsidize the premium.

### Surviving Family/Work-Related Medical Coverage

If you are killed in the line of duty (your accident must be considered compensable under the City's Workers' Compensation program) while working for the City, your dependents who are enrolled in a City-sponsored medical plan at the time of your death are allowed to continue their medical coverage, if they complete a Surviving Family/Work-Related Benefits Enrollment Form and pays 100% of the premium within 90 days from the date of your death.

Surviving Family/Work-Related Medical Coverage is not available to active employees who are also City retirees who have returned to work for the City and have declined active employee benefits.

The City will notify your surviving dependents of their eligibility for Surviving Family/Work-Related Medical Coverage. For more information or to receive a Surviving Family/Work Related Benefits Guide, contact the Employee Benefits Division.







**CITY OF AUSTIN PURCHASING OFFICE  
ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS  
SECTION 0400 - SUPPLEMENTAL PURCHASE PROVISIONS  
REQUEST FOR PROPOSAL NO: JSD0110**

The following Supplemental Purchasing Provisions apply to this solicitation:

**EXPLANATIONS OR CLARIFICATIONS** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office by **4:00 PM on 7/20/2011**. Questions may be submitted via fax to 512-974-2388 or via email to [Jeffery.dilbert@ci.austin.tx.us](mailto:Jeffery.dilbert@ci.austin.tx.us)

**INSURANCE.** Insurance is required for this solicitation.

- A. General Requirements. See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.
- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
  - ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
  - iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
  - iv. The Certificate of Insurance, and updates, shall contain the solicitation number and the Buyer's name and shall be mailed to the following address:

City of Austin Purchasing Office  
Attn: Jeff Dilbert  
RFP: JSD0103  
P. O. Box 1088  
Austin, Texas 78767

- B. Specific Coverage Requirements. The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.
- i. Worker's Compensation and Employers' Liability Insurance. Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
    - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
      - (a) Waiver of Subrogation, Form WC 420304, or equivalent coverage
      - (b) Thirty (30) days Notice of Cancellation, Form WC 420601, or equivalent coverage

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- ii. Commercial General Liability Insurance. The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries).
  - (1) The policy shall contain the following provisions:
    - (a) Blanket contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
    - (b) Independent Contractor's Coverage.
    - (c) Products/Completed Operations Liability for the duration of the warranty period.
    - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and Underground Coverage (X,C,U).
  - (2) The policy shall also include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
    - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. Business Automobile Liability Insurance. The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
  - (1) The policy shall include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement TE 2046A, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Endorsement TE 0202A, or equivalent coverage
    - (c) The City of Austin listed as an additional insured, Endorsement TE 9901B, or equivalent coverage.
- C. Endorsements. The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.
- D. Certificate: The following statement must be shown on the Certificate of Insurance.

The City of Austin is an Additional Insured on the general liability and the auto liability policies. A Waiver of Subrogation is issued in favor of the City of Austin for general liability, auto liability and workers compensation policies.

**TERM OF CONTRACT**

- A. The Contract shall be in effect for an initial term of 12 months and may be extended thereafter for up to 5 additional 12 month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.

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- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above. A price increase, subject to the provisions of this Contract, may be requested by the Contractor (for each period of extension) for approval by the City's Purchasing Officer or his designee.

THIS IS A 12 MONTH CONTRACT.

FIRM PRICES ARE TO BE SUBMITTED FOR THE FIRST THIRTY TWELVE (12) MONTH PERIOD

**QUANTITIES**

The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

**INVOICES and PAYMENT** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a non-duplicated invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	HR
Attn:	Gail Ray
Address	505 Barton Springs Road, STE 600 One Texas Center
City, State Zip Code	Austin, TX 78704

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

**LIVING WAGES AND BENEFITS (applicable to procurements involving the use of labor)**

- A. In order to help assure low employee turnover, quality services, and to reduce costs for health care provided to uninsured citizens, the Austin City Council is committed to ensuring fair compensation for City employees and those persons employed elsewhere in Austin. This commitment has been supported by actions to establish a "living wage" and affordable health care protection. Currently, the minimum wage for City employees is \$11.00 per hour. This minimum wage is required for any Contractor employee directly assigned to this City Contract, unless Published Wage Rates are included in this solicitation. In addition, the City



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may stipulate higher wage rates in certain solicitations in order to assure quality and continuity of service.

- B. Additionally, the City provides health insurance for its employees, and for a nominal rate, employees may obtain coverage for their family members. Contractors must offer health insurance with optional family coverage for all Contractor employees directly assigned to this contract. Proof of the health care plan shall be provided prior to award of a Contract. In addition, an insurance certificate for Workers' Compensation Insurance Coverage must be provided if required by the solicitation.
- C. The City requires Contractors submitting Offers on this Contract to provide a signed certification (**see the Living Wages and Benefits Contractor Certification included in the Solicitation**) with their Offer certifying that all employees directly assigned to this City Contract will be paid a minimum living wage equal to or greater than \$11.00 per hour and are offered a health care plan. The certification shall include a list of all employees directly assigned to providing services under the resultant contract including their name and job title. The list shall be updated and provided to the City as necessary throughout the term of the Contract.
- D. The Contractor shall maintain throughout the term of the resultant contract basic employment and wage information for each employee as required by the Fair Labor Standards Act (FLSA). Basic employment records shall at a minimum include:
  - i. employee's full name, as used for social security purposes, and on the same record, the employee's identifying symbol or number if such is used in place of name on any time, work, or payroll records;
  - ii. time and date of week when employee's workweek begins;
  - iii. hours worked each day and total hours worked each workweek;
  - iv. basis on which employee's wages are paid;
  - v. regular hourly pay rate;
  - vi. total daily or weekly straight-time earnings;
  - vii. total overtime earnings for the workweek;
  - viii. all additions to or deductions from the employee's wages;
  - ix. total wages paid each pay period; and
  - x. date of payment and the pay period covered by the payment.
- E. The Contractor shall provide with the first invoice and as requested by the Department's Contract Manager, individual Employee Certifications (**see the Living Wages and Benefits Employee Certification included in the Solicitation**) for all employees directly assigned to the contract containing:
  - i. the employee's name and job title;
  - ii. a statement certifying that the employee is paid at a rate equal to or greater than the Living Wage of \$11.00 per hour;
  - iii. a statement certifying that the employee is offered a health care plan with optional family coverage.

Employee Certifications shall be signed by each employee directly assigned to the contract.

- A. Contractor shall submit employee certifications quarterly with the respective invoice to verify that employees are paid the Living Wage throughout the term of the contract.
- G. The Department's Contract Manager will periodically review the employee data submitted by the Contractor to verify compliance with this Living Wage provision. The City retains the right

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to review employee records identified in paragraph D above to verify compliance with this provision.

**NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING**

- A. The Austin City Council adopted Ordinance No. 20071206-045 on December 6, 2007, adding a new Article 6 to Chapter 2-7 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services exceeding \$5,000. During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the person designated in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. The City requires Offerors submitting Offers on this Solicitation to provide a signed affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance (**see the Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit included in the Solicitation**).

**NON-SOLICITATION**

- A. During the term of the Contract, and for a period of six (6) months following termination of the Contract, the Contractor, its affiliate, or its agent shall not hire, employ, or solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.
- B. In the event that a breach of Paragraph A occurs the Contractor shall pay liquidated damages to the City in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation; or (ii) 100 percent of the employee's annual compensation while employed by the City. The Contractor shall reimburse the City for any fees and expenses incurred in the enforcement of this provision.
- C. During the term of the Contract, and for a period of six (6) months following termination of the Contract, a department that engages the services of the Contractor or uses the services of a Contractor employee will not hire a Contractor employee while the employee is performing work under a Contract with the City unless the City first obtains the Contractor's approval.
- D. In the event that a breach of Paragraph C occurs, the City shall pay liquidated damages to the Contractor in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation or (ii) 100 percent of the employee's annual compensation while employed by the Contractor.

**WORKFORCE SECURITY CLEARANCE AND IDENTIFICATION (ID)**

- A. Contractors are required to obtain a certified criminal background report with fingerprinting (referred to as the "report") for all persons performing on the contract, including all Contractor, Subcontractor, and Supplier personnel (for convenience referred to as "Contractor's personnel").
- B. The report may be obtained by reporting to one of the below governmental entities, submitting to fingerprinting and requesting the report [requestors may anticipate a two-week delay for State reports and up to a four to six week delay for receipt of a Federal report].

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- i. Texas Department of Public Safety for any person currently residing in the State of Texas and having a valid Texas driver's license or photo ID card;
  - ii. The appropriate governmental agency from either the U.S. state or foreign nation in which the person resides and holds either a valid U.S. state-issued or foreign national driver's license or photo ID card; or
  - iii. A Federal Agency. A current Federal security clearance obtained from and certified by a Federal agency may be substituted.
- C. Contractor shall obtain the reports at least 30 days prior to any onsite work commencement. Contractor also shall attach to each report the project name, Contractor's personnel name(s), current address(es), and a copy of the U.S. state-issued or foreign national driver's license or photo ID card.
- D. Contractor shall provide the City Certified Criminal Background Report affirming that Contractor has conducted required security screening of Contractor's personnel to determine those appropriate for execution of the work and for presence on the City's property. A list of all Contractor Personnel requiring access to the City's site shall be attached to the affidavit.
- E. Upon receipt by the City of Contractor's affidavit described in (D) above and the list of the Contractor's personnel, the City will provide each of Contractor's personnel a contractor ID badge that is required for access to City property that shall be worn at all times by Contractor's personnel during the execution of the work.
- F. The City reserves the right to deny an ID badge to any Contractor personnel for reasonable cause, including failure of a Criminal History background check. The City will notify the Contractor of any such denial no more than twenty (20) days after receipt of the Contractor's reports. Where denial of access by a particular person may cause the Contractor to be unable to perform any portion of the work of the contract, the Contractor shall so notify the City's Contract Manager, in writing, within ten (10) calendar days of the receipt of notification of denial.
- G. Contractor's personnel will be required to wear the ID badge at all times while on the work site. Failure to wear or produce the ID badge may be cause for removal of an individual from the work site, without regard to Contractor's schedule. Lost ID badges shall be reported to the City's Contract Manager. Contractor shall reimburse the City for all costs incurred in providing additional ID badges to Contractor Personnel.
- H. ID badges to enter and/or work on the City property may be revoked by the City at any time. ID badges must be returned to the City at the time of project completion and acceptance or upon removal of an individual from the work site.
- I. Contractor is not required to obtain reports for delivery personnel, including but not limited to FedEx, UPS, Roadway, or other materials delivery persons, however all delivery personnel must present company/employer-issued photo ID and be accompanied by at least one of Contractor's personnel at all times while at the work site.
- J. The Contractor shall retain the reports and make them available for audit by the City during regular business hours (reference paragraph 17 in Section 0300, entitled Right to Audit).

**ECONOMIC PRICE ADJUSTMENT**

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- A. Prices shown in this contract shall remain firm for the first twelve (12) month period of the contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor subject to the following considerations:
- B. Price Increases
- i. Requests for price increases must be made in writing and submitted to the appropriate Buyer in the City's Purchasing Office. The letter must be signed by a person with the authority to bind the Contractor contractually, shall reference the contract number, and include the following documentation:
- (1) an itemized, revised price list with the effective date of the proposed increase;
  - (2) copies of the documentation provided by the manufacturer regarding the proposed price increase if the contractor is not the manufacturer of the products. If the Contractor is the manufacturer of the products, a letter so stating must be provided;
  - (3)

Contractor shall submit, as a part of the request for increase, the version of the U.S. Department of Labor Employment Cost Index for Wages and Salaries for all Private Industry Workers (the "Index") current as of the date of the Contractor's Offer; and a copy of the index for the most current period.

Contractor shall submit, as a part of the request for increase, the version of the U.S. Department of Labor Consumer Price Index for U.S. City Average (the "Index")) current as of the date of the Contractor's Offer; and a copy of the index for the most current period.
  - (4) Proposed price increases must be solely for the purpose of accommodating increases in the Contractor's costs for the products or services provided. Prices for products or services unaffected by verifiable cost trends shall not be subject to change.
- ii. Requests for price increases must be made in writing and submitted to the appropriate Contract Manager prior to each yearly anniversary date of contract. Prices will only be considered for an increase at that time. Once received, the City will have sixty (60) calendar days to review and approve/disapprove the requested increase. Should the City not agree with the requested increase, Contractor may either maintain the prices currently in effect, negotiate an acceptable increase with the City or terminate the contract.
- iii. The proposed percentage change between the current contract price and the requested price shall not exceed the percentage change between the Index in effect at the beginning of the current review period and the one in effect at the time the price increase is requested. Except in the case of emergency situations, the requested index related or non-index related price increase shall not exceed twenty five percent (25%) for any single line item, and in no event shall the total amount of the contract be automatically increased as a result of the increase in any one or more line items made pursuant to this provision.
- iv. Since the perceived need for price increases may be due in whole or in part to factors other than index changes, the City may consider approving fully-documented increase requests which, in the Contractor's opinion, justify price increases for one or more line

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items in the contract. If index changes are responsible in part for the requested change, those changes shall be documented as previously described above.

C. Price Decreases

- i. Proposed price decreases may be offered to the City at any time, and become effective upon acceptance by the City unless a different effective date is specified by the Contractor. Price decrease offers may also be subject to negotiation.
- ii. Price decreases based on relevant factors may be requested by the City at any time. Such requests shall be accompanied by a complete statement of the City's justification for the request. The Contractor shall have sixty (60) calendar days to respond to the City's request. Following receipt of the Contractor's agreement with the requested decrease, the City may implement the decrease at any time. Should the Contractor not agree with the requested decrease, the City may either maintain the prices currently in effect, negotiate with the contractor, or terminate the contract.

**CONTRACT MANAGER**

The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Gail Ray

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512-974-3409

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\*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

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**Section 0500 Scope of Work**

1.0 PURPOSE

The City of Austin, hereinafter referred to as the City, seeks proposals in response to this Request for Proposal (RFP) from firms qualified and experienced in providing actuarial and consulting services for employee benefit programs.

2.0 BACKGROUND

The City provides access to benefit programs to City of Austin eligible employees, retirees, COBRA participants, eligible dependents and, if applicable, employees and retirees of Affiliated Employers and their eligible dependents. The City operates on a fiscal year beginning October 1 and continuing through September 30. The City's benefit plan year is January 1 through December 31.

2.1 Employees

As of June 2011, there were approximately 11,130 City employees and 21 employees of Affiliated Employers, eligible for benefits. The medical, dental and vision benefit plan enrollment as of June 2011 was:

- UnitedHealthcare – Self-funded: PPO plan enrollment was 7,605; HMO plan enrollment was 3,342
- Dental Assistance Plan – Self-funded: enrollment was 10,959
- Davis Vision (stand alone vision plan) – fully insured: enrollment was 4,860

Full time employees (working 30 hours a week or more) and part time employees (working 20 - 29 hours a week) can participate in medical, dental, vision, basic life, accidental death & dismemberment (AD&D) life, supplemental life and dependent life insurance, short term and long term disability, Section 125 (FLEXTRA) health care and dependent care spending accounts, and a prepaid legal program.

Full time employees are provided the following benefits at no cost: medical, dental, basic & AD&D life and short term disability coverage. Part time employees are provided the short term disability coverage at no cost. The employee shares the cost of the other benefit plans as well as dependent coverage, if elected.

The City's benefits package also includes an employee assistance program, HealthyConnections wellness program, commuter program, childcare assistance programs, and a deferred compensation plan. For further details, see Exhibit I: 2011 Employee Benefits Guide.

2.2 Retirees

As of June 2011, there were approximately 5,100 retirees, including surviving spouses of retirees, eligible to participate in the City's retiree benefits programs which include medical, dental, and vision plans. The enrollment as of June 2011 was:

- UnitedHealthcare – Self-funded: PPO plan enrollment was 2,214; HMO plan enrollment was 1,376
- Delta Dental (Indemnity/DPO) – fully insured: enrollment was 2,011
- Assurant Employee Benefits (pre-paid dental) – fully insured: enrollment was 950
- Davis Vision (stand alone vision) – fully insured: enrollment was 1,176

Basic group life insurance coverage of \$1,000 is provided to all retirees at no cost. Retirees may also participate in the City's HealthyConnections wellness program. Surviving spouses of deceased retirees are allowed to continue medical, dental, and vision coverage as long as they do not remarry or become eligible for other group coverage besides Medicare. For further details, see Exhibit II: 2011 Benefits Enrollment Guide for Retirees & Surviving Spouses.

2.3 Exhibits

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- I: 2011 Employee Benefits Guide
- II: 2011 Benefits Enrollment Guide for Retirees & Surviving Spouses
- III: Required Invoice Format

2.4 Medical Rates, Employee and Retiree Contribution and City Contributions

There are three categories for medical rates: employees, retirees without Medicare and retirees with Medicare. Employee contributions are the same under both medical plans for 2011. The City subsidizes full time employee only at 100% and dependent coverage at approximately 50%.

The City subsidy for retirees varies depending on the years of service. Retiree contributions are the same under both medical plans for 2011; the City subsidizes the retiree only at approximately 80% and dependent coverage at approximately 50% for retirees with 20+ years of service. The City's medical subsidy contribution for active and retired employees is approved annually by City Council and is not guaranteed.

2.5 Individual Medical Stop-loss Coverage

The City purchases individual medical stop-loss coverage. The current individual medical stop-loss coverage with an attachment point of \$500,000 up to \$5,000,000 lifetime maximum is provided through UnitedHealthcare for employees, retirees, and dependents. The City is self – funded beyond the \$5,000,000 stop-loss maximum coverage.

3.0 SCOPE OF WORK

3.1 Title of Program

Actuarial and Consulting Services for Employee Benefits Programs.

3.2 Objective

The objective is to contract with a qualified and experienced firm to provide the City of Austin Employee Benefits Program with actuarial, consulting services, as well as ongoing support and technical employee benefits assistance as specified herein. Services will include but not be limited to review of current benefit programs and provide assistance in the design and development of future benefits programs.

It is the City's intent for this contract to be a 1 year initial period with 5-12 month extension options. It is anticipated that the contract will commence January 1, 2012 with implementation to begin no later than November 2011.

3.3 Minimum Projects – see Section 0600 Proposal Preparation Instructions and Evaluation Factors, Tab 4.

The below outlines the minimum projects that may be required of the Contractor. The City reserves the right to select the actual projects to be performed annually. The City and Contractor shall agree upon the work plan and fees at the beginning of each project. The City reserves the right to set the start and completion dates for each project. Describe your company's ability and experience to perform the following projects:

3.3.1 Annual Rates and Fiscal Year Expenditures

Beginning in January, and continuing monthly through June each year, the Contractor will be required to:

- 3.3.1.1 Determine, update, and project fiscal year expenditures for the City's self-funded medical, prescription and dental plans. Compare budgeted to actual expenditures

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and explain variances. Calculate incurred but not paid (IBNP) claims amount as of the end of the fiscal year in accordance with GASB 10.

- 3.3.1.2 Identify possible plan design changes based on review of current plan experience as well as industry trends and client practices and identify cost impact to the plan. Evaluate these proposed changes along with proposed changes from staff, City's Benefits Advisory Committee, and City's Employee Work Force Committee. Describe your ability to model or estimate the cost savings (claims expenses and premiums) that could result in proposed changes in plan design. Annual cost should be based on ten (10) plan design changes per year.
- 3.3.1.3 Determine plan year rates for the self-funded medical and dental plans. Recommend contribution levels for actives, retirees without Medicare, and retirees with Medicare for self-funded plans. Recommend funding levels for the City's Stop-Loss Reserve. Evaluate tier structures as necessary. Annual cost should be based on updating the rates at least four (4) times between January - June.
- 3.3.1.4 It is anticipated that the Contractor will meet with the City management once to present the plan year rates determination.

3.3.2 **GASB Statement 45 Compliance - Other Postemployment Benefits**

Assist the City with GASB 45 compliance. At a minimum, provide biennial GASB valuation, compliance assistance, and a discussion of pre-funding options. Currently, the City Retiree medical programs are not pre-funded. Include any special requirements your organization needs to evaluate the GASB 45 liability. The next GASB valuation will be prepared as of October 1, 2012. It is anticipated that the Contractor will meet with City management once to present the GASB valuation.

3.3.3. **Quarterly Performance Report**

Provide a quarterly report detailing the performance of the medical, prescription and dental plans. The report will be broken down by Actives versus Retirees without Medicare and Retirees with Medicare. The reports will be based on the fiscal year and provided no later than 30 days following each quarter end. (i.e., 1<sup>st</sup> quarter report will be provided no later than January 30). The report should include the following:

- 3.3.3.1 Financial Measures: Per Member, Per Month (PMPM) costs for current quarter, year to date and fiscal year estimate.
- 3.3.3.2 Medical Utilization Measures: Base period, current quarter and year to date for major categories, such as inpatient, outpatient, physicians, diagnostic lab/x-ray, mental health/substance abuse, etc.
- 3.3.3.3 Medical Network Discount Analysis: Base period, current quarter and year to date.
- 3.3.3.4 Prescription Drug Measures: Base period, current quarter and year to date.
- 3.3.3.5 It is anticipated that the Contractor will meet with City management once to present a quarterly performance report.

3.3.4 **Annual Report**

Provide an annual report by March of the City's employee and retiree medical and dental benefits programs. At a minimum the report should include the following:

- 3.3.4.1 A financial analysis of contributions, benefit expenses and operating costs of the programs. These items are to be compared to the original projected rates to actual cost and explain any significant variations. Significant variations should be highlighted along with reasons for the occurrence and recommendations for improvement.



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- 3.3.4.2 Comparison of the City's experience to regional and national comparative information for all benefits.
- 3.3.4.3 Review medical and pharmacy discounts to ensure they are at the contracted levels.
- 3.3.4.4 Research and recommend changes in plan design and funding administration.
- 3.3.4.5 It is anticipated that the Contractor will meet with City management once to present the annual report.

3.3.5 Total Compensation (Rewards) Report

Provide a total compensation report of the City's competitive analysis to include compensation programs, employee benefits, retirement plans, and paid leave benefits to determine how the City compares to other organizations.

- 3.3.5.1 The analysis will identify differences in competitor's programs; assess the relative value of the components of the current Total Compensation programs; and identify elements of the benefits program that may warrant redesign.
- 3.3.5.2 The results will be applied to employee subgroups (or job classifications) and different lines of business as the City deems appropriate to obtain a Total Compensation value.
- 3.3.5.3 The benchmark comparison will include similar organizations from the following:
  - 3.3.5.3.1 Austin and Central Texas area
  - 3.3.5.3.2 State of Texas
  - 3.3.5.3.3 Municipalities and public entities
  - 3.3.5.3.4 Utilities
  - 3.3.5.3.5 National area
- 3.3.5.4 It is anticipated that the Contractor will meet with City management once to present the Total Compensation (Rewards) report.

3.3.6 Auditing

At the request of the City, perform claim audits of the third party administrators. Possible areas to be audited may include medical, prescription, dental, Section 125 (FLEXTRA) health care and dependent care spending accounts, and COBRA. Audits may also include pre-implementation audits. It is anticipated that the Contractor will meet with City management once for each audit to present the audit findings.

Minimum areas to be audited include:

- 3.3.6.1 Procedural accuracy
- 3.3.6.2 Payment accuracy
- 3.3.6.3 Claims turnaround time
- 3.3.6.4 Effectiveness of all cost controls
- 3.3.6.5 Plan provisions accuracy
- 3.3.6.6 Reasonable cost guidelines
- 3.3.6.7 Claimants eligibility for benefits
- 3.3.6.8 Application of edits (non-covered, duplicate payments)
- 3.3.6.9 Coordination of Benefits
- 3.3.6.10 Pharmacy Benefit Manager – (performed electronically) areas audited are:
  - a) drug management programs
  - b) prior authorizations
  - c) quantity limits
  - d) duration limits
  - e) rebates
- 3.3.6.11 Performance guarantees

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3.3.7 Vendor Proposal Review and Negotiation Assistance

Contractor shall be required to provide the following assistance with vendor responses to a solicitation including, at a minimum, the following components: medical claims administration, individual medical stop-loss, pharmacy benefit management, dental claims administration, and third party administration covering eligibility, COBRA, and Section 125 (FLEXTRA) health care and dependent care spending account claims administration.

- 3.3.7.1 Contractor shall be required to provide technical expertise in reviewing Request for Proposal(s) developed by the City.
- 3.3.7.2 Contractor shall be required to review and analyze proposals received from vendors and provide a written cost summary and recommendations. As applicable, the review will include, at a minimum, the following:
  - 3.3.7.2.1 Provider discounts
  - 3.3.7.2.2 Provider networks
  - 3.3.7.2.3 Pharmacy discounts – both mail and retail
  - 3.3.7.2.4 Pharmacy networks
  - 3.3.7.2.5 Alternative plan design options, such as individual medical stop-loss deductibles.
- 3.3.7.3 Contractor shall provide negotiation assistance, as required, to assess the rates and fees proposed by vendors annually. Assist the City in negotiating competitive fees, rates, discounts and services for current and future projects.
- 3.3.7.4 It is anticipated that the Contractor will meet with City management once to present the vendor proposal analysis and recommendations.

3.3.8 Cafeteria Plan Assistance

Contractor will be expected to provide assistance with all issues that relate to the administration of tax favored benefits offered to City employees including discrimination testing. Contractor must provide periodic summary of industry activities relating to administration of benefits, notification of any and all changes in federal law that affect administration of benefits, and provide guidance and analysis for said changes prior to the effective date of the change. It is anticipated that the Contractor will meet with City management once to present the cafeteria plan review and recommendations.

3.3.9 Document Review

At the request of the City, review the medical, dental, and Section 125 (FLEXTRA) plan documents, to assure they properly reflect benefit provisions and legal requirements to ensure compliance with state and federal requirements. It is anticipated that the Contractor will meet with City management once to present the review and recommendations of the plan documents.

3.3.10 Compliance Assistance

Provide Centers for Medicare and Medicaid Service's (CMS) annual retiree actuarial attestation of the City's retiree medical plans necessary for filing for Medicare Part D claim subsidy with CMS. It is anticipated that the Contractor will not meet with the City for the attestation.

3.3.11 Annual Strategy Meeting

Annually, Contractor will provide strategic planning of the City's benefit programs to forecast the next 3-5 years of benefits programs based on industry trends, legislative requirements, claims experience, and City of Austin Management focus. It is anticipated that the Contractor will meet with City management once to present the strategic plan.

3.3.12 Other Services

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Projects, research, additional vendor proposal reviews, presentations, meetings, or other work as requested by the City.

3.3.13 Legislative and Regulatory Review and Recommendations

Monitor proposed and / or enacted state and federal legislation or regulatory changes and procedures from entities including, but not limited to: IRS, DOL, CMS, and other agencies that affect benefits such as HIPAA, Medicare Part D, etc. This project should be provided at no additional cost to the City.

3.3.14 Publications

Provide the City with regularly scheduled publications on benefit related topics at no additional cost.

3.4 Minimum Business Organization Requirements - see Section 0600 Proposal Preparation Instructions and Evaluation Factors, Tab 5.

- 3.4.1 Proposer must have public sector experience and currently have public sector clients.
- 3.4.2 Proposer must demonstrate professional competence in the employee benefits field.
- 3.4.3 Proposer must demonstrate the ability to handle a large client and perform long term.
- 3.4.4 Complete Section 0605 Business Organization Information.

3.5 Personnel Assigned to the City of Austin - see Section 0600 Proposal Preparation Instructions and Evaluation Factors, Tab 6.

3.5.1 Minimum Personnel Qualifications

- 3.5.1.1 Actuary assigned to the City of Austin must have a current membership in the American Academy of Actuaries and be available as required.
- 3.5.1.2 Must have experience in medical, prescription, and dental actuarial services for governmental entities.
- 3.5.1.3 Benefits Consultant assigned to the City of Austin must be available as required and must have; at a minimum at least 10 years combined consulting experience in the following areas:
  - 3.5.1.3.1 The procurement and administration of insurance products and programs for employees including, medical, vision, dental, disability, and life insurance for governmental entities.
  - 3.5.1.3.2 The administration of cafeteria plans and flexible spending arrangements (i.e., dependent care and health care reimbursement accounts).
  - 3.5.1.3.3 The identification of, and compliance with, all federal and state laws and regulations relevant to the administration of the aforementioned products and plans.

3.5.2 Personnel Information

- 3.5.2.1 Proof of membership in the American Academy of Actuaries must be submitted with the Proposer's response in Tab 6 of the proposal.
- 3.5.2.2 Provide any appropriate licenses and include in Tab 6 of the proposal.
- 3.5.2.3 Provide Actuary and Benefit Consultant's resumes in Tab 6 of the proposal.

3.6 Minimum Operational Requirements - see Section 0600 Proposal Preparation Instructions and Evaluation Factors, Tab 8.

- 3.6.1 Contractor will respond to telephone calls from City staff within 1business day.

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- 3.6.2 Meetings may be called on short notice. Contractor will attend all necessary meetings in the period specified and agreed upon by the City. Contractor shall participate in meetings as required with or on behalf of City Management.
- 3.6.3 Contractor will be required to complete monthly invoices as provided in Exhibit III, detailing the hourly rate and number of hours of individuals working on each project. Travel time and office overhead are to be included in hourly rates. Payment will be made to the Contractor after City staff has reviewed and approved the services and invoice in accordance with the payment terms stated in Section 0300 of the solicitation.
- 3.6.4 Transition and Implementation Timelines: Within 30 calendar days of contract award a draft work plan shall be submitted to the City. The Contractor will meet with the City to finalize the work plan within 45 calendar days after contract award.
- 3.6.5 Order of Precedence Requirements – The documents listed below, taken together, contain the obligations, project specifications, terms and conditions of the Agreement between the parties. In the event of a conflict between any of the provisions governing this project, any inconsistency shall be resolved by giving precedence in the following order:
- (1) The Agreement between the City and Contractor,
  - (2) RFP No. JSD0110, and
  - (3) the Contractor's Proposal, Clarification Statements, and Best and Final Offer.
- 3.6.6 Federal, State and Local Law and related Requirements
- 3.6.6.1 The Contractor will administer the plan in strict compliance with state and federal laws.
- 3.6.6.2 City of Austin personnel policies and procedures will govern over the Contractor's administrative procedures.
- 3.6.6.3 The Contractor must notify the City of changes in law, regulations, or other requirements that affect the City within 30 days of enactment. The Contractor shall be responsible for the implementation of any changes required by state or federal laws or administrative rules or regulations.
- 3.6.6.4 The Contractor will provide assurance of its compliance with HIPAA rules and regulations and that it will comply with the City's Business Associate Agreement.
- 3.6.6.5 Complete and sign the Section 0625 HIPAA Business Associate Agreement.
- 3.7 Minimum Commercial and Legal Contract Requirements – see Section 0600 Proposal Preparation Instructions and Evaluation Factors, Tab 9.
- 3.7.1 Review and state acceptance of each contract term in Section 0630 Commercial and Legal Contract Terms. The City and the best Proposer(s) successfully making the short list of all Proposals will agree to mutually acceptable contract terms during the Best and Final Offer period. Successful Proposer(s) will be required to assemble the necessary employees (Officers or representatives with AUTHORITY TO BIND IN CONTRACT, Legal, Financial, etc.) together quickly during the Best and Final Offer period, to render binding decisions on contract matters.
- Proposers who comply with or are most responsive to accepting the City's Standard Terms and Conditions and these Commercial and Legal Contract Terms Requirements will receive consideration for favorable evaluations from the City's evaluation team in determining points awarded for meeting criteria outlined in Evaluation Factor, 5.B listed in Section 0600, Proposal Preparation Instructions and Evaluation Factors of the solicitation.
- 3.7.2 **Failure to reach an agreement to these standard contract terms may result in termination of contract negotiations and the City moving forward with an award of a contract to the next Proposer.**

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- 3.7.3 For any exceptions to the proposal in the Commercial and Legal Contract Terms, please state alternative language along with the business need for the alternative language.
- 3.7.4 The Contractor will be required to sign an Agreement with the City for providing Actuarial and Consulting Services within 30 (thirty) days upon contract award by City Council. The minimum Commercial and Legal Contract Terms Requirements described above will be incorporated into a final Agreement for these services.

**4.0 GENERAL INFORMATION**

BID COMPLETENESS: Contractors are expected to closely read this Request for Proposal and provide complete responses to each section along with a binding signature of intent to comply with the terms and conditions outlined herein. Each section of this RFP is a standard part of all City of Austin contracts. Therefore, proposers should review each section carefully as your response document will become part of the final contract. Rejection of or requesting exceptions to the provisions outlined in this RFP may be cause for rejection of a bidder's proposal.

**5.0 PROCUREMENT CANCELLATION**

The City has the right to cancel this procurement at anytime.

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**1. Proposal Format**

Submit one original and six (6) copies and one electronic version of the Proposal. The original Proposal must contain original signatures. Proposals must be typed on standard paper and have consecutively numbered pages. Proposal must be organized in the following format and information sequence. Use tabs to divide each part of your Proposal. Provide a table of contents as well. Proposers should provide all details in the Proposal as required in Section 0500 Scope of Work and any additional information you deem necessary to evaluate your Proposal.

**Tab 1 - Executive Summary**

Provide Executive Summary of five (5) pages or less, which gives in brief, concise terms, a summation of the proposal.

The Executive Summary should provide:

- Organization chart of your team servicing the City's account, including contact information;
- Years in business along with a summary of your company's history and experience;
- Client base including number of public sector clients
- Ability to perform long term,
- Ability to handle a large client (over 5,000 employees)
- Describe frequency, quality, and subject matter of professional publications.

The Executive Summary should also demonstrate your organization's commitment to serving the City of Austin's needs relative to the needs of your other clients.

Describe your organization's ability to exceed other Proposers.

**Tab 2 - Authorized Negotiator/Executor**

Include name, mailing address, email address, and telephone number of the officer or other authorized representative in your organization authorized to negotiate and execute contract terms and render binding decisions on contract matters. The City prefers this representative to be the CEO, COO, Executive Officer, Underwriter or Legal Counsel.

**Tab 3 – City of Austin Purchasing Documents**

Complete and submit the following documents in Tab 3 of your response:

- Offer and Award Sheet
- Section 0800 Equal Employment/Fair Housing Office Non-Discrimination Certification
- Section 0805 Non-Suspension or Debarment Certification
- Section 0810 Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit
- Section 0815 Living Wages Contractor Certification
- Section 0820 Living Wages Employee Certification
- Section 0900 MBE/WBE Procurement Program Package or No Goals Utilization Plan

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**Tab 4 – Minimum Projects**

Restate acceptance and ability to perform each of the minimum projects as stated in 3.3 of the Section 0500 Scope of Work. Provide a brief work plan for each project. Describe your technical plan for accomplishing required work. Include such time-related displays, graphs, and charts as necessary to show tasks, sub-tasks, milestones, and decision points related to the project and your plan for accomplishment. Specifically indicate:

- A description of your work program by tasks. Detail the steps you will take in proceeding from Task 1 to the final tasks.
- The technical factors that will be considered in section above, and the depth to which each will be treated.
- The degree of definition provided in each technical element of your plan.
- The points at which written, deliverable reports will be provided.
- The amount of progress payments you are requesting upon the successful completion of milestones or tasks.
- A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities. The Proposer must state his compliance with terms of this Request for Proposal.

**Tab 5 – Business Organization Information**

Complete and submit Section 0605 Business Organization Information.

**Tab 6 – Personnel**

1. Identify key persons, including titles, assigned to the City of Austin. For the primary Consultant and primary Actuary provide the following:
  - List the number of clients each are responsible for,
  - Indicate percentage of time each will be allocated to the City of Austin,
  - Office location,
  - Resume,
  - Proof of professional licensure or membership, and
  - Indicate how each meet the personnel qualification requirements as stated in 3.5 in Section 0500 Scope of Work.
2. Provide a general explanation and chart which specifies project leadership and reporting responsibilities; and interface the team with City project management and team personnel. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

**Tab 7 – Project / Service Fees Cost Proposal**

It is anticipated that the contract will commence January 1, 2012 with implementation to begin no later than November 2011. It is the City's intent for this contract to be a 1 year initial period with 5-12 month renewal extension options. Costs shall be fixed for the initial period and for each, if exercised, of the renewals of the contract. Fees for the individual actuarial and consulting projects and services are identified below. Information described in the following subsections is required from each Proposer.

**1. Individual Project Cost**

For evaluation purposes of the proposals, Proposers shall complete and submit a separate Section 0610 for each of the project items listed below. The project descriptions, as detailed in 3.3 of Section 0500, provides details when the City anticipates onsite presentation(s). The cost for an onsite presentation will be provided separately

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on the appropriate cost sheet and included in the not to exceed total cost for each project. The project fees shall be proposed in annual totals.

Complete and submit:

1. 0610-1: Annual Rates and Fiscal Year Expenditures Cost Sheet
2. 0610-2: GASB Statement 45 Compliance – Other Postemployment Benefits Cost Sheet
3. 0610-3: Quarterly Performance Report Cost Sheet
4. 0610-4: Annual Report Cost Sheet
5. 0610-5: Total Compensation (Rewards) Report Cost Sheet
6. 0610-6: Auditing Cost Sheet
7. 0610-7: Vendor Proposal Review and Negotiation Assistance Cost Sheet
8. 0610-8: Cafeteria Plan Assistance Cost Sheet
9. 0610-9: Document Review Cost Sheet
10. 0610-10: Compliance Assistance Cost Sheet
11. 0610-11: Annual Strategy Meeting Cost Sheet
12. 0610-12: Other Services Cost Sheet

2. Total Summary Project Cost. Complete and submit Section 0615 Summary Project Cost Sheet.

1. Complete and submit Section 0615 Summary Project Cost Sheet. Proposers must include the total not to exceed project cost for each of the individual projects listed on Section 0610-1 through Section 0610-12. **If costs for these individual projects are not included in the Section 0615, then the City may deem the proposal non-responsive to the cost proposal requirements of the solicitation.**
2. The fixed fees offered under the Section 0615 Summary Project Cost Sheet will be applied for services actually provided under the contract. The fees stated on the Section 0615 Summary Project Cost Sheet will be effective for the initial term. Proposer will also provide maximum percentage and cost increase for each renewal term, if exercised, of the Agreement.
3. Project fees shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with the services as described in the Section 0500 Scope of Work for Actuarial and Consulting Services for Employee Benefit Programs.

**Tab 8 – Operational Requirements**

Restate Minimum Operational Requirements in 3.6 of the Section 0500 Scope of Work and confirm acceptance of each requirement. Complete and submit Section 0625 HIPAA Business Associate Agreement.

**Tab 9 – Commercial and Legal Contract Requirements**

Complete and submit Section 0630 Commercial and Legal Contract Terms. An officer or representative with authority to bind must provide signature on Section 0630 indicating agreement with the contract requirements. For any exceptions to the terms listed on Section 0630, please state the alternative language along with business need for the alternative language.

**Tab 10 - Public Sector References and Vendor Experience**



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Complete and submit the Section 0700 which lists five (5) public sector references for the City of Austin to contact about your performance. Include the contact name and telephone number. Identify public sector clients which have 5,000 or more employees.

Provide a list of medical and dental insurers or third party claims administrators, Section 125 Flexible Spending Account and Dependent Care Account administrators, COBRA administrators, and Pharmacy Benefit Managers your organization has worked with in claims reporting and auditing of client claims. Indicate if your organization signed a Non-Disclosure Agreement with any of these organizations.

**Tab 11 - Publications**

Provide a comprehensive list of all your company's professional publications for the last two years. Publications include but are not limited to: bulletins, newsletters, and articles published by your company. In addition Proposer can provide actual publications to demonstrate expertise in the field.

Provide information on your organization's nationally recognized surveys regarding employer health benefits. Provide a copy of the most recent survey results published by your company.

**Tab 12 - Exceptions**

Consolidate all exceptions made to any requirement in this solicitation in Tab 12 of your Proposal. Restate each requirement to which you take exception and provide alternative language along with the business need for the alternative language. Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

2. **Proposal Acceptance Period:** All Proposals are valid for a period of one hundred and eighty (180) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the Proposal.
3. **Proprietary Information:** All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.
4. **Proposal Preparation Cost:** All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a Proposal which may be required by the City shall be the sole responsibility of the Proposer.
5. **Evaluation Factors and Award:**
  - A. **Competitive Selection:** This procurement will comply with applicable City of Austin Policy. The City, on a rational basis, will select the successful Proposer. Evaluation factors outlined in Paragraph (B) below shall be applied to all eligible, responsive Proposers in comparing Proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after Proposals are received. Proposals should, therefore, be submitted on the most favorable terms.
  - B. **Evaluation Factors:**

All proposals will be evaluated based on the following criteria and rankings. Maximum 100 points.

    1. Business Organization, Insurance company experience, Financial Ratings, Personnel Qualifications and Prior Experience. **(40 points)**

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2. Scope of Work: Responsiveness to RFP Requirements and all Contract Terms, provisions including Commercial and Legal Contract Terms described in **Section 0630** of the Solicitation and willingness to adhere to Proposal format required in the RFP. **(30 points)**
3. Cost/Rates Proposed. Proposer with the lowest cost/rates proposed to the City is given the maximum points; percentage ratio formula is applied to remaining Proposers. **(20 points)**
4. Publications **(10 points)**

Interviews, Optional. Interviews may be conducted at the discretion of the City. Maximum **25 points**.

**6. Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying**

The term "Offeror", as used herein, includes the individual or business entity submitting the Offer and for the purpose of this Affidavit includes the directors, officers, partners, managers, members, principals, owners, agents, representatives, employees, other parties in interest of the Offeror, and anyone or any entity acting for or on behalf of the Offeror, including a subcontractor in connection with this Offer.

A. **Anti-Collusion Statement.** The Offeree has not in any way directly or indirectly:

1. colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
2. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.

B. **Preparation of Solicitation and Contract Documents.** The Offeror has not received any compensation or promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

C. **Participation in Decision Making Process.** The Offeror has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract hereunder, no individual, agent, representative, consultant, subcontractor, or subconsultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

D. **Present Knowledge.** Offeror is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.

E. **City Code.** As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror is a City official or employee or is related to any City official or employee within the first or second degree of consanguinity or affinity.

F. **Chapter 176 Conflict of Interest Disclosure.** In accordance with Chapter 176 of the Texas Local Government Code, the Offeror:

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1. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;
2. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that OWNER is considering doing business with the Offeror.
3. as required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7<sup>th</sup>) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:  
<http://www.ci.austin.tx.us/cityclerk/coi.htm>

There are statutory penalties for failure to comply with Chapter 176.

If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation in the space provided below or, as necessary, on separate pages to be annexed hereto.

- G. **Anti-Lobbying Ordinance.** As set forth in the Solicitation Instructions, Section 0200, paragraph 7N, between the date that the Solicitation was issued and the date of full execution of the Contract, Offeror has not made and will not make a representation to a member of the City Council, a member of the City Board, or any other official, employee or agent of the City, other than the Authorized Contact Person for the Solicitation, except as permitted by the Ordinance.

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**Section 0605 Business Organization Information**

Provide the information requested in each section below. Once completed, place this document in Tab 5 of your Proposal response.

Requested Information	Response
Name of Organization	
Name of Parent Company (if applicable)	
Location of corporate office	
Location of office servicing the contract	
Legal form of organization (corporation, partnership, non-profit, etc.)	
Years of operation as an actuarial and consulting firm?	
How long has your firm provided the type of services quoted in this proposal?	
How long has your firm been operating in Texas?	
Provide the number of clients as of January 2011.	
Does your firm have any ever-green Non Disclosure Agreements in place? If so, provide a list of those entities.	
Describe your organization's disaster plan in case of business disruption?	
Do you anticipate a merger or acquisition within the next 2 years?	
Have you been the subject of litigation by a client? If so, identify each complaint.	
Describe any federal or state regulatory action taken against your organization in the last two years.	
What is your organization's risk based capital (RBC) position, and is it affected by the equity markets?	
Does your organization have any upcoming debt maturities?	
Has your organization sought and/or received funds from the Troubled Asset Relief Program (TARP)?	
What is the state of your organization's underlying investment portfolio? Do you have any exposure to sub-prime or alt-A mortgages, structured and hybrid securities, preferred stocks or other risky investments?	

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Have any of your organization's financial strength ratings been downgraded recently?	
<p>If applicable provide your organization's most current financial rating as described by the following rating sources.</p> <p>A.M. Best</p> <p>Fitch, Moody's</p> <p>Standard &amp; Poor's</p> <p>Weiss</p> <p>Comdex</p>	

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**Section 0610-1: Annual Rates and Fiscal Year Expenditures Cost Sheet**

Complete this chart for the following services: **Annual Rates and Fiscal Year Expenditures**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.1 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal Cost:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

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**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-10: Compliance Assistance Cost Sheet**

Complete this chart for the following services: **Compliance Assistance**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.10 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	<b>\$ _____</b>

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-11: Annual Strategy Meeting Cost Sheet**

Complete this chart for the following services: **Annual Strategy Meeting**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.11 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_



**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-12: Other Services Cost Sheet**

Complete this chart for the following services: **Other Services**. Provide the hourly rate for the estimated number of hours for all personnel assigned to the aforementioned project. Other services, as notated in Section 3.3.12 of the 0500 Scope of Work, will provide an estimated cost of additional services as requested by the City.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: <u>50</u> @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: <u>50</u> @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: <u>20</u> @ \$ _____/HR	
2.	Estimated Hours: <u>20</u> @ \$ _____/HR	
3.	Estimated Hours: <u>20</u> @ \$ _____/HR	
4.	Estimated Hours: <u>20</u> @ \$ _____/HR	
Analyst	Estimated Hours: <u>50</u> @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	<b>\$ _____</b>

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-2: GASB Statement 45 Compliance – Other Postemployment Benefits Cost Sheet**

Complete this chart for the following services: **GASB Statement 45 Compliance - Other Postemployment Benefits**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.2 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-3: Quarterly Performance Report Cost Sheet**

Complete this chart for the following services: **Quarterly Performance Report**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.3 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal Cost for a Quarterly Report:</b>	\$ _____
	<b>Subtotal Cost for 4 Quarterly Reports:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for one Onsite Presentation <i>(Note: cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b> (include the Subtotal for 4 Quarterly Reports plus Onsite Presentation)	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-4: Annual Report Cost Sheet**

Complete this chart for the following services: **Annual Report**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.4 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation (Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-5: Total Compensation (Rewards) Report Cost Sheet**

Complete this chart for the following services: **Total Compensation (Rewards) Report**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.5 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-6: Auditing Cost Sheet**

Complete this chart for the following services: **Auditing**. Provide the estimated number of hours for each of the audit types listed below. Refer to Section 3.3.6 of the 0500 Scope of Work for project description. Then, provide the total cost for each audit to the right and provide a grand total at the bottom.

An officer of your organization must sign this sheet. This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Medical Claims Administrator Audit	Estimated Hours: _____	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
Pharmacy Benefit Manager Audit	Estimated Hours: _____	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
Dental Claims Administrator Audit	Estimated Hours: _____	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
Flextra Claims Administrator Audit	Estimated Hours: _____	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
<b>Total Not to Exceed Project Cost:</b>		<b>\$ _____</b>

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-7: Vendor Proposal Review and Negotiation Assistance Cost Sheet**

Complete this chart for the following services: **Vendor Proposal Review and Negotiation Assistance**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.7 of the 0500 Scope of Work for project description. Then, provide the total cost for each and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Medical Claims Administration Component	Estimated Hours: _____	\$ _____
Individual Medical Stop-Loss Component	Estimated Hours: _____	\$ _____
Pharmacy Benefit Management Component	Estimated Hours: _____	\$ _____
Dental Claims Administration Component	Estimated Hours: _____	\$ _____
Third Party Administration Component	Estimated Hours: _____	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-8: Cafeteria Plan Assistance Cost Sheet**

Complete this chart for the following services: **Cafeteria Plan Assistance**. Provide the estimated number of hours and the hourly rate for all personnel assigned to the aforementioned project(s). Refer to Section 3.3.8 of the 0500 Scope of Work for project description. Then, provide the total cost for each employee to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

		Total Cost
Primary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Secondary Consultant/Actuary	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Additional Personnel: (Please list titles)		\$ _____
1. Administrative	Estimated Hours: _____ @ \$ _____/HR	
2.	Estimated Hours: _____ @ \$ _____/HR	
3.	Estimated Hours: _____ @ \$ _____/HR	
4.	Estimated Hours: _____ @ \$ _____/HR	
Analyst	Estimated Hours: _____ @ \$ _____/HR	\$ _____
Other Itemized direct costs	(Please list direct costs)	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_



**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0610-9: Document Review Cost Sheet**

Complete this chart for the following services: **Document Review**. Provide the estimated number of hours for each of the document review types listed below. Refer to Section 3.3.9 of the 0500 Scope of Work for project description. Then, provide the total cost for each document review type to the right and provide a grand total at the bottom. An officer of your organization must sign this sheet.

This sheet must be included in Tab 7 of your proposal. The City will utilize this information for comparison purposes in the evaluation of the proposals. The City reserves the right to select the actual services and timelines that are to be provided annually.

Total Cost

Medical Plan Document Review	Estimated Hours: _____	\$ _____
Dental Plan Document Review	Estimated Hours: _____	\$ _____
Section 125 (FLEXTRA) Plan Document Review	Estimated Hours: _____	\$ _____
	<b>Subtotal:</b>	\$ _____
Onsite Presentation	Fixed Fee Cost for Onsite Presentation <i>(Note: Cost should include all applicable staff hours and travel expenses for staff participating in presentation.)</i>	\$ _____
	<b>Total Not to Exceed Project Cost:</b>	\$ _____

Total Not to Exceed Project Cost shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0615: Summary Project Cost Sheet**

For the project cost sheets listed below, provide the not to exceed cost for each of the projects listed on Section 0610 – 1 through Section 0610-12. At the bottom of this summary cost sheet, the Proposer will indicate the maximum percentage and cost increase, if any, for each of the renewal terms of the contract. The fixed fees along with the maximum cost increases offered on this Section 0615 Summary Project Cost Sheet will be applied for services provided under the awarded contract.

This sheet must be included in Tab 7 of your Proposal. An officer of your organization must sign this sheet. The City reserves the right to select the actual services and timelines that are to be provided annually.

<b>PROJECT COST SHEET</b>	<b>NOT TO EXCEED COST:</b>
Section 0610-1: Annual Rates and Fiscal Year Expenditures	\$ _____
Section 0610-2: GASB Statement 45 Compliance and Other Postemployment Benefits	\$ _____
Section 0610-3: Quarterly Performance Report	\$ _____
Section 0610-4: Annual Report	\$ _____
Section 0610-5: Total Compensation (Rewards) Report	\$ _____
Section 0610-6: Auditing	\$ _____
Section 0610-7: Vendor Proposal Review and Negotiation Assistance	\$ _____
Section 0610-8: Cafeteria Plan Assistance	\$ _____
Section 0610-9: Document Review	\$ _____
Section 0610-10: Compliance Assistance	\$ _____
Section 0610-11: Annual Strategy Meeting	\$ _____
Section 0610-12: Other Services	\$ _____
<b>GRAND TOTAL ANNUAL FEES (Items #1 - #12)</b>	<b>\$ _____</b>

Indicate the maximum cost increase, if any, for each of the subsequent contract years.

<b>Renewal Term:</b>	<b>#1</b>	<b>#2</b>	<b>#3</b>	<b>#4</b>	<b>#5</b>	<b>Total Contract:</b>
<b>Maximum percentage increase:</b>	_____ %	_____ %	_____ %	_____ %	_____ %	
<b>Grand Total Not To Exceed Cost:</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Project fees shall be inclusive of all costs including labor, materials, supplies, printing services, travel expenses, delivery/transportation costs, and general and administrative burden in providing the City with these services.

The fees shown above will be effective for the initial term and renewal terms of the Agreement.

Proposer/Firm Name: \_\_\_\_\_

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0625: HIPAA Business Associate Agreement**

City and Contractor incorporate this "HIPAA BUSINESS ASSOCIATE AGREEMENT" "(Business Associate Agreement)" into the Administrative Services Agreement ("Agreement"), to be effective on January 1, 2007. The parties acknowledge that this Business Associate Agreement is required by the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

The parties acknowledge and agree that Contractor, in performing its duties under the Agreement, will receive individually identifiable protected health information as defined in Section 14 below (referred to as "Protected Health Information" "PHI" or "Electronic Protected Health Information "EPHI"), from City and from City's contractors or enrollees, and will create, receive or use PHI/EPHI on the City's behalf. Contractor agrees to maintain the privacy and security of such PHI/EPHI as required by all applicable laws and regulations, including but not limited to HIPAA and the privacy and security regulations adopted under HIPAA. Without limiting the foregoing, Contractor agrees to the following:

1. **Use of PHI/EPHI:** Contractor shall not use, and shall ensure that its directors, officers, employees, contractors, and agents (referred to collectively as "Contractor's Agents"), do not use PHI/EPHI other than as expressly permitted by the Agreement, or as required by law. Contractor may also use PHI/EPHI for the proper management and administration of its internal business processes that relate to its responsibilities under the Agreement, and to fulfill its legal responsibilities. In addition, Contractor agrees that it will not sell PHI/EPHI, including patient or enrollee lists, nor use any PHI/EPHI to engage in "marketing," as such term is defined in Section 164.501 of Title 45, U.S. Code of Federal Regulations.

2. **Disclosure of PHI/EPHI:**

- a. *Disclosure to Third Parties.* Contractor shall not and shall ensure that Contractor's Agents do not disclose PHI/EPHI to any other person or entity (other than members of Contractor's workforce as specified in subsection b. of this Section), unless disclosure is required by law. Any such disclosure shall be made only upon the written agreement of the subcontractor to be bound by the provisions of this Business Associate Agreement, for the express benefit of Contractor and City.

To the extent that Contractor discloses PHI/EPHI to a third party, Contractor must obtain, prior to making any disclosure:

1. reasonable assurances from such third party that PHI/EPHI will be held confidential as provided in the Agreement and herein, and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and
    2. an agreement from such third party to immediately notify Contractor of any breaches of the confidentiality of PHI/EPHI, to the extent it has obtained knowledge of such breach.
  - b. *Disclosure to Workforce.* Contractor shall not disclose PHI/EPHI to any member of its workforce unless Contractor has advised such person of Contractor's obligations under this Business Associate Agreement, and of the consequences for such person and for Contractor of violating them. Contractor shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI/EPHI in contravention of this Business Associate Agreement.

3. **Safeguards:**

- a. Contractor shall implement all appropriate safeguards to prevent use or disclosure of PHI/EPHI other than as permitted by the Agreement or this Business Associate Agreement. Contractor shall provide City with such information concerning the safeguards as City may from time to time request and shall, upon reasonable request, give City access for inspection and copying to Contractor's facilities used for the maintenance and processing of PHI/EPHI, and to its books, records, practices, policies, and procedures concerning the use and disclosure of PHI/EPHI. In addition Contractor and Contractor's Agents shall comply with the minimum necessary

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0625: HIPAA Business Associate Agreement**

requirements set forth in the HIPAA privacy regulations when using or disclosing PHI/EPHI. Contractor also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of PHI/EPHI by Contractor in violation of the requirements set forth herein.

- b. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the City.
- c. Ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it.
- d. Report to the City any security incident of which it becomes aware.
- e. Authorize termination of the contract by the City, if the City determines that the business associate has violated a material term of the contract.

4. **Accounting of Disclosures:**

- a. Contractor shall maintain a record of all PHI/EPHI disclosures made other than for the permitted purposes of the Agreement and this Business Associate Agreement, including the date of disclosure, the name and, if known, the address of the recipient of the PHI/EPHI, a brief description of the PHI/EPHI disclosed, and the purposes of the disclosures.
- b. Within ten (10) calendar days of notice by City to Contractor that City has received a request for an accounting of disclosures of PHI/EPHI regarding an individual, Contractor shall make available to City such information as is in Contractor's possession and is required for City to make the accounting.

5. **Reporting of Disclosures of Protected Health Information:** Contractor shall, within five (5) business days (Monday - Friday) of becoming aware of a use or disclosure of PHI/EPHI in violation of this Business Associate Agreement by Contractor or Contractor's Agents, report such disclosure or use in writing to Don Ellison in the Employee Benefits Division of the City's Human Resources Department and describe remedial action taken or proposed to be taken with respect to such use or disclosure.

6. **Agreements by Third Parties:** Contractor shall enter into an agreement with any agent or subcontractor that will have access to PHI/EPHI that is received from, or created or received by Contractor on behalf of City, in which such agent or subcontractor agrees to be bound by the same restrictions, terms, and conditions that apply to Contractor under the Agreement and this Business Associate Agreement.

7. **Disclosure to U.S. Department of Health and Human Services:** Contractor shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of PHI/EPHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.

8. **Access by Individuals:** Within ten (10) calendar days of receipt of a request by City, Contractor shall permit any individual whose PHI/EPHI is maintained by Contractor to have access to and to copy his or her PHI/EPHI, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to PHI/EPHI held by Contractor directly from Contractor, Contractor shall, within two (2) business days, forward such request to City. Any denial of access to the PHI/EPHI requested shall be the responsibility of City.

9. **Correction of PHI/EPHI:** Contractor agrees to make any amendments to PHI/EPHI that the City directs or agrees to under HIPAA. City shall provide Contractor with written instructions regarding any such amendment.

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0625: HIPAA Business Associate Agreement**

10. **Amendment:** Upon the enactment of any law or regulation affecting the use or disclosure of PHI/EPHI, or the publication of any decision of a court of the United States or Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, City may, by written notice to Contractor, amend this Business Associate Agreement in such manner as City determines necessary to comply with such law or regulation. If Contractor disagrees with any such amendment, it shall so notify City in writing within thirty (30) days of the date of the notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate the Agreement and this Business Associate Agreement upon written notice to the other.
11. **Breach:** If Contractor breaches any of its obligations under this Agreement, City may, at its option:
- a. Exercise any of its rights of access and inspection under Section 3;
  - b. Provide Contractor with notice of the breach and an opportunity to cure such breach within thirty (30) calendar days of the notice of breach. If Contractor fails to cure the breach to City's satisfaction within such cure period, City may terminate the Agreement by providing written notice to Contractor. If Contractor cures the breach within the cure period, City may require Contractor to submit to a plan of monitoring and reporting of uses and disclosures of PHI/EPHI, as City may determine necessary to maintain compliance with the Agreement. Any such monitoring plan shall be made a part of the Agreement;
  - c. Immediately terminate the Agreement, with or without an opportunity to cure the breach; or
  - d. If termination is not feasible, report the breach to the Secretary of the United States Department of Health and Human Services.

City's remedies under this section and the Agreement shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.

12. **Procedure Upon Termination.**

- a. Except as provided in paragraph (2) below, upon termination of the Agreement, for any reason, Contractor shall return or destroy all PHI/EPHI received from City, or created or received by Contractor on behalf of City. This provision shall also apply to PHI/EPHI that is in the possession of subcontractors or agents of Contractor.
  - b. In the event that Contractor determines that returning or destroying the PHI/EPHI is not feasible, Contractor shall provide to City written notification of the conditions that make return or destruction infeasible. Contractor shall extend the protections of this Agreement to such PHI/EPHI and limit further uses and disclosures of such PHI/EPHI to those purposes that make the return or destruction infeasible, for so long as Contractor maintains the PHI/EPHI.
13. **Indemnification.** Contractor shall indemnify and hold harmless City from and against any and all costs, liabilities, losses, damages and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, lawsuit or proceeding brought by a third party against City and arising from or related to a breach or alleged breach by Contractor or Contractor's Agents of the obligations referenced herein. Contractor's obligation to indemnify shall survive the expiration or termination of the Agreement.

14. **Definitions for Use in this Addendum:**

- a. *Individually Identifiable Health Information* shall mean information that is a subset of health information, including demographic information collected from an individual, that:
  1. is created or received by a health care provider, health plan, employer, or healthcare clearinghouse; and

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Section 0625: HIPAA Business Associate Agreement**

2. relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of healthcare to an individual; and (a) identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- b. *Protected Health Information (PHI)* shall mean Individually Identifiable Health Information that is (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.
- a. *Electronic Protected Health Information (EPHI)* is defined as PHI that is created, received, maintained or transmitted electronically by or on behalf of the Plan.
- b. *HIPAA Security Rule* means the Security Standards published on February 20, 2003 at 68 Fed. Reg. 8334 *et. seq.* (45 C.F.R. Parts 160, 162, and 164).

**CITY**

**CITY OF AUSTIN, A Home Rule Municipality**

Signature:\_\_\_\_\_

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

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

**CONTRACTOR**

**Contractor**

Signature:\_\_\_\_\_

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

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

**CITY OF AUSTIN  
PURCHASING OFFICE  
REFERENCE SHEET**  
**Please Complete and Return This Form with the Offer**

**SOLICITATION NUMBER:** JSD0110

**OFFEROR'S NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

The Offeror shall furnish, with the Offer, the following information, for at least 5 recent customers to whom products and/or services have been provided that are similar to those required by this Solicitation.

1.	Company's Name	_____
	Name and Title of Contact	_____
	Present Address	_____
	City, State, Zip Code	_____
	Telephone Number	(       )                      Fax Number (       )
	Email Address	_____
2.	Company's Name	_____
	Name and Title of Contact	_____
	Present Address	_____
	City, State, Zip Code	_____
	Telephone Number	(       )                      Fax Number (       )
	Email Address	_____
3.	Company's Name	_____
	Name and Title of Contact	_____
	Present Address	_____
	City, State, Zip Code	_____
	Telephone Number	(       )                      Fax Number (       )
	Email Address	_____
4.	Company's Name	_____
	Name and Title of Contact	_____
	Present Address	_____
	City, State, Zip Code	_____
	Telephone Number	(       )                      Fax Number (       )
	Email Address	_____
5.	Company's Name	_____
	Name and Title of Contact	_____
	Present Address	_____
	City, State, Zip Code	_____
	Telephone Number	(       )                      Fax Number (       )
	Email Address	_____

**City of Austin, Texas**  
**EQUAL EMPLOYMENT/FAIR HOUSING OFFICE**  
**NON-DISCRIMINATION CERTIFICATION**  
**SOLICITATION NO. JSD0110**

**City of Austin, Texas**  
**Human Rights Commission**

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

**Sec. 4-2 Discriminatory Employment Practices Prohibited.** As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B) (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

**City of Austin**  
**Minimum Standard Non-Discrimination in Employment Policy:**

*As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.*

*The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.*

*Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.*



*Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.*

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

**Sanctions:**

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

**Term:**

The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

CONTRACTOR \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

**City of Austin, Texas**  
**NON-SUSPENSION OR DEBARMENT CERTIFICATION**  
**SOLICITATION NO. JSD0110**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

Contractor's Name:

---

Signature of Officer  
or Authorized  
Representative:

Date:

---

Printed Name:

---

Title

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**CITY OF AUSTIN  
NON-COLLUSION,  
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING AFFIDAVIT  
SOLICITATION NO. JSD0110**

**FOR  
Actuarial and Accounting Services**

**State of Texas**

**County of Travis**

**The undersigned “Affiant” is a duly authorized representative of the Offeror for the purpose of making this Affidavit, and, after being first duly sworn, has deposed and stated and hereby deposes and states, to the best of his or her personal knowledge and belief as follows:**

The term “**Offeror**”, as used herein, includes the individual or business entity submitting the Offer and for the purpose of this Affidavit includes the directors, officers, partners, managers, members, principals, owners, agents, representatives, employees, other parties in interest of the Offeror, and anyone or any entity acting for or on behalf of the Offeror, including a subcontractor in connection with this Offer.

1. **Anti-Collusion Statement.** The Offeror has not in any way directly or indirectly:
  - a. colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
  - b. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.
2. **Preparation of Solicitation and Contract Documents.** The Offeror has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.
3. **Participation in Decision Making Process.** The Offeror has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract hereunder, no individual, agent, representative, consultant, subcontractor, or subconsultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.
4. **Present Knowledge.** Offeror is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.
5. **City Code.** As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror is a City official or employee or is related to any City official or employee within the first or second degree of consanguinity or affinity.
6. **Chapter 176 Conflict of Interest Disclosure.** In accordance with Chapter 176 of the Texas Local Government Code, the Offeror:
  - a. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;

**CITY OF AUSTIN  
NON-COLLUSION,  
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING AFFIDAVIT**

- b. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that OWNER is considering doing business with the Offeror.
- c. as required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7<sup>th</sup>) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:  
<http://www.ci.austin.tx.us/cityclerk/coi.htm>

There are statutory penalties for failure to comply with Chapter 176.

If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation in the space provided below or, as necessary, on separate pages to be annexed hereto.

- 7. Anti-Lobbying Ordinance.** As set forth in the Solicitation Instructions, Section 0200, paragraph 7N, between the date that the Solicitation was issued and the date of full execution of the Contract, Offeror has not made and will not make a representation to a member of the City Council, a member of a City Board, or any other official, employee or agent of the City, other than the Authorized Contact Person for the Solicitation, except as permitted by the Ordinance.

OFFEROR'S EXPLANATION:

Contractor's Name: \_\_\_\_\_

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

Title \_\_\_\_\_

Signature of Officer or Authorized Representative: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

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

**CITY OF AUSTIN, TEXAS**  
**LIVING WAGES AND BENEFITS CONTRACTOR CERTIFICATION**  
*(Please duplicate as needed)*

**SOLICITATION NO. JSD0110**

Pursuant to the Living Wages and Benefits provision (reference Section 0400, Supplemental Purchase Provisions) the Contractor is required to pay to all employees directly assigned to this City contract a minimum Living Wage equal to or greater than \$11.00 per hour.

I hereby certify under penalty of perjury that all of the below listed employees of the Contractor who are directly assigned to this contract:

- (1) are compensated at wage rates equal to or greater than \$11.00 per hour; and
- (2) are offered a health care plan with optional family coverage.

Employee Name	Employee Job Title

- (3) all future employees assigned to this Contract will be paid a minimum Living Wage equal to or greater than \$11.00 per hour and offered a health care plan with optional family coverage.

- (4) Our firm will not retaliate against any employee claiming non-compliance with the Living Wage provision.

A Contractor who violates this Living Wage provision shall pay each employee affected the amount of the deficiency for each day the violation continues. Willful or repeated violations of the provision may result in termination of this Contract for Cause and subject the firm to possible suspension or debarment.

Contractor's Name: \_\_\_\_\_

Signature of Officer  
or Authorized  
Representative: \_\_\_\_\_

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

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

Title \_\_\_\_\_

**CITY OF AUSTIN, TEXAS  
LIVING WAGES AND BENEFITS EMPLOYEE CERTIFICATION**

Contract Number: JSD0110	Description of Services: Actuarial and Consulting Services
Contractor Name: Insert Contractor's Name	

Pursuant to the Living Wages and Benefits provision of the contract (reference Section 0400, Supplemental Purchase Provisions), the Contractor is required to pay to all employees directly assigned to this City contract a minimum Living Wage equal to or greater than \$11.00 per hour. In addition, employees are required to certify that they are compensated in accordance with the Living Wage provision. Contractors are prohibited from retaliating against any employee claiming non-compliance with the Living Wage provision.

I hereby certify under penalty of perjury that I am directly assigned to this contract and that I am:

- (1) compensated at wage rates equal to or greater than \$11.00 per hour; and
- (2) offered a health care plan with optional family coverage.

Employee's Title: Insert Employee's Title	
Signature of Employee	Date
Type or Print Name Insert Employee's Name	

\_\_\_\_\_  
(Witness Signature)

\_\_\_\_\_  
(Printed Name)

**City of Austin, Texas**  
**NONRESIDENT BIDDER PROVISIONS**  
**SOLICITATION NO. JSD0110**

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "Non-resident Bidder"?

Answer: \_\_\_\_\_

- (1) Texas Resident Bidder – A Bidder whose principal place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
- (2) Nonresident Bidder – A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state.

Answer: \_\_\_\_\_ Which State: \_\_\_\_\_

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: \_\_\_\_\_

Bidder's Name: \_\_\_\_\_

Signature of Officer or  
Authorized  
Representative: \_\_\_\_\_ Date: \_\_\_\_\_

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

Title \_\_\_\_\_

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)  
PROCUREMENT PROGRAM  
NO GOALS FORM**

SOLICITATION NUMBER: JSD0110

PROJECT NAME: Actuarial and Consulting Services

**The City of Austin has determined that no goals are appropriate for this project.** Even though no goals have been established for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.

If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

**Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?**

No \_\_\_\_\_ If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope.

Yes \_\_\_\_\_ If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.

After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, subconsultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.

I understand that even though no goals have been established, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.

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

\_\_\_\_\_  
Name and Title of Authorized Representative (Print or Type)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)  
PROCUREMENT PROGRAM  
NO GOALS UTILIZATION PLAN**  
*(Please duplicate as needed)*

SOLICITATION NUMBER:	JSD0110
PROJECT NAME:	Actuarial and Consulting Services

**PRIME CONTRACTOR/CONSULTANT COMPANY INFORMATION**

Name of Contractor/Consultant			
Address			
City, State Zip			
Phone		Fax Number	
Name of Contact Person			
Is company City certified?	Yes <input type="checkbox"/> No <input type="checkbox"/>	MBE <input type="checkbox"/> WBE <input type="checkbox"/>	MBE/WBE Joint Venture <input type="checkbox"/>

I certify that the information included in this No Goals Utilization Plan is true and complete to the best of my knowledge and belief. I further understand and agree that the information in this document shall become part of my Contract with the City of Austin.

\_\_\_\_\_  
**Name and Title of Authorized Representative (Print or Type)**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

Provide a list of all proposed subcontractors/subconsultants/suppliers that will be used in the performance of this Contract. **Attach Good Faith Efforts documentation if non MBE/WBE firms will be used.**

<b>Sub-Contractor/Consultant</b>			
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/>	Ethnic/Gender Code:	<input type="checkbox"/> NON-CERTIFIED
Vendor ID Code			
Contact Person	Phone Number:		
Amount of Subcontract	\$		
List commodity codes & description of services			

<b>Sub-Contractor/Consultant</b>			
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/>	Ethnic/Gender Code:	<input type="checkbox"/> NON-CERTIFIED
Vendor ID Code			
Contact Person	Phone Number:		
Amount of Subcontract	\$		
List commodity codes & description of services			

**FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:**

Having reviewed this plan, I acknowledge that the proposer (HAS) or (HAS NOT) complied with City Code Chapter 2-9A/B/C/D, as amended.

Reviewing Counselor \_\_\_\_\_ Date \_\_\_\_\_ Director/Deputy Director \_\_\_\_\_ Date \_\_\_\_\_

**CITY OF AUSTIN  
PURCHASING OFFICE  
"NO OFFER" REPLY FORM**

**SOLICITATION NUMBER:** JSD0110

**Please Complete and Return This Form to the following address to Indicate a "No Offer" Reply**

City of Austin  
Purchasing Office  
P.O. Box 1088  
Austin, Texas 78767-8845

**(DO NOT RETURN ALONG WITH OFFER)**

Please check the appropriate box to indicate why your firm is submitting a "no offer" response. Failure to respond to three (3) consecutive solicitations may result in your company being removed from the source list for this commodity or service. Completion of this form will assist us in maintaining an accurate, up-to-date source list.

**COMMODITY CODE:** 94612

**DESCRIPTION:**Health Care management

- ☐ Unable to supply item(s) specified. Remove my company from the source list for the Commodity / Service Group
- ☐ Unable to supply item(s) specified. Retain my company on the vendor list for this commodity / service.
- ☐ Cannot meet the Scope of Work / Specifications.
- ☐ Cannot provide required Insurance.
- ☐ Cannot provide required Bonding.
- ☐ Job too small.
- ☐ Job too large.
- ☐ Do not wish to do business with the City. Remove my company from the City's Vendor list.
- ☐ Other reason (please state why you will not submit a bid):

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

Contractor's Name:

Street Address

City, State, Zip Code

Signature of Officer or  
Authorized

Representative:

Date:

Printed Name:

Title

**REQUEST FOR PROPOSAL NO: JSD0110**  
**CITY OF AUSTIN PURCHASING OFFICE**  
**ACTUARIAL AND CONSULTING SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**  
**Exhibit III: REQUIRED INVOICE FORMAT**

**A. Required Invoice Format**

Billing Period

Project Name

Consultant Name	Hours		Rate	Subtotal
Task #1	0	x	\$000	\$000
Task #2	0	x	\$000	\$000
Task #3	0	x	\$000	\$000
Subtotal				<u>\$000</u>

Consultant Name	Hours		Rate	Subtotal
Task #1	0	x	\$000	\$000
Task #2	0	x	\$000	\$000
Task #3	0	x	\$000	\$000
Subtotal				<u>\$000</u>

Consultant Name	Hours		Rate	Subtotal
Task #1	0	x	\$000	\$000
Task #2	0	x	\$000	\$000
Task #3	0	x	\$000	\$000
Subtotal				<u>\$000</u>

Total				<u><u>\$000</u></u>
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**B. Example of Invoice Format**

Billing Period 7/1/2011 through 7/31/2011

Project: Risk Adjustment Factor Analysis

Carla Consultant	Hours		Rate	Subtotal
Research	9	x	\$100	\$900
Conference call	1	x	\$100	\$100
Memo to client	2	x	\$100	\$200
Subtotal				<u>\$1,200</u>

Andy Actuary	Hours		Rate	Subtotal
Research	1	x	\$150	\$150
Conference call	1	x	\$150	\$150
Memo to Primary Consultant	1	x	\$150	\$150
Subtotal				<u>\$450</u>

Clara Clerk	Hours		Rate	Subtotal
Format memo to client	1	x	\$35	\$35
Copies	2	x	\$35	\$70
Document prep / mailing	1	x	\$35	\$35
Subtotal				<u>\$140</u>

Total				<u><u>\$1,790</u></u>
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The terms listed herein are non-negotiable contract terms required by the City of Austin. The Successful Contractor will be required to sign an Agreement with the following Agreement terms. An officer of the contractor's company must review, comment, and sign this document. Place the completed and signed documents in Part 12 of your proposal. Failure to agree to these standard Agreement terms may result in proposal being non-responsive.

1. **CONTRACTOR'S OBLIGATIONS.** The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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2. **TITLE & RISK OF LOSS.** If applicable, title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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3. **PLACE AND CONDITION OF WORK.** The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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4. **WORKFORCE.**

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property:

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- i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
  - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

☐ Accepted as written

☐ Not Accepted as written. See comments below

5. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS.** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

☐ Accepted as written

☐ Not Accepted as written. See comments below

6. **INVOICES.**

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

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- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

☐ Accepted as written

☐ Not Accepted as written. See comments below

**7. PAYMENT.**

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.
- B. If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
  - i. delivery of defective or non-conforming deliverables by the Contractor;
  - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence is provided indicating probable filing of such claims;
  - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
  - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
- E. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
  - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
  - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- F. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- G. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- H. The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for

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this Contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

☐ Accepted as written

☐ Not Accepted as written. See comments below

**8. FINAL PAYMENT AND CLOSE-OUT.**

The making and acceptance of final payment will constitute:

- i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
- ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

☐ Accepted as written

☐ Not Accepted as written. See comments below

**9. RIGHT TO AUDIT.**

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. The Contractor shall include section a. above in all subcontractor agreements entered into in connection with this Contract.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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**10. SUBCONTRACTORS.**

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan, the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
- i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
  - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
  - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
  - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
  - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

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Accepted as written

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Not Accepted as written. See comments below

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**11. WARRANTY-PRICE.**



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- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

☐ Accepted as written

☐ Not Accepted as written. See comments below

12. **WARRANTY – SERVICES.** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
- B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
- C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

☐ Accepted as written

☐ Not Accepted as written. See comments below

13. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES.** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the

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City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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14. **RIGHT TO ASSURANCE.** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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15. **STOP WORK NOTICE.** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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16. **DEFAULT.** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 14, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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17. **TERMINATION FOR CAUSE.** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures

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such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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18. **TERMINATION WITHOUT CAUSE.** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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19. **FRAUD.** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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20. **DELAYS.**

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work

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under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 38. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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21. **INDEMNITY.**

A. Definitions:

- i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
- (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
  - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
- ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

- B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

☐ Accepted as written

☐ Not Accepted as written. See comments below

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22. **INSURANCE.** (Reference Section 0400 for specific coverage requirements). The following insurance requirements apply. (Revised 6/01/98)

A. **General Requirements.**

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.
- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- viii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- ix. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- x. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

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- xi. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xii. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
- xiii. The Contractor shall endeavor to provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiv. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

C. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

- i. Worker's Compensation and Employers' Liability Insurance. Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
  - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Form WC 420304, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Form WC 420601, or equivalent coverage
- ii. Commercial General Liability Insurance. The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries).
  - (1) The policy shall contain the following provisions:
    - (a) Blanket contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
    - (b) Independent Contractor's Coverage.
    - (c) Products/Completed Operations Liability for the duration of the warranty period.
    - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and Underground Coverage (X,C,U).
  - (2) The policy shall also include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
    - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. Business Automobile Liability Insurance. The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per

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person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

- (1) The policy shall include these endorsements in favor of the City of Austin:
  - (a) Waiver of Subrogation, Endorsement TE 2046A, or equivalent coverage
  - (b) Thirty (30) days Notice of Cancellation, Endorsement TE 0202A, or equivalent coverage
  - (c) The City of Austin listed as an additional insured, Endorsement TE 9901B, or equivalent coverage.

- iv. Professional Liability Insurance. The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

D. Certificate. The following statement must be shown on the Certificate of Insurance:

"The City of Austin is an Additional Insured on the general liability and the auto liability policies. A Waiver of Subrogation is issued in favor of the City of Austin for general liability, auto liability and workers compensation policies."

☐ Accepted as written

☐ Not Accepted as written. See comments below

23. ELECTRONIC IMAGES. The City reserves the right to capture electronic images of contractor employees or sub-contractors delivering this program for use in internal communications and marketing of Benefits Programs to City employees and retirees. Marketing may consist of; brochures, benefit materials, internal newsletters, and emails which may be copied, distributed, and transmitted via the City's intranet. Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind for the use as specified above.

24. CLAIMS. If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2<sup>nd</sup> Street, 4<sup>th</sup> Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

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☐ Accepted as written

☐ Not Accepted as written. See comments below

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25. **NOTICES.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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26. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL.** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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27. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS.** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no



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warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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28. **CONFIDENTIALITY.** In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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29. **ADVERTISING.** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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30. **NO CONTINGENT FEES.** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

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☐ Accepted as written

☐ Not Accepted as written. See comments below

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31. **GRATUITIES.** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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32. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS.** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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33. **INDEPENDENT CONTRACTOR.** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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34. **ASSIGNMENT-DELEGATION.** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer

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rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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35. **WAIVER.** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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36. **MODIFICATIONS.** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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37. **INTERPRETATION.** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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38. **DISPUTE RESOLUTION.**

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- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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39. **JURISDICTION AND VENUE.** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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40. **INVALIDITY.** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this

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section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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41. **SURVIVABILITY OF OBLIGATIONS.** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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42. **LIVING WAGES AND BENEFITS (applicable to procurements involving the use of labor).**

- A. In order to help assure low employee turnover, quality services, and to reduce costs for health care provided to uninsured citizens, the Austin City Council is committed to ensuring fair compensation for City employees and those persons employed elsewhere in Austin. This commitment has been supported by actions to establish a "living wage" and affordable health care protection. Currently, the minimum wage for City employees is \$11.00 per hour. This minimum wage is required for any Contractor employee directly assigned to this City Contract, unless Published Wage Rates are included in this solicitation. In addition, the City may stipulate higher wage rates in certain solicitations in order to assure quality and continuity of service.
- B. Additionally, the City provides health insurance for its employees, and for a nominal rate, employees may obtain coverage for their family members. Contractors must offer health insurance with optional family coverage for all Contractor employees directly assigned to this contract. Proof of the health care plan shall be provided prior to award of a Contract. In addition, an insurance certificate for Workers' Compensation Insurance Coverage must be provided if required by the solicitation.
- C. The City requires Contractors submitting Offers on this Contract to provide a signed certification (**see the Living Wages and Benefits Contractor Certification included in the Solicitation**) with their Offer certifying that all employees directly assigned to this City Contract will be paid a minimum living wage equal to or greater than \$11.00 per hour and are offered a health care plan. The certification shall include a list of all employees directly assigned to providing services under the resultant contract including their name and job title. The list shall be updated and provided to the City as necessary throughout the term of the Contract.
- D. The Contractor shall maintain throughout the term of the resultant contract basic employment and wage information for each employee as required by the Fair Labor Standards Act (FLSA). Basic employment records shall at a minimum include:
- i. employee's full name, as used for social security purposes, and on the same record, the employee's identifying symbol or number if such is used in place of name on any time, work, or payroll records;
  - ii. time and date of week when employee's workweek begins;
  - iii. hours worked each day and total hours worked each workweek;
  - iv. basis on which employee's wages are paid;
  - v. regular hourly pay rate;

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- vi. total daily or weekly straight-time earnings;
  - vii. total overtime earnings for the workweek;
  - viii. all additions to or deductions from the employee's wages;
  - ix. total wages paid each pay period; and
  - x. date of payment and the pay period covered by the payment.
- E. The Contractor shall provide with the first invoice and as requested by the Department's Contract Manager, individual Employee Certifications (**see the Living Wages and Benefits Employee Certification included in the Solicitation**) for all employees directly assigned to the contract containing:
- i. the employee's name and job title;
  - ii. a statement certifying that the employee is paid at a rate equal to or greater than the Living Wage of \$11.00 per hour;
  - iii. a statement certifying that the employee is offered a health care plan with optional family coverage.

Employee Certifications shall be signed by each employee directly assigned to the contract.

- A. Contractor shall submit employee certifications quarterly with the respective invoice to verify that employees are paid the Living Wage throughout the term of the contract.
- G. The Department's Contract Manager will periodically review the employee data submitted by the Contractor to verify compliance with this Living Wage provision. The City retains the right to review employee records identified in paragraph D above to verify compliance with this provision.

☐ Accepted as written ☐ Not Accepted as written. See comments below

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43. **HOLD OVER AT THE CITY'S OPTION.** Upon expiration of the Initial Term or a renewal or Optional Period, or if requested in writing by the City, Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary to re-solicit and/or complete the City's plan or program (not to exceed 120 days unless mutually agreed on in writing).

☐ Accepted as written ☐ Not Accepted as written. See comments below

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44. **Significant Event:** The Contractor shall immediately notify the Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations. Significant events may include but not be limited to the following:

- disposal of major assets;
- any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this Contract;

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- any significant termination or addition of provider contracts;
- Contractor's insolvency or the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring, or any bankruptcy proceedings, voluntary or involuntary, or reorganization proceedings;
- strikes, slow-downs or substantial impairment of the Contractor's facilities or of other facilities used by the Contractor in the performance of this contract;
- reorganization, reduction and/or relocation in key personnel such as, but not limited to, customer service representatives or claims adjusters;
- known or anticipated sale, merger, or acquisition;
- known, planned or anticipated stock sales;
- any litigation filed by a member against the Contractor; or
- significant change in market share or product focus.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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45. **Equal Opportunity**

**45.1 Equal Employment Opportunity:** No Contractor or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. The Contractor shall sign and return the Non-Discrimination Certification attached to the Solicitation and shall provide the policy within fourteen (14) calendar days after written request from the City. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

**45.2 Americans With Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

☐ Accepted as written

☐ Not Accepted as written. See comments below

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46. **Minority And Women Owned Business Enterprise (MBE/WBE) Procurement Program:**

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46.1 All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts.

46.2 If any service is needed to perform the Contract and the Contractor does not perform the service with its own workforce or if supplies or materials are required and the Contractor does not have the supplies or materials in its inventory, the Contractor shall contact the Department of Small and Minority Business Resources (DSMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Contractor must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

☐ Accepted as written

☐ Not Accepted as written. See comments below

**47. Non-Solicitation:**

47.1 During the term of the Contract, and for a period of six (6) months following termination of the Contract, the Contractor, its affiliate, or its agent shall not hire, employ, or solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.

47.2 In the event that a breach of this paragraph occurs the Contractor shall pay liquidated damages to the City in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation; or (ii) \_\_\_\_\_ percent of the employee's annual compensation while employed by the City. The Contractor shall reimburse the City for any fees and expenses incurred in the enforcement of this provision.

47.3 During the term of the Contract, and for a period of six (6) months following termination of the Contract, a department that engages the services of the Contractor or uses the services of a Contractor employee will not hire a Contractor employee while the employee is performing work under a contract with the City unless the City first obtains the Contractor's consent.

47.4 In the event that a breach of this) occurs, the City shall pay liquidated damages to the Contractor in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation or (ii) \_\_\_\_\_ percent of the employee's annual compensation while employed by the Contractor.

☐ Accepted as written

☐ Not Accepted as written. See comments below



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Authorized Signature

I have reviewed the information contained herein and indicated our acceptance or non acceptance of the terms. I understand that non acceptance of any term herein may cause my company's proposal to be deemed non-responsive.

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

Authorized Representative (Type Name/Title) \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

Vendor Code: \_\_\_\_\_