

# CITY OF TUCSON

## REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER: 100389  
PROPOSAL DUE DATE: FEBRUARY 22, 2010, AT 4:00 P.M. LOCAL AZ TIME  
PROPOSAL SUBMITTAL LOCATION: DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6<sup>TH</sup> FLOOR, TUCSON, AZ 85701

MATERIAL OR SERVICE: GROUP DENTAL BENEFITS

PRE-PROPOSAL CONFERENCE DATE: FEBRUARY 1, 2010  
TIME: 9:30 A.M., LOCAL AZ TIME  
LOCATION: CITY HALL, ATTORNEY'S CONFERENCE ROOM  
255 W. ALAMEDA, 7<sup>TH</sup> FLOOR, TUCSON, AZ

CONTRACT OFFICER: SARAH VAVRA, C.P.M., CPPB  
TELEPHONE NUMBER: (520) 837-4102  
Sarah.Vavra@tucsonaz.gov

Interested offerors may obtain a copy of this complete solicitation by calling (520) 791-4217. A copy of this solicitation and possible future amendments may also be obtained from our Internet site at: <http://www.tucsonprocurement.com/> by selecting the Bid Opportunities link and the associated solicitation number.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

### \*\*\*\*NOTICE\*\*\*\*

Effective July 1, 2009, the City will no longer mail Notices of available solicitations via the U.S. Postal Service. Email notifications will be provided to those vendors that have updated their vendor record and selected email as their preferred delivery method. For information on how to update your vendor record, please visit [www.tucsonprocurement.com](http://www.tucsonprocurement.com), click on What's New? and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

SV/sd

PUBLISH DATE: JANUARY 25, 2010

## INTRODUCTION

The City of Tucson is soliciting fully insured proposals for their employee dental benefits programs commencing July 1, 2010. The City would like to continue to offer their employees a dental program with a choice between two types of plans – a PPO plan and a prepaid/managed care plan. The City is interested in dental networks that incorporate a meaningful choice of dental providers with network stability and reasonable appointment scheduling times.

In future years the City may change strategic goals and may be interested in dental plans that provide more flexibility for employees, ASO funding alternatives, as well as options to accumulate monies for future use. The City would be interested in seeing alternate dental plans the carriers have available.

## BACKGROUND

The City of Tucson currently offers dental benefits to approximately 4,996 active employees and 2,214 Tucson Supplemental Retirement System retirees. Employee participation in the dental plan is at the sole option of the employee. Currently the City offers one prepaid – managed care plan and one PPO plan.

The City's general services include, but are not limited to, police and fire services, parks and recreation, street maintenance, transportation, solid waste management, water and a broad range of administration, para-professional and professional municipal governmental activities and services. Detailed information regarding the age, sex, location, and current plan choices for eligible City of Tucson employees is an attachment to this document. In addition, current year and one year prior benefit summary and rate sheets will be provided in the Exhibits.

## SCOPE OF WORK

### Guidelines and Assumptions

Initial rate quotes and contract terms are to be guaranteed through June 30, 2011 and the initial contract term shall be from July 1, 2010 through June 30, 2011. Future contract periods must be for a minimum period of 12 months.

- Proposals for both the Managed Care/Prepaid plan and the PPO plan are requested on a fully insured basis. The experience rating is for the entire group. The rates for actives and retirees are blended. Alternatives to a fully insured basis will be considered; however, no extra evaluation points will be awarded for other options.
- Renewal underwriting: Final renewal notification must be provided at least 180 days prior to the contract anniversary date. All coverage is to be pooled. Any requested increases must be fully justified in writing based on claim experience and trend factors and must be guaranteed for the renewal term.
- The City reserves the right to award to one provider offering both plan types, two providers offering different plan types, or to one provider offering one plan type.

### Scope Requirements

#### General

1. Initial rate quotes must be guaranteed, at minimum, July 1, 2010 through June 30, 2011. Multi-year rate guarantees are being requested but not required.
2. Upon completion of the award, the Contractor shall provide to the City communications and data support within a specified time-frame designated by the City during implementation for a successful transition to the new contractor.
3. The Contractor shall provide accurate employee certificates and/or coverage details for all contracted plans within 30 days following the effective date.
4. The City reserves the right to alter future funding arrangements.
5. The Contractor shall provide, at minimum, fully-insured dental benefits.

6. Commissions are not to be included in the rates submitted. Any commission/fees that are bundled into the proposed rate base cost and cannot be removed even when no commissions are to be paid; must be disclosed to the City and noted in the Offeror's response to the Questionnaire.
7. The Contractor shall agree to sign the City's Business Associate Agreement as written and provided prior to award.
8. The Contractor must complete the Offer and Acceptance Sheet, all Attachments, and respond to the Questionnaire. Any and all deviations to standard terms, special terms and conditions as well as the specified scope of services must be clearly identified in a section clearly marked "Deviations."
9. The Contractor shall provide with this proposal any additional documents or contracts the City will be required to sign. The documents provided must be updated with language based upon the specific requirements of this RFP. The documents should contain the following language: To the extent there is an inconsistency between the contract and the Request for Proposal (RFP) between the parties, the RFP will govern.

### **Data and Reporting**

10. The Contractor shall agree to work with the City's enrollment system to exchange eligibility on an electronic file at no additional cost to the City. The City currently uses Advantage Express; however, the City reserves the right to change enrollment system providers at any time. Should a different enrollment system provider be used, there shall be no charge from the Contractor to the City to change providers.
11. The Contractor shall agree that all data will be available to the City and shall provide such data in regular reporting intervals, as well as on an ad hoc basis, as requested by the City at no additional cost.
12. The Contractor shall provide monthly claims data and reports no later than 30 working days following the end of the month at the request of the City. The month will close on the last working day of each month.
13. The Contractor shall provide claims experience for actives and retirees by employee, dependent, tier and plan design at minimum every three months.
14. The Contractor shall provide enrollment by employee, dependent, age, tier, actives, retirees, plan design at minimum every six months.

### **Administration**

15. The Contractor shall provide all required services to all eligible members as determined by the City. This includes the ability for a member to change plans outside of open enrollment for any reason that is adopted by the City as a qualified plan change. Participation is voluntary and the Contractor shall not invoke any minimum participation requirements.
16. The Contractor shall provide all benefits and services as stipulated in the Benefit Certificate and in accordance with the current policies and procedures.
17. All current policies and procedures not documented within this RFP or its Exhibits will be established during implementation in writing by the Contractor and modified to current or improved policies and procedures to the satisfaction and approval of the City's implementation team.
18. The Contractor shall certify that all services provided as part of this contract will be in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its subsequent amendments and changes. Any violations shall be reported immediately to the City in writing. The Contractor will notify the City of any and all actions taken as a result of any violation.
19. The Contractor must agree to administer the current plans as specified in the Summary Plan Descriptions and Plan Booklets from the current vendors (See Exhibits C1 C2 and C3).
20. The Contractor shall provide quality services, meeting or exceeding the City-approved industry standards as specified in the performance guarantee section of this RFP. The Contractor shall take immediate corrective action and provide a written plan, as requested by the City, should the City identify any issue related to poor quality or lack of responsiveness uncovered in any audit conducted, either internally or externally, of the Contractor's required processes or procedures. This action plan shall clearly outline the corrective steps and timeframes for completion when services do not meet industry standards to include standards that are inappropriate, undesirable, and/or of poor quality, as identified by the City. Any additional resources required to support corrective actions shall be provided at no additional cost to the City. Corrective measures taken to ensure the City quality standards, reporting standards or performance standards will be provided at no additional cost to the City through fees or hidden charges.
21. The Contractor shall provide training to all identified City personnel prior to open enrollment meetings.
22. The Contractor shall provide staffing, as appropriate, to perform administrative work as determined by the City.
23. The Contractor shall provide resources to respond timely (as agreed to in implementation) to all inquiries related to quality assurance, corrective actions, deficiencies and/or inefficiencies in operations. The

Contractor shall absorb all programming costs associated with data file transfers in current data file compliant formats.

24. The Contractor shall provide the necessary staff for plan transitions, annual open enrollment(s), and/or any special open enrollments that the City deems necessary to administer the plan.

### **Implementation**

25. The Contractor shall provide a team of individuals dedicated to implementing the provisions of this contract upon award. The implementation team shall include, but not be limited to: programmers; data analysts; project manager; account manager; enrollment specialists; and claims and member service staff.
26. If issuing an ID card is standard for your proposed plan, the Contractor shall provide a draft ID card sample to the City for approval 30 days prior to the plan start date and mail finalized approved ID cards 10 days before plan start date for each plan year, and 15 days for new hire and life event changes. The ID card must include an appropriate, approved City logo.
27. The Contractor must use employees Social Security Numbers as the City's identifier and must be able to assign a non-Social Security Number unique identifier for employee's identification number.
28. The Contractor shall perform comprehensive system testing and quality assurance checks prior to the implementation date of July 1, 2010. The Contractor shall report the results to the City. These checks shall be provided at no cost to the City.
29. The Contractor shall provide by the end of the implementation process, an administrative manual in a mutually agreed upon format. The administrative manual shall include policies and procedures identified as required in the plan description as well as any plan operations required to effectively administer the plan. The administration manual shall be updated as needed by the Contractor's account management team and as agreed to by the City throughout the term of the contract. The administrative manual shall be provided at no cost to the City.
30. The Contractor shall ensure the customer call center is available 45 days before the implementation date for members transitioning from the current contractor, as well as for potential new members to call with questions about the City's program.

### **Claims Administration**

31. The Contractor shall provide the City with a minimum of 12 months advance notice of any claim system conversion or change that may disrupt the current processes.
32. The Contractor receiving claims missing information that prevent contractor payments shall pend claims for a period of not more than 60 days allowing time for additional information for processing. Initial request for information shall be sent within 5 working days of claim receipt and second requests within 21 calendar days of initial request. If quality standards, statues or regulations would be impacted by this requirement, you shall specify and provide detail for approval to change this requirement in the Deviation section of your RFP response.

### **Surveys**

33. The Contractor shall conduct an annual member satisfaction survey of all contracted plans during the plan year at its own expense. Such survey shall be for the purpose of assessing participant satisfaction with plan services and the survey tool shall be approved by the City.
34. The Contractor shall conduct an annual provider satisfaction survey at its own expense during the plan year. Such survey shall be for the purpose of assessing provider satisfaction with the Contractor. The survey document will be approved by the Contractor prior to execution by the City.

### **Account Management and Member Service**

35. Contractor shall respond to account issues and member service issues within one to two business days at minimum with a plan to resolve the issue within a specified timeframe established to do so.
36. Contractor shall provide documentation of a process for prompt issue resolution and maintain an issue log.
37. Contractor shall provide a dedicated fully-operational toll-free telephone line that is answered by a live person Monday through Friday during standard Arizona business hours. Calls outside of these hours shall be handled by voice mailbox or an equivalent system, and calls shall be returned by a knowledgeable staff member by the end of the following business day.
38. The Contractor shall ensure that members with limited English proficiency, Spanish-speaking, and those that are deaf or hearing impaired have access to communication services that enable them to utilize the phone lines.
39. The Contractor shall provide an escalation process to assist in matters which cannot be resolved at the customer service unit level.

40. Contractor shall provide a dedicated team of professionals who will be responsible to see that all contract requirements and service deliverables are met by the Contractor.
41. Contractor shall provide an account management team that is experienced in providing services for similar entities, trained in the City's plan issues, is accessible to the City geographically, and with sufficient capacity and authority to respond to the City's issues in a timely manner.
42. The Contractor shall provide the City access to an electronic tracking and resolution log of all open and closed City issues, in the required format agreed upon during implementation.
43. The Contractor shall attend in person quarterly and annual on-site program reviews, with weekly telephone calls, as requested by the City's benefits office.

### **Appeals and Disputes**

44. Contractor shall adhere to appeals and dispute processes as developed and directed by the City and stipulated in the subscriber's certificate section relating to the written appeals process, including meeting timeframes and reporting on all levels of appeals with responses and results. Also, processes shall be kept current and made available at any interval requested by the City.
45. Contractor shall maintain procedures for responding to appeals and disputes as well as reporting the responses and results to the City.

### **Audit**

46. The Contractor shall provide full disclosure of all their records and those of their subcontractors upon notice from the City and/or the City's selected auditor, should an audit be requested by the City. The Contractor shall cooperate with the auditors and waive any fees associated with obtaining access to the City's data and/or records.
47. The Contractor shall agree to allow the audit of the Contractor's records and those of their respective subcontractors including, but not limited to: access to provider data/records; provider contracts; all types of provider fee schedules; customer service departments; claims departments; records to support network adequacy; appeals/grievances/disputes both from providers and/or members; quality assurance programs; systems data; reporting data; overpayments and underpayments; fraud hotline complaints; investigations and closing actions; shared cost savings, if the concept continues; eligibility records; fraud detection and preventative activities; performance guarantees; and reporting.

### **Eligibility**

48. The City shall be the final authority in deciding eligibility of participants.
49. The City will provide the Contractor with a weekly eligibility file in an electric format containing sufficient information for the Contractor to validate eligibility.
50. The Contractor shall load and reconcile daily and monthly eligibility files within 24 hours of receipt.
51. The City will self-bill monthly for the PPO/Indemnity plan premiums based on the City's monthly eligibility data, and shall remit the amount due to the Contractor (payment made via check). However, the City requests that the DMO vendor provide a list of discrepancies between the City's billing information and the Contractor's records. The City must be able to transmit billing information to the Contractor via the Contractor's secure email site, as the City does not have one. The City will account for valid discrepancies on the subsequent month's billing. The City shall remit any monthly premiums in arrears to the Contractor 60 days from the first day of the month of coverage with no interest charge. The Contractor shall agree to the most preferred method of billing as determined during implementation of this contract and approved by the City.
52. Discrepancies of claims or fees other than those based upon eligibility file transfer resulting in variances of less than five percent (5%) will be accepted by the Contractor without dispute. Failure to provide written notice of a disputed discrepancy within the specified timeframe shall be considered the Contractor's acceptance of the City's calculations, records, and payments.
53. The City reserves the right to offset any premiums, fees or other remittances due to the Contractor in order to collect performance penalties, overpayments resulting from incorrect calculations, eligibility adjustments, incorrectly paid claims, or other errors or adjustments identified by audit, analysis or other means. If no premiums, fees or other remittances are due the City, the Contractor shall remit to the City any performance penalties assessed, any overpayments resulting from incorrect calculation, eligibility adjustment, incorrectly paid claim, or other errors or adjustments within 30 days after identification and communication of such claim to the Contractor.
54. The Contractor shall provide, at no cost to the City, collection of coordination of benefits (COB) information and audit of COB dependents and maintain up-to-date COB information at minimum twice per year. The

Contractor shall verify COB status based on the guidelines and frequency as stipulated by the City during implementation and for the full term(s) of this contract.

55. The Contractor shall accept eligibility in the format as submitted to the Contractor by the City. See Exhibit E for current eligibility file layout.
56. The Contractor shall provide coverage for members on approved leave of absence (with or without pay) provided the member continues to pay premiums/contributions according to the City's rules for the period of the approved leave of absence.
57. The Contractor shall notify the City-designated individual via email should they uncover any eligibility discrepancies within the file transfer (i.e., errors, duplicates, etc.)
58. The Contractor shall establish appropriate FTP site(s) to exchange eligibility data at no additional cost and at the frequency established by the City.
59. The Contractor shall agree to communicate through HIPAA-compliant electronic sites to exchange data between themselves and any other required vendor as requested by the City at no additional cost.

### **Dental Network**

60. The Contractor shall own all contracts and take responsibility for all subcontracted networks/providers proposed by the Contractor within this RFP.
61. The Contractor shall update the online provider directory every 96 hours for any changes reported by a provider.
62. Contractor shall agree to accept and review provider nominations on behalf of the City or its plan members.
63. If a contracted dental network is impacted by a significant reduction in providers or facilities to the extent they may no longer be able to perform to the requirements of this contract, the City shall be notified in writing at least 90 days in advance or as soon as is reasonably possible:
  - a. The City shall determine from the facts and circumstances what would constitute a significant change. At the City's option, members participating in such a plan may be offered an opportunity to dis-enroll and/or enroll and select another provider;
  - b. All providers servicing the area shall agree to accept enrollees seeking a new provider under such conditions.
64. The Contractor shall adopt and disseminate practice guidelines that consider the needs of enrolled members and are:
  - a. Based on reasonable medical evidence or a consensus of health care professionals in the particular field;
  - b. Developed and/or adopted in consultation with contracting health care professionals;
  - c. Reviewed and updated periodically within timeframes determined appropriate by the Contractor and approved by the City; and
  - d. Applied consistently to all members covered under the program.
65. The Contractor shall provide monitoring and evaluation of all types of provider performance.
66. The Contractor shall provide provider tax identification numbers as requested by the City as allowed under federal and state privacy laws.
67. The Contractor shall provide to the network of providers both toll-free telephone support and field service support. The Contractor shall resolve provider issues that relate to the City's members in a timely fashion.
68. The Contractor shall provide a comparison of their network providers with the current top providers as listed in Attachment A1 (DMO) and A2 (PPO), as it applies to each product quoted.
69. The Contractor shall assist members in disputes between provider contract and claims administration.

### **Plan Member Communication Materials, Advertisements and Marketing Materials**

70. The Contractor shall submit all copies of member materials, web portal member communications and promotional materials for written approval by the City as well as submit those enrollment materials to the Department of Insurance (DOI) for approval and their subsequent use in promoting the plan to eligible enrollees. Materials include notification letters, error/correction letters, form letters for additions or changes to network newsletters, or any other written communication distributed in any fashion to 50 or more plan members.

### **Public Information Requests or Other Public Communications**

71. Contractor shall notify the City within 1 business day of receipt of any public information written request regarding any information that relates to the City's benefit plans. The Contractor shall review all responses with the City and obtain approval prior to the release or response of any inquiry.

### **Pre-existing Condition Limitation**

All actively at work, non-confinement and pre-existing condition limitations waived for those covered by employer immediately prior to effective date.

Any employee or dependent switching from one City of Tucson sponsored plan to another shall not be subject to the pre-existing condition limitation, provided the prior plan's limitation had been met. However, any active employee or dependent that was previously eligible but not enrolled for any reason shall be subject to the pre-existing condition limitation of the plan as governed by HIPAA. Preexisting condition limitation shall be the 6/12 rule of prior 6 months exclusion for 12 months.

No active employee or dependent will be required to submit evidence of insurability as a requirement of coverage **under a** City of Tucson sponsored plan, whether at open enrollment, new hire enrollment or due to a change in family status.

Retirees and dependents of retirees currently enrolled may re-enroll with no proof of prior coverage. Retirees and dependents of retirees not currently enrolled may enroll during open enrollment or due to a qualifying life event only if they can provide proof of continuous dental insurance coverage for the last three years prior to the requested effective date of coverage.

### **Assumption of Liability**

The selected insurance carrier(s) must agree to assume all liabilities existing on the effective date on a "no-gain/no-loss" basis for current employees/dependents enrolling in their program. This would include:

1. Assuming all claim liabilities incurred on or after the effective date.
2. Extension of coverage to all participating employees and their covered dependents without requiring that they be free of disability, actively-at-work, or non-hospital confined.
3. Applying no pre-existing condition limitations for currently covered active employees, retirees, and dependents other than those currently applicable under the City of Tucson dental programs.
4. No current plan participant will lose coverage due to any change in carrier.

### **Commissions, overrides and bonuses**

Commissions are not to be included in the rates submitted, (i.e., all rates are to be quoted net of commission.) Any proposal that includes payment of commissions to a third party may be deemed non-responsive. If commissions are included in your filed rates and can not be removed from the rates provided, the level of commissions included in the proposed rates must be disclosed. Any commissions, overrides or bonuses built into administration fees must be identified.

You must use the Rate Illustration Forms provided in submitting your proposal.

### **Other requirements**

- The selected carrier must interface with any human resources electronic system the City uses for purposes of eligibility administration. Currently the City uses Advantage Express. Any charges that apply for interface capability must be stipulated in the response to this RFP.
- Carrier should provide web-based consumer tools for all plans. This would include on line provider directories, plan description as well as employee customer service access for claim status.
- The carrier will provide hard copies of plan descriptions and provider directories for employee distribution at no charge to the City.
- The carrier will participate with on site presence during open enrollment process.
- The carrier will be available for on site meetings with City of Tucson staff at a minimum of one meeting per quarter.
- The Carrier must be willing to allow other public employers, who have a cooperative purchasing agreement with the City, to be included in future years at renewal time.

- The Carrier will comply with all HIPAA Privacy Rule Regulations.

### **Anticipated Timeline**

Mid-March 2010 ... Dental Plan Carrier selection

Late March 2010 ... Health Plan implementation strategy development

Late April 2010 ... Implementation coordination

Late April / Early May 2010 ... Open enrollment

July 1, 2010 ... Plan year effective date

## **POLICIES AND PROCEDURES**

### **Eligibility and Contribution Strategy**

The City historically has contributed for active employees 100% of the employee premium and 85% of the dependent coverage premium regardless of plan. Retirees pre- and post-65 currently pay 100% of the premium (no City contribution). The retirees must show evidence of three years of consecutive coverage to be added to the city Dental plan if not previously covered. Contribution strategies may change in the future. The City is considering decreasing their contribution percentage for active employee dependent coverage. Retirees may cover their eligible dependents under the same rules of eligibility as active employees.

The City reserves the right to change eligibility strategies in the future and your proposal may not be contingent on continuation of any current strategy.

### **Benefits for full and part time permanent employees**

Full and part time permanent employees working 20 or more hours per week are eligible for benefits. The City may consider increasing the number of hours to be eligible for benefits. In addition, elected officials and some appointed personnel are eligible. Dependent children are eligible to age 25 without a student status requirement. Benefits are available to same sex domestic partners meeting specific eligibility requirements.

New employees become eligible for coverage on the first day of the pay period following one month of permanent service.

### **Benefits for retirees**

Retirees both under and over 65 years of age are eligible for coverage on both dental plans. Should the retiree waive coverage, the retiree must show proof of three years of continuous coverage to be eligible to be reinstated on any dental plan.

### **Open Enrollment**

Dates have not been officially set as yet, but will probably be in late April and early May 2010. Benefits will be effective July 1, 2010.

### **Other Information**

The City pays bills on a self-accounting basis. Premiums are paid at the end of the month and are based on those enrolled on the first of the month. Adjustments are not made for partial months.

## INSTRUCTIONS TO OFFERORS

### 1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

**City:** The City of Tucson, Arizona

**Contract:** The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.

**Contractor/Consultant:** The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.

**Contract Representative:** The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

**Director of Procurement:** The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.

**May:** Indicates something that is not mandatory but permissible.

**Offeror:** The individual, partnership, or corporation who submits a proposal in response to a solicitation.

**Shall, Will, Must:** Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.

**Should:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

**2. PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

**3. INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

**4. AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

**5. FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

### 6. PREPARATION OF PROPOSAL:

A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.

B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.

C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.

- D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
  - E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
  - F. Periods of time, stated as a number of days, shall be in calendar days.
  - G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
  - H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
  - I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.
- 7. PAYMENT DISCOUNTS:** Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period.
- 8. TAXES:** The City of Tucson is exempt from federal excise tax, including the federal transportation tax.
- 9. PROPOSAL/SUBMITTAL FORMAT:** An original and 7 copies (8 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office97 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.
- 10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.
- 11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.
- 12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.
- 13. CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
- A. The submission of the offer did not involve collusion or other anti-competitive practices.
  - B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
  - C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
  - D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

- 14. WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 15. LATE PROPOSALS:** Late proposals will be rejected.
- 16. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.
- 17. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 18. DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 19. CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).
- 20. VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at <http://www.tucsonprocurement.com/> by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.
- 21. CITY OF TUCSON BUSINESS LICENSE:** Prior to the award of a Contract, the successful offeror must obtain a City of Tucson Business License or a written determination that a business license is not required issued by the City's Business License Section. The business license must remain valid throughout the life of this contract. Contractor must provide a valid copy of the business license or a written determination that a business license is not required prior to award and at contract renewal. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).
- 22. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.
- 22. AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:
- (1) waive any immaterial defect or informality; or
  - (2) reject any or all proposals, or portions thereof; or
  - (3) reissue the Request for Proposal.
- A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.
- 23. PROPOSAL RESULTS:** The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at <http://www.tucsonprocurement.com/> upon issuance of a Notice of Intent to Award or upon final contract execution.

**24. PROTESTS:** A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

- A. The name, address, and telephone number of the protestant;
- B. The signature of the protestant or its representative;
- C. Identification of the Request for Proposal or Contract number;
- D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
- E. The form of relief requested.

## PROPOSAL EVALUATION REQUIREMENTS

### I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

- A. Network/Provider Access
- B. Cost (Rates/Financial)
- C. Method and Approach
- D. Client Service and Reference
- E. Qualifications of Contractor

### II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion, including the Questionnaire responses, and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

#### A. Network/Provider Access

1. Compatibility and size of provider networks in relation to the demographic and geographic characteristics of the City of Tucson employees. Includes number of specialty providers in network. Compatibility of proposed provider list to current City of Tucson providers.
2. Provider stability within network(s). Please include the turnover level and the percentage of providers with open practices within your Pima County networks in your response.
3. Willingness of Health Plans to consider adding providers to the network at the request of the City
4. Responses contained in Geo Access/Provider Network Information part of this RFP.

#### B. Cost (Rates/Financial)

1. Premium rates quoted for the initial plan year.
2. Renewal rate guarantees.
3. Performance standards – willingness to put premiums at risk for performance standards.
4. Underwriting methodology.
5. Willingness to waive any and all minimum participation requirements that might have otherwise caused the City of Tucson to withdraw a plan option.

#### C. Method and Approach Capabilities

1. Compliance with the plan design specifications.
2. Administrative capabilities including: organizational information, claims administration, quality and legal issues and dental plan contacts.
3. Compatibility with City electronic systems.

#### D. Client Service and Reference

1. Capability of the vendor to provide the city of Tucson with high-touch employer and employee support for communications, unresolved claims, administrative & provider issues
2. Reference that supports the requirements of the City's quality service standards
3. Proven ability to provide excellent customer service and account management to the City of Tucson and their employees. Includes on site visits with City staff and participation in open enrollment process.
4. Implementation capabilities – includes willingness to provide paper plan descriptions and provider directories at no cost to the City

#### E. Qualifications of the Contractor

1. Data Collection and Reporting Standards including:
  - a. Capability of the insurance carrier to provide the City of Tucson with meaningful utilization and financial experience reports on a timely basis.
  - b. Compliance with proposed data collection requirements.
  - c. Ability to provide data analysis specific to identifying cost and utilization patterns.
    - i. Financial stability of the insurance carrier
    - ii. Web based consumer tools including customer service tools, education and information.
    - iii. Willingness to allow other public employers to be included in future years at contract renewal.

**III. GENERAL**

**A. Shortlist:**

The City reserves the right to shortlist the offerors on all of the stated criteria. However, the City may determine that shortlisting is not necessary.

**B. Interviews:**

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

**C. Additional Investigations:**

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

**D. Prior Experience:**

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

**E. Multiple Awards:**

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

# Questionnaire

## Organizational

1. Indicate below the dental products you are providing a quote for:

	DMO
	PPO/Indemnity Dental
	Other – specify:

2. What is your firm's legal name and address?  
 3. Please provide the following information for the individual authorized to answer questions regarding your response to this RFP?

Name	
Title	
Address	
Phone Number	
E-mail Address	

4. Please indicate how many years you have been in the business of providing the coverage(s) on which you are submitting a bid.  
 5. Please describe any parent/subsidiary relationship.  
 6. Please describe any changes in the organizational structure (including, but not limited to, demutualization, addition/deletion of claim offices, addition/removal of product lines, and staff reductions) that have occurred in your organization over the last 12 months or are anticipated to occur in the next 24 months.  
 7. If you plan to subcontract any part of your proposed services or products, list the service being subcontracted and the name of the subcontractor.  
 8. Indicate your financial ratings from the following companies:

Fitch	
Moody's	
Standard & Poor's	
AM Best	

9. Please provide references of three current clients of similar size for the same product(s). At least one (1) must be a new group effective January 1, 2008 or later, who can attest to their experience with your implementation capabilities:

<b>Reference #1</b>	
Client Name	
Contact Name, Title, and Phone Number	
E-mail address	
Total number of covered lives under the quoted program	
Length of time as a client of your Company	
<b>Reference #2</b>	
Client Name	
Contact Name, Title, and Phone Number	
E-mail address	

Total number of covered lives under the quoted program	
Length of time as a client of your Company	
<b>Reference #3</b>	
Client Name	
Contact Name, Title, and Phone Number	
E-mail address	
Total number of covered lives under the quoted program	
Length of time as a client of your Company	

10. Please provide references of three former clients of similar size for the same product(s). At least one (1) must have terminated their relationship with your Company in the last three years:

<b>Terminated Reference #1</b>	
Client Name	
Contact Name, Title, and Phone Number	
E-mail address	
Total number of covered lives under the quoted program	
Length of time as a client of your Company	
Reason for Termination	
<b>Terminated Reference #2</b>	
Client Name	
Contact Name, Title, and Phone Number	
E-mail address	
Total number of covered lives under the quoted program	
Length of time as a client of your Company	
Reason for Termination	
<b>Terminated Reference #3</b>	
Client Name	
Contact Name, Title, and Phone Number	
E-mail address	
Total number of covered lives under the quoted program	
Length of time as a client of your Company	
Reason for Termination	

11. Has your organization experienced any mergers in the past two-(2) years?
12. Does your organization have any plans for a merger or acquisition within the next three-(3) years?
13. Provide a copy of your company's latest annual report and/or latest financial statement, as well as any financial information filed with state regulatory agencies. (Hard copy is sufficient.)
14. Is your organization licensed by the Arizona Department of Insurance?
15. What other license(s) or accreditation(s) does your organization hold?
16. Briefly outline any web-based features that are available to the Benefits staff. If you do not have web capabilities, please indicate "N/A".
17. Briefly outline any web-based features that are available to individual employees/participants. If you do not have any web capabilities, please indicate "N/A".

18. Will you provide a detailed administration manual, unique to the plan requirements specified? Can it be delivered within 30 days of the effective date?

## Claims Administration

19. Will the City be provided with a dedicated unit for claims administration (the City prefers a dedicated unit)?

20. Where is the dental claim payment function located?

21. Discuss your claim payment operations and procedures including organization, staffing and workflow.

22. Indicate the claim volume responsibilities for the claims processor.

23. What are the unit's hours of operation?

24. How many clients/members are serviced by this claims paying unit?

25. Does the proposed claim processing facility have a dental director?

26. Please complete the following chart regarding your dental claims administration:

<b>Actual Results</b>	<b>2008</b>	<b>2009</b>
Turnaround Time		
Claim Payment Accuracy		
Procedural Accuracy		
Financial Accuracy		

<b>Internal Benchmarks</b>	<b>2008</b>	<b>2009</b>
Turnaround Time		
Claim Payment Accuracy		
Procedural Accuracy		
Financial Accuracy		

27. Do you batch claims for payment? If so, how?

28. What percent of claims are auto-adjudicated?

29. How are network claim payments disbursed?

30. What security measures are in place to ensure that reimbursements are issued to the proper party?

31. Describe your training program for claims examiners.

32. Please describe the standards you use to process claims involving coordination of benefits.

33. Please outline your procedures and costs for loading patient payment histories.

34. What is your organization's process for treatment in progress when a new member joins an in-force plan? Specifically, please include information on banded orthodontics. Do you have the capability to adjust your processes to accommodate the City's rules if different from your standard?

35. Does your claims system have the capability to show the negotiated and actual charge on the EOB?

36. Does your claims system have a common database for edits, pricing, production of EOBs and reporting?

37. Did you develop your claims adjudication system internally? If no, which firm developed it and when?

38. When was the last update to your system? Is there any system changes planned in the next two years?
39. For what period of time are claims records maintained after records are purged from the system?
40. Please confirm that you have included a claims workflow diagram from date of receipt of a claim through release of payment and sponsor.
41. Will you accept liability for claim processor negligence? Fraud?
42. Can you use an identifier other than SSN? Is there an additional charge?
43. Please include in your response a sample EOB with all standard messages.
44. Does your claims system have the capability to show, on the EOB, the current status of annual accumulators (OOP, deductible, etc.)
45. Does your claims system have the capability to customize EOB message?
46. Does your claim system have the ability to show current status of annual accumulators (OOP, deductible, lifetime maximums) on the EOB?
47. Please outline your procedures and costs for loading orthodontia accumulators from the current administrator.
48. What guidelines, processes or procedures do you use in determining whether services are "necessary" or "appropriate" and when services are deemed "experimental" or "investigational" in nature?
49. What procedures do you use to administer the coordination of benefits (COB) provision? Is COB history stored online?
50. Please confirm that there will be no balance billing for network services.
51. Do you have a dedicated internal audit staff? If yes, on average, what percentage of all claims are audited? Are audits performed on a pre or post disbursement basis?
52. Are the eligibility and claims processing functions part of the same system?
53. Indicate how dependent eligibility is stored. Is it part of the member record, or a separate record?
54. How do you monitor and track appeals and complaints, payment issues or case management issues (i.e., employee, provider, business or supplier)? Please describe the differences, if any, in the process for case management and/or payment.
55. Are there standards that ensure the timeliness of reporting and letters to suppliers, providers, the employer and employee?
56. Is there a back-up/disaster recovery plan for this office?
57. Please describe the steps your organization has taken to comply with the privacy standards imposed by the Health Insurance Portability and Accountability Act (HIPAA).

## Actuarial/Underwriting Information

58. Are your submitted rates based on the funding method outlined in this RFP?

Yes  No

If NO, enter your clarification below:

- Community Rating—"book rates" (standard rate based on the entire book of business, no adjustments by group beyond family size and contract mix)
- Community Rating by Class (community rating impacted by client-specific demographics)
- Adjusted Community Rating (community rating impacted by client-specific demographics and experience)
- Experience rated no dividend adjustment for surplus or deficient
- Experience rated, surplus dividend no deficient
- Other

### Plan-Specific Actuarial/Underwriting Information

59. What is your target claims loss ratio (Expected Incurred Claims/ Expected Incurred Premium) to be utilized for renewal negotiations? Is this target guaranteed, and if so, for the full 5 year maximum duration of this contract?
60. Do you agree that Expected Incurred Claims for renewal purposes will consist solely of payments made directly for dental care, and shall not include any network access fees, or other non-patient service fees?
61. Your entire plan's past, present and projected annual trend factors separately for dental trend: (Definition of trend: percentage change in premiums due to provider contracts, utilization, cost shifting, and denial technology.)
- 2006 \_\_\_\_\_%    2007 \_\_\_\_\_%    2008 \_\_\_\_\_%    2009 \_\_\_\_\_%
62. Does your premium assume that no commissions will be paid? If not, please explain. Will the elimination of commissions result in a reduction in net premiums or an increase in profit margin?
63. Place an "x" to describe the methods of reimbursement which apply to the following providers in your Pima County network. In the last column, indicate the average discount the City could expect.

	Discount Off Billed Charges	Fixed Fee Schedule	Capitation	Other	Avg. Discount off Billed Charges
General Dentistry					
Endodontics					
Orthodontics					
Pedodontics					
Periodontics					
Prosthodontic					
Surgery, Oral & Maxillofacial					

64. What percentile of U&P will be used to determine eligible charges under the indemnity plan?
65. Indicate those outreach and informational and educational services, which your organization **currently** offers to enrollees: (Include description of web site offerings.)
66. Describe your internal procedures to identify, prevent and recover fraudulent billing practices.
67. Describe how your in-network and out-of-network allowances vary nationally along with the structure and number of rating areas.
68. How frequently do you update your fee/reimbursement schedule?

69. Are there any planned rate increases in your fee/reimbursement schedule?
70. How does your claims system administer claims in excess of R&C?
71. At what percentile does your system pay "reasonable & customary" charges? Can the R&C percentage be changed at the client's request?
72. Please provide the basis for any applicable change(s) in rates quoted.
73. In the event of future contract termination, will you agree to handle the claims run-out administration for claims incurred but not paid as of the termination date?
74. What fees would you charge for handling the claims run-out administration following contract termination?
75. Do you agree to a 90-day notification period for policyholder cancellation?
76. Do you agree that rate changes will be made only on the plan anniversary date?

## **Geo Access/ Provider Network Information**

77. Please complete Attachment A – for both EDS and United Concordia. Please include the most current network directory of primary and specialty care dentists that are available for the Dental HMO plan(s) proposed in the client's location. A Non-disclosure form must be signed and returned prior to receiving Attachment A that includes the provider tax ID numbers.
78. Please complete the Geo Access Analysis which is identified as Attachment B – Geo Access Analysis. Please do not change the enrollment counts. Please include copies of your Geo Access Reports.
79. Is your network wholly owned and operated? If not, describe the leasing and/or operating arrangements.
80. What is the average number of weeks, from the point of nomination, of a dentist being a part of the dental network?
81. Are you willing to expand your network to meet client needs?
82. How quickly are employers/clients informed when providers are added to or leave a network?
83. Do you require per occurrence or per professional liability insurance for providers?
84. How much notice is a provider contractually required to give if they elect to terminate a contract with your network(s)?
85. What has been your rate of removal of providers involuntarily from your network? Indicate your procedures for removing a provider from your network involuntarily.
86. What is your firm's current network utilization percentage?
87. Do your provider contracts indicate that the patient will not be financially liable in the event your plan denies delays or fails to pay covered expenses?
88. How does your plan evaluate the clinical performance of its contracted providers?
89. How does your plan evaluate the clinical performance of non-contracted providers? Do you provide any benchmarks for care that could be used to evaluate non-contracted providers? What services can you provide the County to assist in the overall cost management of out-of-network care?
90. How are your dentists reimbursed? Describe your reimbursement methodology in detail and how they may differ for general dentists, specialty care dentists and orthodontists.

91. Do your provider contracts include annual fee escalators? Please describe the financial nature of your provider contracts.
92. What is your dentist turnover rate for 2008? Please explain why the dentists left your network (i.e., voluntary, involuntary, etc.)
93. What is your dentist turnover rate for 2009? Please explain why the dentists left your network (i.e., voluntary, involuntary, etc.)
94. Describe the principal features of your credentialing and re-credentialing process. How often are your dentists re-credentialed?
95. Does the plan hold dentists accountable for the appropriateness of care delivered to members, patient outcomes and member satisfaction?
96. Is regular feedback provided to dentists, and are improvement objectives developed and implemented? Describe the systems used to monitor this information.
97. Please describe your dentist profiling criteria and procedures. How is this information used in the management of your provider network?
98. How frequently do you update your provider directories?
99. How are these updates communicated to enrolled employees? To contracted dentists? Is dental network information available through the Internet?

## Member Services

100. Please complete the following chart regarding your member services:

<b>Actual Results</b>	<b>2008</b>	<b>2009</b>
Average Speed of Answer (in seconds)		
Abandonment Rate		

<b>Internal Benchmarks</b>	<b>2008</b>	<b>2009</b>
Average Speed of Answer (in seconds)		
Abandonment Rate		

101. Where is your member services department located?
102. What are its hours of operation? Do you provide a 24-hour call in number?
103. Does it have a toll free number? Would the City be provided with a dedicated member services 800 number?
104. Describe your member services capabilities.
105. What is the ratio of member services representatives to 1,000 members?
106. Describe the relationship between your claims processing and member services staff. Are these responsibilities consolidated under one unit, or are they functionally separate?
107. Describe your phone management system's ability to track, monitor and manage incoming calls. How are calls distributed to staff?

108. Are management reports generated daily and do they depict frequency, type and outcomes of calls received?
109. Describe your training program for member services representatives.
110. Please describe all services currently available to members on your website. Do you maintain current provider directories on-line? What on-line services do you expect to make available to members in the coming year?

## **Quality and Legal Issues**

111. Discuss your organization's utilization review program and quality control protocols.
112. What does your organization do to detect, deter and eliminate provider fraud and abuse?
113. Does your plan capture patient satisfaction information?
114. Will your organization perform a satisfaction survey specifically for the City at no additional charge to the City?
115. What quality assurance procedures are in place to ensure efficiency in the claim processing and member service functions?
116. What measurable improvements or quality results does your organization track on a consistent basis? Please provide these statistics.
117. In the last three-(3) years, how many lawsuits have been filed against your company? Indicate the number of suits settled out of court and the number settled by judge or jury. In approximately what percentage of the cases was the employer named in the suit.
118. In the last three-(3) years, has your organization experienced a fidelity loss or claim? If yes, for how much on each claim?
119. Would you be willing to be a named claims fiduciary under the City's plans? Would you be willing to meet fiduciary standards as found in ERISA, even though the City's programs are not governed by ERISA?
120. Do you agree that all claims histories and other records related to the City's plans are the sole property of the City (including all correspondence, written information, electronic records and reports), and will be relinquished to the City upon their request?
121. Please disclose the details of any plans to use subcontractors or other proposers in the fulfillment of your contract with the City under this RFP. Please confirm that you will disclose the details of any such subcontract or other proposer relationship prior to its implementation for City approval.
122. Does your organization hold a financial interest in any of the providers included in your network? Please describe in detail.
123. Performance guarantees are very important to the City of Tucson. Please confirm that you will be willing to include mutually agreed upon performance guarantees in the contract with the City of Tucson.

## **Reporting and Implementation**

124. What types of cost and utilization reports are available? Please provide sample copies of these reports.
125. How often are these reports produced?

- 126. What is the cost (if any) of ad-hoc reports?
- 127. What reports are accessible by the client through the Internet?
- 128. Provide an implementation plan outlining tasks necessary to install the program, the timetable and the parties responsible.
- 129. Identify the services you will offer to help our client introduce the new program to its employees.
- 130. What open enrollment support will you make available in subsequent plan years?
- 131. Describe your capacity to produce communication materials and I.D. cards. Do you produce these materials or are these services subcontracted.
- 132. If I.D. cards are standard for your proposed plan, how quickly are they produced and delivered?
- 133. Please fill in the following information grid indicating which communication services can be provided as well as which are included in your fee and service proposal:

	Can Provide?	Included In Fees?	Cost as % of Fees	Can Customize?
Employee ID Cards	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Claim Forms	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Summary Plan Description	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Summary Annual Report	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Summary of Material Modifications	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Benefits Statements	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
General Correspondence Sent to Employees	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Toll Free Access	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Internet Employee Access	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>
Internet Employer Access	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Dental HMO (Please complete if you are proposing a Dental HMO plan)**

134. Is each member of a family allowed to select their own individual primary care dentist under your Dental HMO plan?
135. How often can a member change their primary dentist selection? How can the selection change be made, i.e., calling customer service, online, etc.? When would the change be effective?
136. What performance standards do you require of dentists with respect to scheduling routine dental care? For emergency care?
137. Do your primary care dentists serve as "gatekeepers" for specialty referrals? If not, how are specialty referrals monitored for appropriateness?
138. Please attach any additional riders to your Dental HMO plans, which include specialty procedures such as coverage of implants, specialty braces, etc. Your attachment should include a detailed benefits summary for each plan.
139. Please include a complete copy of your copay and fees schedule with your response.
140. Does your plan allow nitrous oxide analgesia? If so, please indicate any additional costs.

141. Please complete the following fee schedule:

Dental Procedure	ADA Code	Current Co-pay Amount	Submitted
<b>Diagnostic and Preventive:</b>			
Periodic Oral Exam	120	No Charge	
Comprehensive Oral Evaluation	150	No Charge	
X-rays - Complete Series	210	No Charge	
X-rays – Bitewings – Two Films	272	No Charge	
X-rays – Bitewings – Four Films	274	No Charge	
X-rays – Panoramic Film	330	No Charge	
Prophylaxis – Adult	1110	\$5.00	
Prophylaxis – Child	1120	\$5.00	
Office Visit – per patient/visit	9431	\$5.00	
<b>Restorative:</b>			
Amalgam Filling – One Surface	2140	\$13.00	
Amalgam Filling – Two Surfaces	2150	\$17.00	
Amalgam Filling – Three Surfaces	2160	\$21.00	
Resin Filling – One Surface, Anterior	2330	\$26.00	
Resin Filling – Two Surfaces, Anterior	2331	\$32.00	
Resin Filling – Four or More Surfaces, Anterior	2335	\$56.00	
Crown – Porcelain Fused to Noble Metal	2752	\$250 + Lab*	
Crown – Full Cast Noble Metal	2792	\$250 + Lab*	
<b>Endodontics and Periodontics:</b>			
Root Canal – Anterior	3310	\$170	
Root Canal – Bicuspid	3320	\$190	
Root Canal – Molar	3330	\$265	
Osseous Surgery – four or More Teeth (Includes Flap Entry & Closure)	4260	\$365	
Periodontal Scaling & Root Planing – Four or More Teeth, Per Quadrant	4341	\$90	
<b>Oral Surgery:</b>			
Extraction, Erupted Tooth or Exposed Root	7140	\$55	
Removal of Impacted Tooth – Soft Tissue	7220	\$85	
Removal of Impacted Tooth – Partially Bony	7230	\$100	
Removal of Impacted Tooth – Complete Bony	7240	\$120	
<b>Prosthodontics:</b>			
Complete Denture – Upper	5110	\$325 + Lab*	
Lower Partial Denture	5212	\$375 + Lab*	
Pontic – Porcelain Fused to High Noble Metal	6240	\$250 + Lab*	
Crown – Porcelain Fused to Noble Metal	6752	\$250 +	

		Lab*	
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**Dental PPO/Indemnity (Please complete if you are proposing a PPO or indemnity plan)**

- 142. Can your company duplicate the current fully-insured PPO/Indemnity plan of benefits?
- 143. Please list what services are considered Preventive.
- 144. Please list what services are considered Basic.
- 145. Please list what services are considered Major.
- 146. Please describe your naturally functioning and asymptomatic tooth provisions, if any.
- 147. What types of sedatives do you cover and what are the coverage limitations?
- 148. Do you cover temporary fillings?
- 149. Please list any procedure and frequency limitations on fillings?
- 150. What limitations (if any) do you have on sealants?
- 151. Do you cover Guided Tissue Regeneration (GTR)?
- 152. Up to what age do you cover fluoride treatments and how often?
- 153. Please attach a complete copy of the benefit summary for all PPO/Indemnity plans you are quoting. If you are unable to match all benefits, please include these in your response section marked "Deviations".

Benefits	In-network Participating Provider	Submitted
<b>Plan Year Deductible</b>	\$25 (individual) \$75 (family)	
<b>Yearly Benefit Maximum Limit</b>	\$2,000 Individual	
<b>Lifetime Maximum Benefits – Ortho</b>	\$2,000 Individual	
<b>Diagnostic</b>		
Visits and Consultations	Covered at 100% No Deductible	
Examinations	Covered at 100% No Deductible	
X-rays	Covered at 100% No Deductible	
<b>Preventative</b>		
Cleaning	Covered at 100% No Deductible	
Fluoride Application	Covered at 100% No Deductible	
<b>Restorative</b>		
Routine Fillings	10% after deductible	

<b>Periodontics</b>		
Perio Prophy- Partial	10% after deductible	
Perio Scaling – Complete	10% after deductible	
Gingival Care / Quadrant	10% after deductible	
Surgical Treatment of Gums	10% after deductible	
Osseous Surgery	10% after deductible	

Benefits (continued)	In-network Participating Provider	Submitted
<b>Missed Appointment</b>	Not covered	
<b>Prosthetics</b> Full Upper or Lower Dentures Partial Upper or Lower Dentures Adjustments to Dentures Inlays Porcelain Crown Bridgework Denture Repair	40% after deductible 40% after deductible 40% after deductible 40% after deductible 40% after deductible 40% after deductible 40% after deductible	
<b>Endodontics</b> Root Canal – One Root Root Canal – Two Roots Root Canal – Three Roots Apicoectomy w/ Rertrograde Fill	10% after deductible 10% after deductible 10% after deductible 10% after deductible	
<b>Oral Surgery</b> --Routine Extraction Impacting – Soft Tissue Impactions – Complete Bony	10% after deductible 10% after deductible 10% after deductible	
<b>Orthodontics</b> Through age 19 Over age 19	40% Co-Insurance 40% Co-Insurance	
<b>Nitrous Oxide Analgesia</b>	10% after deductible	

Benefits	Non-participating Provider	Submitted
<b>Plan Year Deductible</b>	\$50(individual) \$150(family maximum)	
<b>Yearly Benefit Maximum Limit</b>	\$1,500 Individual	
<b>Lifetime Maximum Benefits – Orthodontics</b>	\$1,500 Individual	
<b>Diagnostic</b> Visits and Consultations  Examinations  X-rays	20% Co-insurance No Deductible 20% Co-insurance No Deductible 20% Co-insurance No Deductible	
<b>Preventative</b> Cleaning  Fluoride Application	20% Co-insurance No Deductible 20% Co-insurance	
<b>Restorative</b> Routine Fillings	20% Co-Insurance	
<b>Periodontics</b> Perio Prophy- Partial Perio Scaling – Complete Gingival Care / Quadrant Surgical Treatment of Gums Osseous Surgery	20% after deductible 20% after deductible 20% after deductible 20% after deductible 20% after deductible	
<b>Missed Appointment</b>	Not covered	

Benefits (continued)	Non-participating Provider	Submitted
<b>Endodontics</b> Root Canal – One Root Root Canal – Two Roots Root Canal – Three Roots Apicoectomy w/ Retrograde Fill	20% after deductible 20% after deductible 20% after deductible 20% after deductible	
<b>Oral Surgery</b> --Routine Extraction Impactions – Soft Tissue Impactions – Complete Bony	20% after deductible 20% after deductible 20% after deductible	
<b>Orthodontics</b> Through age 19 Over age 19	40% Co-Insurance 40% Co-Insurance	
<b>Nitrous Oxide Analgesia</b>	20% after deductible	

154. If benefits under the City’s plan are exhausted or not covered, can members take advantage of your negotiated pricing? If not, please explain.

## Rates and Financial Information

155. The City historically has contributed for active employees 100% of the employee premium and 85% of the dependent coverage premium regardless of the plan. Retirees (pre- and post-) 65 currently pay 100% of the premium (no City contribution). Contribution strategies may change in the future. Please confirm that you agree that the City reserves the right to change eligibility strategies in the future and your proposal may not be contingent on continuation of any current strategy.

156. In addition to the scenarios presented, the City may wish to explore other plan design options. For example, the City may wish to consider a lower cost fee-for-service product instead of a DHMO plan. Do you have a fee-for-service product, which would be in the same cost range as your DHMO quote? If so, please describe.

The rates submitted below must meet the following criteria:

- a. Be effective for the period of July 1, 2010, through June 30, 2011. An ASO quote may be submitted if applicable.
- b. All rates for all plans must be fully insured. Experience rating is for the entire group. The rates for actives and pre- and post-65 retirees are blended.
- c. For renewal underwriting, all coverage must be pooled. Renewal underwriting must be justified based on claims experience and trend factors and must be guaranteed for renewal term.
- d. No stipulations, predications, or qualifiers will be accepted to the proposed rates for the 2010-2011 plan period or on any contract renewal rates.
- e. Rates quoted are to be exclusive of commissions; administrative fees must disclose any overrides or bonuses.

Please complete the table below:

**Dental Managed Care HMO/DMO**

Coverage Tier	Employee Count	July 2010	July 2011	July 2012	July 2010 – Not-to-exceed ASO Fees/Illustrative Claims Cost
Employee Only					
Employee + One					
Employee + Family					
<b>Total Annual Cost</b>					

157. Please identify if the rates quoted above are guaranteed for more than 12 months from the effective date. If so, please identify the number of years the rate is guaranteed.

**Dental PPO**

Coverage Tier	Employee Count	July 2010	July 2011	July 2012	July 2010 – Not-to-exceed ASO Fees/Illustrative Claims Cost
Employee Only					
Employee + One					
Employee + Family					
<b>Total Annual Cost</b>					

158. Please identify if the rates quoted above are guaranteed for more than 12 months from the effective date. If so, please identify the number of years the rate is guaranteed.

159. Are commissions included in the rates above that are built into your administrative fees and cannot be removed? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, identify the commission percentage. \_\_\_\_\_

160. The following table illustrates 20 dental procedures and their codes. Please provide your discounts in the Tucson area.

ADA Code	Description	Tucson	ADA Code	Description	Tucson
120	Periodic oral exam		1351	Sealant - per tooth	
150	Comprehensive oral evaluation		2140	Amalgam 1 surface permanent/primary	
210	X-rays Complete series including bitewings		2150	Amalgam 2 surface permanent/primary	
220	X-rays First film		2330	Resin 1 surface anterior	
230	X-rays Each additional film		2331	Resin 2 surfaces anterior	
270	X-rays Bitewings - Single Film		2750	Crown porcelain fused to high noble metal	
272	X-rays Bitewings - Two Films		4341	Periodontal scaling and root planning 4 or more teeth per quadrant	
274	X-rays Bitewings - Four Films		5110	Complete upper denture	
1110	Prophylaxis - Adult		6240	Crown porcelain fused to high noble metal	
1203	Topical application of fluoride - child		7210	Surgical removal of erupted tooth	

## Proposed Performance Standards

Please fill in your proposed penalty amount to each of the following performance guarantees. Should you not be able to commit to any of the following, please identify each exception in the Deviation section of your proposal response, referencing the comment by letter and proposing an alternative commitment with your penalty amount. Please note performance guarantees are to be in place not only during the initial term of the contract, but for each subsequent renewal term(s).

Performance Guarantee	Penalty amount should guarantee not be met	Corporate statistics for the most current 12 month period
a. Measured for the term of the agreement, results will meet or exceed: <ul style="list-style-type: none"> <li>90% of claims processed within 14 calendar days</li> <li>98% of claims processed within 30 calendar days</li> </ul>		
b. Measured for the term of the agreement, results will meet or exceed: <ul style="list-style-type: none"> <li>99% of total audited claim/claim dollars are correctly paid</li> </ul>		
c. Measured for the term of the agreement, results will meet or exceed: <ul style="list-style-type: none"> <li>95% of total audited claim/claim dollars are correctly processed.</li> </ul>		
d. Measured for the term of the agreement, results will meet or exceed: <ul style="list-style-type: none"> <li>45 seconds to answer a phone call.</li> </ul>		
e. Measured for the term of the agreement, results will not exceed: <ul style="list-style-type: none"> <li>3% of calls received by the call center(s) terminated.</li> </ul>		
f. Measured for the term of the agreement, results will meet or exceed:		

<ul style="list-style-type: none"> <li>85% of calls resolved on first call, 45 day look back/forward.</li> </ul>		
<p>g. Measured for the term of the agreement, results will meet or exceed:</p> <ul style="list-style-type: none"> <li>95% meet quality standards for account management.</li> </ul>		
<p>h. Measured for the term of the agreement, results will meet or exceed:</p> <ul style="list-style-type: none"> <li>99% ongoing eligibility files processed in 2 business days.</li> </ul>		
<p>i. The amount of time elapsing between the time an open enrollment eligibility file is received and when it is updated in the Contractor's system(s).</p> <ul style="list-style-type: none"> <li>Eligibility updated within 5 days of receipt.</li> </ul>		
<p>j. ID Cards (if applicable)</p> <ul style="list-style-type: none"> <li>90% or more of ID cards distributed 10 days before the plan start date</li> </ul>		

161. The City of Tucson desires to put premiums at risk based on meeting a mutually agreed to performance standard. Please indicate your willingness:

Yes       No

## **SPECIAL TERMS AND CONDITIONS**

### **1. RIGHT TO AUDIT**

The City of Tucson reserve the right to audit the claim files maintained by the insurance carrier(s) and the medical charts maintained by participating hospitals upon 30 days notice at no charge to the City. The City of Tucson reserves the right to select a third party to evaluate/audit the selected insurance carrier, including their managed care network.

### **2. TERM OF CONTRACT**

The term of the contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City of Tucson shall have the right, at its sole option, to renew the contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period with the possible exception of rate adjustments and minor scope additions and/or deletions which may be agreed upon.

### **3. RATE ADJUSTMENTS**

The City will review fully documented requests for rate adjustment after any contract has been in effect for one (1) year. Any rate adjustment will only be made at the time of contract renewal/extension and will be a factor in the renewal/extension review process and must be fully justified in writing based on claims experience and trend factors (this includes those renewal terms with not-to-exceed rates). The City will determine whether the requested rate adjustment or an alternate option, is in the best interest of the City. Any rate adjustment will be effective upon the effective date of the contract renewal/extension and shall remain in affect during the extension/renewal.

### **4. KEY PERSONNEL**

It is essential that the Contractor provides adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions.

- A. The Contractor agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the City.
- B. If key personnel are not available for work under this contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

### **5. HIPPA COVERAGE CERTIFICATES**

The insurance carrier is responsible for issuing all coverage certifications applicable under HIPAA for individuals whose coverage ceases under the plans they insure on behalf of City of Tucson

### **6. HIPPA PRIVACY ACT**

The contractor must perform all HIPAA privacy compliance tasks at no cost to the City.

### **7. INSURANCE**

The Contractor agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an

endorsement providing that written notice be given to the City at least ten (10) calendar days prior to termination, cancellation, or reduction in coverage in any policy.

- B. The General Liability Insurance policy shall include the City as an additional insured (with the exception of Automobile Liability) with respect to liability arising out of the performance of this contract. The Contractor agrees that the insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
- C. Provide and maintain minimum insurance limits as follows:

<u>Coverage Afforded</u>	<u>Limits of Liability</u>
Workmen's Compensation Employer's Liability	Statute \$100,000
Commercial General Liability Insurance Including: (1) Products & Completed Operations (2) Blanket Contractual	\$1,000,000 Bodily Injury Combined Single Limit \$100,000 Property Damage
Comprehensive Automobile Liability Insurance Including: (1) Non-Owned (2) Leased (3) Hired Vehicles	\$1,000,000 Bodily Injury Combined Single Limit \$100,000 Property Damage

City Contractor will present to the City written evidence (Certifications of Insurance) of compliance with Section 1., Items A., B., and C. above. Said evidence shall be to the Procurement Director's satisfaction.

## STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.
3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
6. **CERTIFICATION OF COMPLIANCE WITH A.R.S. SEC. 35-393 ET SEQ.:** By signing this contract, the Contractor certifies that it does not have scrutinized business operations in Iran as required by A.R.S. sec. 35-393 et seq. If the City determines that the Contractor has submitted a false certification, the City may impose remedies as provided in the Tucson Procurement Code up to and including termination of this contract.
7. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
8. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
9. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
10. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
11. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
  - A. Amend the contract or enter into supplemental verbal or written agreements;
  - B. Grant time extensions or contract renewals;
  - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

12. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall

prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

- 13. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.
- 14. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 15. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.
- 16. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 17. FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 18. GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

- 19. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

- 20. INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.

**21. INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, paid vacation or sick days by the City.

The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses.

**22. INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

**23. INTERPRETATION-PAROLE EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

**24. LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

**25. LIENS:** All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

**26. NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

**27. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.

**28. OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

**29. PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

**30. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.

**31. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not

inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.

- 32. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- 33. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 34. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 35. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 36. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 37. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 38. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 39. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 40. TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

- 41. TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
- 42. WARRANTIES:** Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

## **FINAL CHECKLIST**

The items listed below must be included electronically with your written proposal:

- ✓ **Completed RFP**
- ✓ **Provider Directory**
- ✓ **Rate Development Worksheet**
- ✓ **Geo Access Reports**
- ✓ **Fee / Co-payment Schedule**
- ✓ **Attachment A – EDS Disruption Report – Provider Match**
- ✓ **Attachment A – UCCI Disruption Report – Provider Match**
- ✓ **Attachment B – Geo Access Analysis**

## OFFER AND ACCEPTANCE

### OFFER

**TO THE CITY OF TUCSON:**

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

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

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

\_\_\_\_\_  
Address

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

\_\_\_\_\_  
City State Zip

Phone: \_\_\_\_\_

\_\_\_\_\_  
Signature of Person Authorized to Sign

Fax: \_\_\_\_\_

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

E-mail: \_\_\_\_\_

\_\_\_\_\_  
Title

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. \_\_\_\_\_.

**CITY OF TUCSON**, a municipal corporation

Approved as to form this \_\_\_\_ day of \_\_\_\_\_, 2010.

Awarded this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
As Tucson City Attorney and not personally

\_\_\_\_\_  
Mark A. Neihart, C.P.M., CPPB, A.P.P., CPM  
As Director of Procurement and not personally

**NON-DISCLOSURE STATEMENT**

**Re: RFP # 100389**

The Undersigned, in the course of performing administrative duties, shall have access to and may review proposal documents and related data (Documents) submitted in response to the aforementioned Request for Proposals (RFP). These Documents are made available to the Undersigned under the following conditions:

Aside from those persons already bound by any related Non-Disclosure Statements (Statement), the Undersigned agrees to hold all Documents in confidence and shall not disclose the information contained within the Documents to any third parties.

The Undersigned shall not communicate or by his or her actions allow the contents of the Documents to be communicated with any Offerors, their subcontractors or other persons not also holding a related Statement prior to contract award.

The Undersigned shall not utilize the provided information for any other purpose other than to respond to the abovementioned RFP (Request for Proposal).

The Undersigned further acknowledges that the Arizona Procurement Code provides civil and potentially criminal penalties for the violation of these requirements.

The Undersigned has read and understands the above and agrees to be bound by the rules and principles represented herein and in accordance with the provisions of the Arizona Procurement Code.

The Undersigned:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Representing (Agency or Company)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone

Completed Non-Disclosure Statements may be returned via email to: Sarah.Vavra@tucsonaz.gov or via fax to the attention of: Sarah Vavra at 520-791-4735.

## Exhibits

EXHIBITS (identified below) will be provided upon receipt of a signed non-disclosure statement:

Exhibit A1	01.2007 – 11.2009 EDS Premium vs. Enrollment
Exhibit A2	07.2006 – 10.2009 UCCI Claims vs. Premiums
Exhibit B1	Active Dental Marketing Census 11.2009
Exhibit B2	Retiree Dental Marketing Census 11.2009
Exhibit C1	07.2008 – 06.2010 EDS Employee Plan Booklet EDS100R
Exhibit C2	07.2009 UCCI Summary Plan Description
Exhibit C3	07.2008 UCCI Summary Plan Description
Exhibit D1	EDS 2007, 2008, 2009 Renewal Letters
Exhibit D2	UCCI Rate History
Exhibit E	Current Eligibility File Layout

## Attachments

ATTACHMENTS must be completed and submitted with RFP Response:

Attachment A1	EDS Disruption Report 12.09 – Provider Match
Attachment A2	UCCI Disruption Report 12.09 – Provider Match
Attachment B1	Geo Access Analysis