

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 4a

Title: Letter of Agreement with Gallagher Benefit Services, Inc.

Presenter: Jennifer McMahon, Director of Human Resources

Meeting: Government Operations Committee

Date: January 7, 2019

Proposed Cost: \$52,500

Budgeted Amount: \$52,500

Not Budgeted: **Executive Summary** *(if not budgeted please explain):*

At the March 19, 2018, Government and Operations Committee, staff sought approval of a one-year contract with the City's existing benefits consultant, HUB International, with the intention of issuing an RFP for these services for a contract effective May 1, 2019. At the subsequent City Council meeting, the Council approved this action. This fall, Human Resources staff, in conjunction with Finance staff, issued an RFP for health and welfare benefits management services. The solicitation was sent to nine firms as well as published in the newspaper and on the City's website. Four vendors responded and three were interviewed.

Included in the agenda materials is a draft letter of agreement with Gallagher Benefit Services, Inc., to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans in the amount of \$52,500 annually for the period May 1, 2019, through September 30, 2023. The Letter of Agreement is a four and a half-year commitment. The last RFP was issued in 2014 for an agreement effective May 1, 2015, in which HUB International secured the contract. The three firms that were interviewed during this RFP process were invited to submit best and final offers and clarify any concerns raised during the interview process. HUB International chose not to submit a best and final offer. In addition, two factors had the most influence over not selecting the incumbent; 1) Gallagher's price was just under \$1,000 per month less than HUB's submission and 2) Gallagher provided more variety of funding options for health insurance that the City may consider in the future.

**Attachments** *(please list):*

Letter of Agreement with Gallagher Benefit Services, Inc. dated \_\_\_\_\_. Proposed resolution authorizing execution of same.

**Recommendation/Suggested Action** *(briefly explain):*

Approve a resolution authorizing the Director of Human Resources to execute a Letter of Agreement between the City of St. Charles and Gallagher Benefit Services, Inc. for health and welfare benefits management services.



# St. Charles Agreement for Professional Services

## Health and Welfare Benefits Management Services

### #1004

This agreement for professional services ("**Agreement**") has been awarded on \_\_\_\_\_, 20\_\_\_\_ by City Council and is between the City of St. Charles, an Illinois home rule municipal corporation ("**City**"), located at 2 East Main Street; St. Charles, Illinois 60174 and **GALLAGHER** ("**Professional Service Provider**") located at 2850 Golf Road; Rolling Meadows, IL 60008. City and Professional Service Provider are at times collectively referred to hereinafter as the "Parties."

#### RECITALS

**Whereas**, the City issued Request for Proposal #1004 (**Solicitation**) for professional services entitled **Health and Welfare Benefits Management Services** ("**Project**");

**Whereas**, the Professional Service Provider submitted an offer (**Offer**) in response to the Solicitation and the Professional Service Provider represents that it is ready, willing and able to perform the services specified in the project;

**Whereas**, the Offer was found to meet the City's requirements as specified in the solicitation;

**Whereas**, the City awarded the Professional Service Provider the Project, in a firm, fixed monthly amount of **\$4,375/month (no commissions allowed)** payable quarterly at the end of the quarter for a 53 month term beginning **May 1, 2019** and ending **September 30, 2023** which is a total contract value of **\$231,875**.

Now therefore, in consideration of the foregoing and for the mutual promises hereinafter set forth and for other good and valuable consideration, the sufficiency of which is acknowledged, the parties agree as follows to the following terms and conditions:

#### Article 1: Contract Documents

**A. Incorporated Documents.** The Contract documents consist of this Agreement and the following attached exhibits. These attachments along with this Agreement represent the entire integrated Contract between the parties and supersede any and all prior negotiations, representations or agreements, written or oral.

- a. The City's Purchase Order document, to be generated as the Work May Proceed document upon contract execution, is incorporated as the first page of this Contract and said Purchase Order Number will become the identification number for this contract and thus must be referenced on all related documents, inclusive of invoices.
- b. The City's solicitation and all related documents is attached as **Exhibit A**
- c. The Professional Service Provider's offer and all related documents is attached as **Exhibit B**
- d. Insurance Coverage for Professional Service Provider is attached as **Exhibit C**
- e. Change Order Form, which is the sole vehicle authorized to amend contract, is attached as **Exhibit D**

**B. Controlling Document.** In the event of a conflict between this Agreement and any attachment or exhibit, the provisions of this Agreement shall control.

#### Article 2: Services Contracted

- A. Scope of Services.** Professional Service Provider shall provide awarded Services in accordance with the Project Requirements stated within the City's Solicitation [**Exhibit A**], and the Offer submitted by the Professional Service Provider [**Exhibit B**].
- a. **Truthful and Accurate.** Professional Service Provider represents that such material and information furnished in connection with the Solicitation and this Contract is truthful and accurate.
  - b. **Necessary Documentation.** Professional Service Provider acknowledges that it has furnished exhibits, as listed previously, and will continue to furnish requested and necessary documentation, including but not limited to certifications, affidavits, reports and other information.
  - c. **Ownership of Project Documents.** All drawings, specifications, reports, and any other project documents prepared by the Professional Services Provider in connection with any or all of the project services shall be delivered to the City for the expressed use of the City. The Professional Services Provider does have the right to retain original documents, but shall cause to be delivered to the City such quality or documents so as to assure total reproducibility of the documents delivered. All information, worksheets, reports, design calculations, plans, and specifications shall be the sole property of the City unless otherwise specified within this negotiated Contract. The Professional Services Provider agrees that the basic survey notes and sketches, charts, computations, and other data prepared or obtained by the Professional Services Provider pursuant to the Contract will be made available, upon request, to the City without cost and without restriction or limitations as to their use. All field notes, test records, and reports shall be available to the City upon request.
- B. Status of Independent Professional Service Provider.** Both City and Professional Service Provider agree that Professional Service Provider will act as an Independent Professional Service Provider in the performance of the Project. Accordingly, the Independent Professional Service Provider shall be responsible for payment of all taxes including federal, state, and local taxes arising out of the Professional Service Provider's activities in accordance with this Contract, including by way of illustration but not limitation, federal and state income tax, social security tax, and any other taxes or license fees as may be required under the law. Professional Service Provider further acknowledges under the terms of this Contract, that it is not an agent, employee, or servant for the City for any purpose, and that it shall not hold itself out as an agent, employee, or servant of the City under any circumstance for any reason. Professional Service Provider is not in any way authorized to make any contract, agreement or promise on behalf of the City, or to create any implied obligation on behalf of City, and Professional Service Provider specifically agrees that it shall not do so. City shall have no obligation to provide any compensation or benefits to Professional Service Provider, except those specifically identified in this Contract. City shall not have the authority to control the method or manner by which Professional Service Provider complies with the terms of this Contract.

### **Article 3: Term**

- A. Term.** This Contract commences on May 1, 2019 and terminates on September 30, 2023. Alteration in termination may occur prior to completion of Project in accordance with the following conditions.
- B. Termination of Contract.** The City has the right to terminate this Contract, in whole or in part at any time. Written notice of termination is to be served by the City to the Professional Service Provider's principal or Professional Service Provider's agent personally or by certified or registered mail, return receipt requested. In the event of termination, the City shall pay the Professional Service Provider for satisfactory services performed as of the effective date of termination. The effective date of termination releases the City from any obligations under this Contract. Professional Service Provider shall deliver to the City any finished and unfinished documents, drawings, studies and reports related to the Project. All such documents, studies and reports shall become the property of the City. The City may terminate this Contract, or any portion of it, as is reasonably necessary in accordance with the following conditions:

- a. **Substitution of Key Personnel.** Should any of the key personnel identified in the offer become unavailable to work on the project; and should no temporary replacement personnel be provided within 24 hours following the commencement of the subject key personnel's unavailability; and/or should no permanent substitute personnel reasonably satisfactory to the City be provided within thirty (30) days of key personnel's unavailability; the City may, at its election, declare breach of contract and terminate the contract for non-performance.
- b. **Non-performance.** Non-adherence to the terms of this Contract and its incorporated documents on the part of the Professional Service Provider is grounds for termination of the Contract. The City will notify the Professional Service Provider in writing with a 24 hour notice specifying the effective date of termination. In the event of termination due to non-performance on the part of the Professional Service Provider, the City has the authority to contract with an alternate Professional Service Provider to complete this Contract. The Professional Service Provider shall be liable to the City for all incidental and consequential expenses incurred in procuring and securing an alternate Professional Service Provider, including any loss due to alternate Professional Service Provider compensation. The City may deduct expenses and loss, due to breach, from payment to the Professional Service Provider for services already performed. Failure to deduct expenses and losses from the City's payment to the Professional Service Provider does not relieve the Professional Service Provider from the Terms of this condition nor bar the City from seeking alternative legal remedies.
- c. **Unappropriated Funds.** If sufficient funds have not been appropriated to cover the estimated requirement of this Contract, the City may terminate this Contract. The City may terminate for unappropriated funds by serving the Professional Service Provider with a fourteen (14) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for unappropriated funds after performance by the Professional Service Provider has commenced, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for unappropriated funds constitutes full satisfaction for services rendered.
- d. **Convenience.** Termination for convenience does not necessitate a reason. The city may terminate for convenience by serving the Professional Service Provider with a seven (7) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for convenience, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for convenience constitutes full satisfaction for services rendered.
- e. **Force Majeure.** A party shall not be held liable for failure of or delay in performing its obligations under this Contract if failure of delay is a result of an event of outside force, including a natural disaster, "Act of God", act of war, act of terrorism, government sanction or strike that could not be foreseen or avoided by prudence. Once performance is delayed by this event of outside force, the non-performing party must make every reasonable attempt to minimize delay. Once performance has been delayed one-hundred and twenty (120) days, performance is considered impracticable due to impossibility, and either party may terminate this Contract.

#### **Article 4: Compensation**

- A. **Price.** The City shall pay the Professional Services Provider for Services in accordance with the amounts set forth in the Offer. [**Exhibit B**] The maximum price stated on page 1 may not be increased unless the City's Project

Manager is provided with supporting documentation to warrant a change, and if upon review and acceptance, a written change order is approved. All change orders shall be by written schedule on a City Change Order form [Exhibit D], and shall be attached as an amendment to this Contract.

- B. **Invoicing.** Professional Service Provider shall submit an itemized invoice with all supporting documentation as required by the City. Supporting documentation may include, but is not limited to: a supporting schedule of hours worked making explicit the percentage of completion of services as of the date of the invoice; receipts for travel, postage, duplication, subcontracted services; supplier's invoices to justify material mark-up; certified payroll; waivers of lien; and supplier's invoices to justify material mark-up.
- C. **Invoice Submittals.** All invoices must be submitted directly to [AccountsPayable@stcharlesil.gov](mailto:AccountsPayable@stcharlesil.gov). Invoices submitted in any other manner will result in a delay of payment to the Professional Service Provider.
- D. **Payment.** The City shall make all payments in accordance with the Illinois Local Government Prompt payment Act or Professional Service Provider's invoice, whichever is more favorable to the City.
  - a. **Schedule of Payment.** The City shall make all payments on the basis of approved invoices and supporting documents. The City shall use its best efforts to make payments within thirty (30) days after review and approval of the invoice. Each payment requires City Council's approval of the Expenditure Approval List which occurs at publicly scheduled meetings.
  - b. **Non-Payment.** All invoices must be submitted to the City within two (2) months of the Professional Service Provider's final performance on this Contract. The City shall not pay any invoices submitted in excess of two (2) months from the date of last service performed per this Contract.

#### Article 5: Duties

- A. **Consent and Approvals.** The City and the Professional Service Provider represent and warrant to each other that each has obtained all the requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Contract and its contemplated undertakings.
- B. **Insurance.** The Professional Service Provider shall, during the entire term of this Contract, maintain, at a minimum, the insurance minimums as specified in the Solicitation and under the terms stipulated In **Exhibit C**.
- C. **Standard of Performance.** Professional Service Provider warrants that the service provided, under the fully incorporated Contract, by the Professional Service Provider and any and all employees, agents, Professional Service Providers, or subcontractors is performed by individuals who are authorized under all applicable licenses and certifications, and who have completed the requisite training as required by industry standards, professional standards, manufacturers' requirements, and statute. Performance by these parties shall be with the degree, skill, care and diligence customarily required of a professional performing services of comparable scope, purpose and magnitude and in conformance with the applicable industry standards. The Professional Service Provider and its employees, agents, Professional Service Providers, or subcontractors shall perform in strict compliance with the laws and regulations of the City, State, and federal government.
- D. **Best Efforts.** The Professional Service Provider shall use its best efforts to assure timely and satisfactory rendering and completion of services under this Contract. The Professional Service Provider shall remain solely responsible for the professional and technical accuracy of all services and deliverables furnished, whether such service is rendered by the Professional Service Provider or others on its behalf including, and without limitation, subcontractors, employees, agents, manufacturers, suppliers, fabricators, and consultants. The Professional Service Provider is not to be relieved from its duty to use best efforts, pursuant to the Contract, by the City's review, approval, acceptance, or payment for any of the agreed to services. Any change to the character, form quality or extent of the Project shall be in writing on a City Change Order form [Exhibit D], and attached as an addendum to this Contract.
- E. **Non-disclosure.** The Professional Service Provider, its employees, agents, consultants, or subcontractors may have access to the City's confidential information during performance of this Contract. Confidential information includes, but is not limited to, methods, processes, formulas, compositions, systems, techniques, computer

programs, databases, research projects, resident identification and contact information, financial data, and other data. The Professional Service Provider shall not directly or indirectly use, disclose or disseminate confidential information to any third party for any purpose other than a purpose explicitly allowed for in this Contract and its integrated documents.

**F. No Duty.** The Professional Service Provider shall not imply any authority to act as an agent of the City. The Professional Service Provider's duties to the City are limited by express authorization under this Contract and by statute.

**G. Hold Harmless and Indemnification.**

- a. **Patents and Copyrights.** Professional Service Provider warrants that all products used or provided in the fulfillment of this Contract will not infringe on any United States or foreign patent. Professional Service Provider shall indemnify the City against any and all judgments, decrees, legal fees, costs and expenses resulting from such alleged infringement. Professional Service Provider will, upon request of the City and at the Professional Service Provider's own expense, defend any suit or action which may be brought against the City by reason of any alleged infringement of any patent or copyright in the sale or use of products provided to the City by the Professional Service Provider.
- b. **Loss and Liability.** The Professional Service Provider shall hereby defend and indemnify the City, its directors, agents, officers, employees, and elected officials from and against any and all liabilities, losses, claims, demands, damages, costs, fines, penalties, expenses, judgments, and settlements, including, but not limited to, reasonable attorneys' fees and costs of litigation, and any and all causes of action of any kind or character, that may be incurred as a result of bodily injury, sickness, death, or property damage or as a result of any other claim or suit arising out of or connected with, directly or indirectly, the negligent acts, errors, omissions, or intentional acts or omissions of any agent, employee, subcontractor, Professional Service Provider, or contractor hired to provide any goods or perform any services on behalf of the Professional Service Provider.

**Article 6: Policies**

**A. Illinois Freedom of Information Act.** The Professional Service Provider acknowledges the requirements of the Illinois Freedom of Information Act (FOIA). Professional Service Provider agrees to comply with all requests made by the City for public records (as defined in FOIA § 2(c)) in the undersigned's possession and/or their subcontractors/suppliers possession.

- a. **Timeliness.** The Professional Service Provider shall provide the requested public records to the City within two (2) business days of the City's request.
- b. **Free of Charge.** The Professional Service Provider agrees not to apply any costs or charge any fees to the City for the procurement of the requested records pursuant to a FOIA request.
- c. **Hold Harmless.** Should the Professional Service Provider deny the City's request unlawfully or request that the City utilize a lawful exemption available under FOIA, Professional Service Provider agrees to pay any and all costs connected with the defense of the Professional Service Provider's denial. All costs include reasonable attorney and witness fees, filing fees and other expenses related to the defense of a complaint. The Professional Service Provider agrees to indemnify the City against any and all claims, costs, penalties, losses and injuries arising out of or relating to its failure to provide the requested public records to the City under this Contract.

**B. Discrimination Prohibited.**

- a. **Equal Employment Opportunity.** Professional Service Provider shall comply with all rules and regulations pertaining to public contracts adopted by the State and the City. The City is an equal opportunity employer.
- b. **ADA.** Professional Service Provider shall be in compliance with current applicable regulations of the Americans with Disabilities Act.

## Article 7: Changes to Contract

- A. Changes and Alterations.** Any changes or alterations to this Project affecting, inclusive of but not limited to: scope, cost, terms, milestones, deadlines or other significant factors shall be integrated in writing on a City of St. Charles Change Order form. [Exhibit D]
- B. Extension or Renewal of Contract.** The City at its option may extend this Contract for an additional to be determined term if the Professional Service Provider either reduces his price, or holds firm to the proposal prices, conditions and specifications.
- C. Assignment.** Professional Service Provider shall not assign, transfer, or subcontract this Contract, in whole or in part, without prior written consent of the City.
- D. Notification.** All notification under this Contract shall be made as follows:
- |  |  |
|--|--|
| <p>a. <b>If to the City</b></p> <p>City of St. Charles<br/>Attn: Procurement Division Manager<br/>2 East Main Street<br/>St. Charles, IL 60174<br/>Fax: 630.377.4487<br/>Email: <a href="mailto:Procurement@stcharlesil.gov">Procurement@stcharlesil.gov</a><br/>Phone: 630.762.6936</p> | <p><b>If to the Professional Service Provider</b></p> <p>Gallagher<br/>Tyler Feeney<br/>2850 Golf Road<br/>Rolling Meadows, IL 60008<br/>n/a<br/><a href="mailto:Tyler.Feeney@ajg.com">Tyler.Feeney@ajg.com</a><br/>630.694.5455</p> |
|--|--|
- b. **With electronic copies to**
- Procurement Division Manager: [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov)  
Project Manager : Lynn Creedon, SPHR, CBP, SHRM-SCP Human Resources Benefits Coordinator

## Article 8: Applicability

- A. Other Entity Use.** The Professional Service Provider may, upon mutual agreement with any municipality or governmental unit, permit that unit to participate in this Contract for substantially similar consulting services under the same or more favorable price, terms and conditions.
- B. Waiver.** Any failure of either the City or the Professional Service Provider to strictly enforce any terms, right, or condition of this Contract, whether implied or expressed, shall not be construed as a waiver of such term right or condition.
- C. Severability.** If any provision of this Professional Service Provider is held to be illegal, invalid, or unenforceable, such provision shall be fully severable, and this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof; the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as part of this Contract, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and legal, valid and enforceable.
- D. Governing Jurisdiction.** The parties agree that any disputes, disagreements, or litigation arising from this Contract, between or amongst them, will be heard and resolved exclusively in the courts of the 16<sup>th</sup> Judicial Circuit, Kane County, Illinois.
- E. Governing Law.** The parties agree that the laws of the State of Illinois govern this Contract.

In Witness Whereof, the parties have entered into this Contract upon the latter of the date accepted and signed by the City and the date accepted and signed by the Professional Service Provider.

**For: City of St. Charles**

By: \_\_\_\_\_  
Jennifer McMahon, Director Human Resources

ATTEST \_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_  
Joan M. Schouten; Procurement Division Manager

**For: Professional Service Provider**

*If an Individual or sole proprietorship*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

*If a Partnership*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Partner

*If a Corporation*

By: \_\_\_\_\_  
Signature of person authorized to sign

\_\_\_\_\_  
Title

ATTEST \_\_\_\_\_

*If an LLC*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

DATE \_\_\_\_\_

- A. Scope of Services.** Professional Service Provider shall provide awarded Services in accordance with the Project Requirements stated within the City's Solicitation [**Exhibit A**], and the Offer submitted by the Professional Service Provider [**Exhibit B**].
- a. **Truthful and Accurate.** Professional Service Provider represents that such material and information furnished in connection with the Solicitation and this Contract is truthful and accurate.
  - b. **Necessary Documentation.** Professional Service Provider acknowledges that it has furnished exhibits, as listed previously, and will continue to furnish requested and necessary documentation, including but not limited to certifications, affidavits, reports and other information.
  - c. **Ownership of Project Documents.** All drawings, specifications, reports, and any other project documents prepared by the Professional Services Provider in connection with any or all of the project services shall be delivered to the City for the expressed use of the City. The Professional Services Provider does have the right to retain original documents, but shall cause to be delivered to the City such quality or documents so as to assure total reproducibility of the documents delivered. All information, worksheets, reports, design calculations, plans, and specifications shall be the sole property of the City unless otherwise specified within this negotiated Contract. The Professional Services Provider agrees that the basic survey notes and sketches, charts, computations, and other data prepared or obtained by the Professional Services Provider pursuant to the Contract will be made available, upon request, to the City without cost and without restriction or limitations as to their use. All field notes, test records, and reports shall be available to the City upon request.
- B. Status of Independent Professional Service Provider.** Both City and Professional Service Provider agree that Professional Service Provider will act as an Independent Professional Service Provider in the performance of the Project. Accordingly, the Independent Professional Service Provider shall be responsible for payment of all taxes including federal, state, and local taxes arising out of the Professional Service Provider's activities in accordance with this Contract, including by way of illustration but not limitation, federal and state income tax, social security tax, and any other taxes or license fees as may be required under the law. Professional Service Provider further acknowledges under the terms of this Contract, that it is not an agent, employee, or servant for the City for any purpose, and that it shall not hold itself out as an agent, employee, or servant of the City under any circumstance for any reason. Professional Service Provider is not in any way authorized to make any contract, agreement or promise on behalf of the City, or to create any implied obligation on behalf of City, and Professional Service Provider specifically agrees that it shall not do so. City shall have no obligation to provide any compensation or benefits to Professional Service Provider, except those specifically identified in this Contract. City shall not have the authority to control the method or manner by which Professional Service Provider complies with the terms of this Contract.

### **Article 3: Term**

- A. Term.** This Contract commences on May 1, 2019 and terminates on September 30, 2023. Alteration in termination may occur prior to completion of Project in accordance with the following conditions.
- B. Termination of Contract.** The City has the right to terminate this Contract, in whole or in part at any time. Written notice of termination is to be served by the City to the Professional Service Provider's principal or Professional Service Provider's agent personally or by certified or registered mail, return receipt requested. In the event of termination, the City shall pay the Professional Service Provider for satisfactory services performed as of the effective date of termination. The effective date of termination releases the City from any obligations under this Contract. Professional Service Provider shall deliver to the City any finished and unfinished documents, drawings, studies and reports related to the Project. All such documents, studies and reports shall become the property of the City. The City may terminate this Contract, or any portion of it, as is reasonably necessary in accordance with the following conditions:

- a. **Substitution of Key Personnel.** Should any of the key personnel identified in the offer become unavailable to work on the project; and should no temporary replacement personnel be provided within 24 hours following the commencement of the subject key personnel's unavailability; and/or should no permanent substitute personnel reasonably satisfactory to the City be provided within thirty (30) days of key personnel's unavailability; the City may, at its election, declare breach of contract and terminate the contract for non-performance.
- b. **Non-performance.** Non-adherence to the terms of this Contract and its incorporated documents on the part of the Professional Service Provider is grounds for termination of the Contract. The City will notify the Professional Service Provider in writing with a 24 hour notice specifying the effective date of termination. In the event of termination due to non-performance on the part of the Professional Service Provider, the City has the authority to contract with an alternate Professional Service Provider to complete this Contract. The Professional Service Provider shall be liable to the City for all incidental and consequential expenses incurred in procuring and securing an alternate Professional Service Provider, including any loss due to alternate Professional Service Provider compensation. The City may deduct expenses and loss, due to breach, from payment to the Professional Service Provider for services already performed. Failure to deduct expenses and losses from the City's payment to the Professional Service Provider does not relieve the Professional Service Provider from the Terms of this condition nor bar the City from seeking alternative legal remedies.
- c. **Unappropriated Funds.** If sufficient funds have not been appropriated to cover the estimated requirement of this Contract, the City may terminate this Contract. The City may terminate for unappropriated funds by serving the Professional Service Provider with a fourteen (14) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for unappropriated funds after performance by the Professional Service Provider has commenced, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for unappropriated funds constitutes full satisfaction for services rendered.
- d. **Convenience.** Termination for convenience does not necessitate a reason. The city may terminate for convenience by serving the Professional Service Provider with a seven (7) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for convenience, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for convenience constitutes full satisfaction for services rendered.
- e. **Force Majeure.** A party shall not be held liable for failure of or delay in performing its obligations under this Contract if failure of delay is a result of an event of outside force, including a natural disaster, "Act of God", act of war, act of terrorism, government sanction or strike that could not be foreseen or avoided by prudence. Once performance is delayed by this event of outside force, the non-performing party must make every reasonable attempt to minimize delay. Once performance has been delayed one-hundred and twenty (120) days, performance is considered impracticable due to impossibility, and either party may terminate this Contract.

#### **Article 4: Compensation**

- A. **Price.** The City shall pay the Professional Services Provider for Services in accordance with the amounts set forth in the Offer. [**Exhibit B**] The maximum price stated on page 1 may not be increased unless the City's Project

Manager is provided with supporting documentation to warrant a change, and if upon review and acceptance, a written change order is approved. All change orders shall be by written schedule on a City Change Order form [Exhibit D], and shall be attached as an amendment to this Contract.

- B. **Invoicing.** Professional Service Provider shall submit an itemized invoice with all supporting documentation as required by the City. Supporting documentation may include, but is not limited to: a supporting schedule of hours worked making explicit the percentage of completion of services as of the date of the invoice; receipts for travel, postage, duplication, subcontracted services; supplier's invoices to justify material mark-up; certified payroll; waivers of lien; and supplier's invoices to justify material mark-up.
- C. **Invoice Submittals.** All invoices must be submitted directly to [AccountsPayable@stcharlesil.gov](mailto:AccountsPayable@stcharlesil.gov). Invoices submitted in any other manner will result in a delay of payment to the Professional Service Provider.
- D. **Payment.** The City shall make all payments in accordance with the Illinois Local Government Prompt payment Act or Professional Service Provider's invoice, whichever is more favorable to the City.
  - a. **Schedule of Payment.** The City shall make all payments on the basis of approved invoices and supporting documents. The City shall use its best efforts to make payments within thirty (30) days after review and approval of the invoice. Each payment requires City Council's approval of the Expenditure Approval List which occurs at publicly scheduled meetings.
  - b. **Non-Payment.** All invoices must be submitted to the City within two (2) months of the Professional Service Provider's final performance on this Contract. The City shall not pay any invoices submitted in excess of two (2) months from the date of last service performed per this Contract.

#### Article 5: Duties

- A. **Consent and Approvals.** The City and the Professional Service Provider represent and warrant to each other that each has obtained all the requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Contract and its contemplated undertakings.
- B. **Insurance.** The Professional Service Provider shall, during the entire term of this Contract, maintain, at a minimum, the insurance minimums as specified in the Solicitation and under the terms stipulated In **Exhibit C**.
- C. **Standard of Performance.** Professional Service Provider warrants that the service provided, under the fully incorporated Contract, by the Professional Service Provider and any and all employees, agents, Professional Service Providers, or subcontractors is performed by individuals who are authorized under all applicable licenses and certifications, and who have completed the requisite training as required by industry standards, professional standards, manufacturers' requirements, and statute. Performance by these parties shall be with the degree, skill, care and diligence customarily required of a professional performing services of comparable scope, purpose and magnitude and in conformance with the applicable industry standards. The Professional Service Provider and its employees, agents, Professional Service Providers, or subcontractors shall perform in strict compliance with the laws and regulations of the City, State, and federal government.
- D. **Best Efforts.** The Professional Service Provider shall use its best efforts to assure timely and satisfactory rendering and completion of services under this Contract. The Professional Service Provider shall remain solely responsible for the professional and technical accuracy of all services and deliverables furnished, whether such service is rendered by the Professional Service Provider or others on its behalf including, and without limitation, subcontractors, employees, agents, manufacturers, suppliers, fabricators, and consultants. The Professional Service Provider is not to be relieved from its duty to use best efforts, pursuant to the Contract, by the City's review, approval, acceptance, or payment for any of the agreed to services. Any change to the character, form quality or extent of the Project shall be in writing on a City Change Order form [Exhibit D], and attached as an addendum to this Contract.
- E. **Non-disclosure.** The Professional Service Provider, its employees, agents, consultants, or subcontractors may have access to the City's confidential information during performance of this Contract. Confidential information includes, but is not limited to, methods, processes, formulas, compositions, systems, techniques, computer

programs, databases, research projects, resident identification and contact information, financial data, and other data. The Professional Service Provider shall not directly or indirectly use, disclose or disseminate confidential information to any third party for any purpose other than a purpose explicitly allowed for in this Contract and its integrated documents.

**F. No Duty.** The Professional Service Provider shall not imply any authority to act as an agent of the City. The Professional Service Provider's duties to the City are limited by express authorization under this Contract and by statute.

**G. Hold Harmless and Indemnification.**

- a. **Patents and Copyrights.** Professional Service Provider warrants that all products used or provided in the fulfillment of this Contract will not infringe on any United States or foreign patent. Professional Service Provider shall indemnify the City against any and all judgments, decrees, legal fees, costs and expenses resulting from such alleged infringement. Professional Service Provider will, upon request of the City and at the Professional Service Provider's own expense, defend any suit or action which may be brought against the City by reason of any alleged infringement of any patent or copyright in the sale or use of products provided to the City by the Professional Service Provider.
- b. **Loss and Liability.** The Professional Service Provider shall hereby defend and indemnify the City, its directors, agents, officers, employees, and elected officials from and against any and all liabilities, losses, claims, demands, damages, costs, fines, penalties, expenses, judgments, and settlements, including, but not limited to, reasonable attorneys' fees and costs of litigation, and any and all causes of action of any kind or character, that may be incurred as a result of bodily injury, sickness, death, or property damage or as a result of any other claim or suit arising out of or connected with, directly or indirectly, the negligent acts, errors, omissions, or intentional acts or omissions of any agent, employee, subcontractor, Professional Service Provider, or contractor hired to provide any goods or perform any services on behalf of the Professional Service Provider.

**Article 6: Policies**

**A. Illinois Freedom of Information Act.** The Professional Service Provider acknowledges the requirements of the Illinois Freedom of Information Act (FOIA). Professional Service Provider agrees to comply with all requests made by the City for public records (as defined in FOIA § 2(c)) in the undersigned's possession and/or their subcontractors/suppliers possession.

- a. **Timeliness.** The Professional Service Provider shall provide the requested public records to the City within two (2) business days of the City's request.
- b. **Free of Charge.** The Professional Service Provider agrees not to apply any costs or charge any fees to the City for the procurement of the requested records pursuant to a FOIA request.
- c. **Hold Harmless.** Should the Professional Service Provider deny the City's request unlawfully or request that the City utilize a lawful exemption available under FOIA, Professional Service Provider agrees to pay any and all costs connected with the defense of the Professional Service Provider's denial. All costs include reasonable attorney and witness fees, filing fees and other expenses related to the defense of a complaint. The Professional Service Provider agrees to indemnify the City against any and all claims, costs, penalties, losses and injuries arising out of or relating to its failure to provide the requested public records to the City under this Contract.

**B. Discrimination Prohibited.**

- a. **Equal Employment Opportunity.** Professional Service Provider shall comply with all rules and regulations pertaining to public contracts adopted by the State and the City. The City is an equal opportunity employer.
- b. **ADA.** Professional Service Provider shall be in compliance with current applicable regulations of the Americans with Disabilities Act.

## Article 7: Changes to Contract

- A. Changes and Alterations.** Any changes or alterations to this Project affecting, inclusive of but not limited to: scope, cost, terms, milestones, deadlines or other significant factors shall be integrated in writing on a City of St. Charles Change Order form. [Exhibit D]
- B. Extension or Renewal of Contract.** The City at its option may extend this Contract for an additional to be determined term if the Professional Service Provider either reduces his price, or holds firm to the proposal prices, conditions and specifications.
- C. Assignment.** Professional Service Provider shall not assign, transfer, or subcontract this Contract, in whole or in part, without prior written consent of the City.
- D. Notification.** All notification under this Contract shall be made as follows:
- |  |  |
|--|--|
| <p><b>a. If to the City</b></p> <p>City of St. Charles<br/>Attn: Procurement Division Manager<br/>2 East Main Street<br/>St. Charles, IL 60174<br/>Fax: 630.377.4487<br/>Email: <a href="mailto:Procurement@stcharlesil.gov">Procurement@stcharlesil.gov</a><br/>Phone: 630.762.6936</p> | <p><b>If to the Professional Service Provider</b></p> <p>Gallagher<br/>Tyler Feeney<br/>2850 Golf Road<br/>Rolling Meadows, IL 60008<br/>n/a<br/><a href="mailto:Tyler.Feeney@ajg.com">Tyler.Feeney@ajg.com</a><br/>630.694.5455</p> |
|--|--|
- b. With electronic copies to**
- Procurement Division Manager: [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov)  
Project Manager : Lynn Creedon, SPHR, CBP, SHRM-SCP Human Resources Benefits Coordinator

## Article 8: Applicability

- A. Other Entity Use.** The Professional Service Provider may, upon mutual agreement with any municipality or governmental unit, permit that unit to participate in this Contract for substantially similar consulting services under the same or more favorable price, terms and conditions.
- B. Waiver.** Any failure of either the City or the Professional Service Provider to strictly enforce any terms, right, or condition of this Contract, whether implied or expressed, shall not be construed as a waiver of such term right or condition.
- C. Severability.** If any provision of this Professional Service Provider is held to be illegal, invalid, or unenforceable, such provision shall be fully severable, and this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof; the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as part of this Contract, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and legal, valid and enforceable.
- D. Governing Jurisdiction.** The parties agree that any disputes, disagreements, or litigation arising from this Contract, between or amongst them, will be heard and resolved exclusively in the courts of the 16<sup>th</sup> Judicial Circuit, Kane County, Illinois.
- E. Governing Law.** The parties agree that the laws of the State of Illinois govern this Contract.

In Witness Whereof, the parties have entered into this Contract upon the latter of the date accepted and signed by the City and the date accepted and signed by the Professional Service Provider.

**For: City of St. Charles**

By: \_\_\_\_\_  
Jennifer McMahon, Director Human Resources

ATTEST \_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_  
Joan M. Schouten; Procurement Division Manager

**For: Professional Service Provider**

*If an Individual or sole proprietorship*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

*If a Partnership*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Partner

*If a Corporation*

By: \_\_\_\_\_  
Signature of person authorized to sign

\_\_\_\_\_  
Title

ATTEST \_\_\_\_\_

*If an LLC*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

DATE \_\_\_\_\_



## Notice To Service Providers

### Health and Welfare Benefits Management Services

**#1004**

A **Formal Request for Proposal** for the above project is posted on our city website: <https://www.stcharlesil.gov/bids-proposals>

#### **Brief Description:**

The City of St. Charles is soliciting proposals from insurance consultants interested and qualified to provide consulting services for health and welfare plans. Qualified consultants are those who have demonstrated their ability offering comparable work of similar size and scope; preferably to municipalities in the greater Chicago area. Consultants acting as Brokers are not qualified. Interested firms are invited to submit proposals.

#### **Targeted Timeframe (subject to change without notice)**

RFP published	<a href="https://www.stcharlesil.gov/bids-proposals">https://www.stcharlesil.gov/bids-proposals</a>	Monday, October 01, 2018
Questions due prior to 8:00am	<a href="mailto:Procurement@stcharlesil.gov">Procurement@stcharlesil.gov</a>	Monday, October 15, 2018
Answers published	<a href="https://www.stcharlesil.gov/bids-proposals">https://www.stcharlesil.gov/bids-proposals</a>	Monday, October 22, 2018
Responses to RFP due prior to 4:00pm	reference sealed bid label	Friday, October 26, 2018
Invitations to Interview	notification via e-mail	week of November 18, 2018
Interviews	2 East Main St; St. Charles, IL	December 4 <sup>th</sup> or 7 <sup>th</sup> , 2018
Council Award		February

*A Bid Bond of 10% is NOT required.*

#### **Service Period:**

May 1, 2019 – September 30, 2023 (53 months = approximately 4.5 years)  
Optional Renewal: 1 or 2 years pending agreement to renewal terms

#### **Solicitation Document includes:**

- Notice to Bidders
- Section 1: Instructions to Proposers for Professional Services
- Section 2: Special Provisions for Professional Services (regarding this specific solicitation and award)
- Section 3: **Project Requirements**
- Section 4: Proposal Submittal Documents
  - Page 1: Cover Page
  - Page 2: Signature Page
  - Page 3: Price Proposal Page
  - Page 4: Certification of Compliance
  - Page 5: **Service Provider Requirements**
  - Page 6: Sealed Bid Label
- Section 5: Award Document (for reference)



# Instructions To Proposers For Professional Services

## Health and Welfare Benefits Management Services #1004

Solicitations are open to all qualified firms actively engaged in providing the services specified and inferred.

### **SOLICITATION PROCESS**

#### **Request for Proposal:**

- 1) The City of St. Charles solicits qualified firms for Professional Services.
- 2) Firms are qualified based on either
  - a) A public formal Request for Qualifications which may be either a separate solicitation or incorporated within a Request for Proposal
  - b) Prior experience with the City's facilities, equipment, infrastructure, or issue at hand. Said experience must be approved by Project Manager and Department Head.
- 3) A formal Request for Proposal is submitted to qualified firms.
- 4) It is the responsibility of the Proposer to seek clarification of any requirement that may not be clear. Questions concerning this request shall be submitted via e-mail to [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov) by the last date for questions as reflected on the cover page of this document. A written response in the form of an addendum will be published by the date stated.
- 5) Proposers shall acknowledge the receipt of any addendum on the cover page of their proposal (*provided*).

#### **The Cone of Silence:**

- 6) The Cone of Silence is designed to protect the integrity of the procurement process by shielding it from undue influences.
- 7) During the period beginning with the issuance of the Request for Proposal through the execution of the award document, proposers are prohibited from all communications regarding this request with City staff, City consultants, City legal counsel, City agents, or elected officials.
- 8) Any attempt by a proposer to influence a member or members of the aforementioned may be grounds to disqualify the proposer from participation in this solicitation.

#### **Exceptions to the Cone of Silence:**

- 9) Written communications directed to [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov)
- 10) All communications occurring at pre-bid meetings
- 11) Oral presentations during finalist interviews, negotiation proceedings, or site visits
- 12) Oral presentations before publicly noticed committee meetings
- 13) Contractors already on contract with the City to perform services for the City are allowed discussions necessary for the completion of an existing contract.
- 14) Procurement of goods or services for Emergency situations

#### **INVESTIGATION:**

- 15) It shall be the responsibility of the Proposer to make any and all investigations necessary to become thoroughly informed of what is required and specified.
- 16) If a work site is involved in this solicitation, and the site of the work is:
  - a) An area restricted from the general public, an opportunity will be provided for proposers to perform this inspection.
  - b) An area open to the general public, the proposer may perform their inspection at a time of their choosing.

#### **PROPOSALS:**

- 17) Proposals must be structured as stated in the Special Provisions for Professional Services section of the Request for Proposal.
- 18) Documents should not utilize binders, folders, tabs or papers larger than 8.5 X 11.
- 19) Delivery of a proposal is acceptance of the City's Contract for Professional Services (*attached*). Proposals containing terms and conditions contrary to those specified may be considered non-responsive.

**Signatures as Offer:**

- 20) Under the conditions of the Uniform Commercial Code, the signing of the proposal by the proposer constitutes an offer. If accepted by the City, the offer becomes part of the contract.
- 21) Signatures (*reference signature page*) by
  - a) Individuals or sole proprietorships shall be signed by a person with the authority to enter into legal binding contracts. Said individual shall use his usual signature.
  - b) Partnerships shall be signed with partnership name by one of the members of the partnership, or an authorized representative, followed by the signature and title of the person signing.
  - c) Corporations shall be signed with the name of the corporation, followed by the signature and title of person authorized to bind it in the matter.

**Withdrawal of Offers:**

- 22) Offers may be withdrawn at any time prior to the due date. Requests to withdraw an offer shall be in writing, properly signed, and received at [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov) prior to the due date.
- 23) Offers may not be withdrawn after the due date without the approval of the Procurement Division Manager.
- 24) Negligence in preparing an offer confers no right of withdrawal after opening/due date.

**Timeframe and Consequences:**

- 25) Offers must be received before the designated time.
- 26) Offers received after the designated time will be returned to the sender without review. Offers received late that may be attributed to delays by overnight delivery services, or by delivery services trying to deliver when offices are closed, will be considered late and returned to the sender.
- 27) Unless otherwise specified in the solicitation, offers shall be binding for ninety (90) calendar days following due date.

**Receipt of Formal Offers:**

- 28) Firms submitting formal offers will be identified on a formal List of Proposers published on the city's website [www.stcharlesil.gov](http://www.stcharlesil.gov) within two business days.

**TAXES:**

- 29) The City is exempt by law from paying sales tax on goods, equipment, and products permanently incorporated into the project, from State and City Retailer's Occupation Tax, State Service Occupation Tax, State Use Tax and Federal Excise Tax.
- 30) The City's Sales Tax Exemption Number is E9996-0680-07.

**EVALUATION of Offers****Rejection of Offers**

The city reserves the right to reject any and all offers in whole or in part according to the best interests of the City.

**Receipt of One (or too few) offers**

- 31) If the City receives one or too few proposals, as defined by the City, the City may reschedule the due date. The offers received will either be:
  - a) returned unopened to the Proposer for re-submittal at the new due date and time, or
  - b) if there are no changes in requirements, and pending agreement with the Proposer, held until the new due date and time.
- 32) If the request was publicly broadcast, and the City did not receive any proposals, the City may negotiate with any interested parties.

**Confidential Information**

- 33) Proposals are subject to Illinois State FOIA requirements including the following exemptions:
  - a) (5 ILCS 140/7) (From Ch. 116, par. 207) Sec. 7.
  - b) Exemptions. (1) The following shall be exempt from inspection and copying: (g) Trade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business and only insofar as the claim directly applies to the records requested.
- 34) \*\*\*Proposers considering requests to be proprietary and confidential should submit an additional redacted offer.

Failure to do so may result in information becoming available to the public.

**REQUIREMENTS if Awarded the Work:**

**Insurance:**

- 35) The successful Proposer, if awarded by contract, will be required to carry insurance acceptable to the City. (Reference Contract Exhibit C).
- 36) Certificates of Insurance, Endorsements, and a Waiver of Subjugation must be submitted with the execution of the order.
- 37) The Proposers obligation to purchase stated insurance cannot be waived by the city's action or inaction.

**Security Clearance:**

- 38) Background checks inclusive of finger printing MAY be required for service providers working in secured areas. Service providers will submit a list of employees' names to the Project Manager who will coordinate the background checks with the city's police department.
- 39) Anyone with a background history showing a conviction for a felony; theft history of any kind, sex offense history, or any crime involving moral turpitude, illegal drug or narcotics use, sale or possession, or anyone showing a felony charge pending, or who has any outstanding warrants of any type, including misdemeanor traffic or felony warrants, may be subject to arrest, and will not be allowed to work under this contract.

**AUDIT:**

- 40) The successful Proposer may be audited by the City or an agent of the City. Audits may be at the request of federal or state regulatory agencies, other governmental agencies, courts of law, consultants hired by the City or other parties which in the City's opinion requires information. Data, information and documentation will include, but not be limited to, original estimate files, change order estimate files, detailed worksheets, subcontractor proposals, supplier quotes and rebates, and all project related correspondence, and subcontractor and supplier change order files.

**PROTESTS:**

- 41) Any Proposer who claims to be aggrieved in connection with the selection process, a pending award, or other reasonable issue may initiate a protest.
  - a) Protests involving the solicitation process must be presented in writing to [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov) no later than the last date for questions as reflected on the cover page of this document.
  - b) Protests involving the evaluation of offers, staff recommendations, or the award process must be submitted in writing to [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov) no later than three business days after bid results are publicly posted.
- 42) Protests must include: the name and address of the protestor; the title and solicitation # of the solicitation; and if available: if an award has been recommended, the city public meeting agenda #, the award document number, identification of the procedure that is alleged to have been violated; precise statement(s) of the relevant facts; identification of the issue to be resolved; protestor's argument and supporting documentation (Exhibits, evidence, or documents to substantiate any claims).
- 43) A person filing a notice of protest will be required; at the time the notice of protest is filed, to post a bond in the form of a cashier's check in an amount equal to twenty-five percent of the City's estimate of the total volume of the award, or \$1,000, whichever is less.
  - a) If the decision of the Protest does not uphold the action taken by the City, then the City shall return the amount, without deduction, to the Proposer filing the protest.
  - b) If the decision of the Protest upholds the action taken by the City, then the City shall retain the amount of the cashier's check in payment for a portion of the cost and expense for time spent by City staff in responding to the protest and in conducting the evaluation of the protest.
- 44) Upon receipt of the notice of protest, the Procurement Division Manager shall stop the award process.
  - a) The Procurement Division Manager will rule on the protest in writing within two business days from receipt of protest.
  - b) Appeals of the Procurement Division Manager's decision must be made in writing within two business days after receipt thereof and submitted to the City Administrator for final resolution. Appellant shall have the opportunity to be heard and an opportunity to present evidence in support of the appeal.
  - c) The City Administrator's decision is final.



# Special Provisions for Professional Services

## Health and Welfare Benefits Management Services

### #1004

#### **Part 1: REGARDING THE WORK**

##### **A) Fees**

Fee shall be expressed as a monthly fee.

Fee shall remain a firm fixed fee for the duration of the entire contract.

Fee shall be billed quarterly and due at the end of each quarter.

##### **B) The Contract for Services** is attached for reference at the end of this document. It includes:

Exhibit A: This Request for Proposal and all Addenda

Exhibit B: The Proposal and all Clarifications

Exhibit C: Insurance Requirements

Exhibit D: Change Order Document

##### **C) Contract Administration:**

A "Work May Proceed" order will be issued by Procurement upon confirmation of a properly executed contract.

Once the "Work May Proceed" order is issued, the work will be turned over to the city's Project Manager.

The Project Manager's primary responsibility is to assure the city receives the professional services in accordance to the requirements of the contract. The Project Manager will, but is not limited to: oversee the entire project from kick-off activities through payment of final invoice; monitor progress; address any quality issues and change orders; review and approve deliverables.

##### **D) Communications Plan**

The Service Provider is required to provide the City's Project Manager with updates of the work inclusive of but not limited to: portion of work completed, assumptions, problems encountered... The updates can be in person or over the phone, at the discretion of the city.

##### **E) Change Order Procedure**

The city reserves the right to make changes to the Scope of Work by altering, adding to, or deducting from the work, without invalidating the contract. All such changes shall be executed under the conditions of the original contract.

- 1) Issuance of a memo or verbal approval is not to be considered a Change Order and is not authorization to proceed.
- 2) Approved Change Orders are required with any/all changes in, the Scope of Work, the contract sum, the time for completion of services, renewal or any combination thereof.
- 3) Change orders will describe the city approved change(s), will refer to the service provider's recommended proposal for change, and will be signed by the city and the service provider prior to implementing the change.
- 4) All Change Orders shall clearly identify the impact of cost and the effect on time required to perform the work associated with the proposal.
- 5) If the service provider's proposal is found to be satisfactory and in proper order, and both parties agree upon cost or credit and timeframe for the change, the city will authorize the documented Change Order which will be confirmed as a contract amendment.

##### **F) Payment:**

- 1) Authorization of payment requires receipt of service providers invoice, acceptance of services by Project Manager, and receipt of other required paperwork.
- 2) The City complies with the Illinois Local Government Prompt Payment Act which states that any bill approved for payment shall be paid within 30 days after date of approval.

**G) Service Issues:**

The service provider shall not be reimbursed until services are compliant.

**Part 2: REGARDING THE SOLICITATION PROCESS:**

**H) Submittal Requirements:**

- 1) Response Cover Page will be page 1 of your submittal
- 2) Response Signature Page will be page 2 of your submittal
- 3) Response Price Proposal Page will be page 3 of your submittal
- 4) Certification of Compliance will be page 4 of your submittal
- 5) Service provider Requirements, and the requested attachments, will be page 5+ of your submittal
- 6) Submit, in a sealed envelope identified with the enclosed label:
  - i) 1 original for Procurement
  - ii) 1 original for Project Manager
  - iii) 1 file copy via USB Flashdrive for Procurement identified with solicitation # and project name.
  - iv) If your proposal includes confidential information as defined by FOIA (5 ILCS 140/7) (From Ch. 116, par. 207) Sec. 7 provide:
    - (a) 1 redacted original identified as REDACTED ORIGINAL
    - (b) 1 file copy on the same above USB Flashdrive, identifying file as REDACTED ORIGINAL

**I) Evaluation Criteria:**

<b>Experience &amp; Capabilities</b>	The firm has demonstrated that they have the resources, knowledge, skills, abilities, and experience to meet the scope of services articulated in the RFP. Are able to provide a chronological overview of work that demonstrates the firm has experience in the scope of services articulated in the RFP.	25%
<b>Industry Specific Knowledge</b>	Firm has demonstrated that it has the knowledge in the field of health insurance, supplemental benefits, and Rx coverage, public sector experience; including financial analysis, legal requirements, legislative activity, industry trends and coverage options.	25%
<b>Availability</b>	Firm has demonstrated that it can meet the city’s requirements with providing service in a timely manner (within 24 hrs.)	25%
<b>Professional Network</b>	The firm has demonstrated that it has a strong network of resources and good relationships with a variety of benefit providers.	10%
<b>Additional Services</b>	The firm has listed some suggested services beyond the scope of services articulated in the RFP that could be of benefit to the City’s goals. They have articulated how these additional services are beneficial.	5%
<b>Price</b>	The firm has provided a competitive price relative to the other proposals.	10%

**J) Evaluation Process**

- 1) An evaluation team will review all proposals based on weighted requirements. The evaluation team is composed of the Department Head, Project Manager, Procurement Division Manager and others as required.
- 2) Proposals will be reviewed for compliance, and if compliant, will be deemed responsive.
  - i) Responsive proposals are inclusive of, but not restricted to: received prior to the due date and time,

completed as stated in the solicitation request, inclusive of all requirements, able to meet delivery requirements, accepting of all contract terms and conditions.

- ii) The degree to which a proposal meets the requirements is determined solely on the judgment of the Procurement Division Manager.
- 3) Proposer Qualifications will be reviewed, and if qualified, will be deemed responsible.
- 4) Proposals deemed both Responsive and Responsible will be reviewed by the evaluation committee. The committee will utilize the above criteria and weights when reviewing proposals.
  - i) The City reserves the right to seek clarification of proposals.
- 5) Proposed Fees will be analyzed for totality of costs.
- 6) Finalists may be invited for an interview.
  - i) The City does not intend to interview all proposers.
  - ii) Proposers may be required to submit additional data during the interview process.
- 7) After interviews, finalists will be invited to submit a 1 page letter inclusive of clarifications and present a Best and Final Offer.
  - i) The City reserves the right to negotiate the price and any other term with the proposer offering the Best and Final offer.
  - ii) If a negotiated agreement cannot be reached with the front runner, the City may proceed to negotiate with the second best and final offer.
  - iii) Any oral negotiations must be confirmed in writing to [Procurement@stcharlesil.gov](mailto:Procurement@stcharlesil.gov) prior to award.
- 8) The City's determination of award for best overall value will consider the following non-exclusive list: available project management resources, soft costs of contract management; and training costs.

**K) Basis of Award**

- 1) Award is based on the best overall value to the City; and deemed most advantageous to the City, based on the totality of lawful considerations, price and other factors considered.
- 2) While numeric evaluations may be used in some aspects of the process to identify strengths and weaknesses of proposals, and to establish a ranking, the final decision will be a business decision by the City and will not be based on a numerical score. A recommendation to award will document the basis for the award decision.
- 3) Except as otherwise stated, proposers will be awarded within ninety (90) days from the opening date.
- 4) The City reserves the right to award a shorter term of service, by phase, part or portion of a phase, any line item or option regardless of order listed.



# Statement of Work and Related Requirements

## Health and Welfare Benefits Management Services

### #1004

#### I. INVITATION

The City of St. Charles is soliciting proposals from insurance consultants interested and qualified to provide consulting services for health and welfare plans. Qualified consultants are those who have demonstrated their ability offering comparable work of similar size and scope; preferably to municipalities in the greater Chicago area. Consultants acting as Brokers are not qualified. Interested firms are invited to submit proposals.

#### II. OBJECTIVE

The City of St. Charles objective is to provide quality health insurance programs at the best value while balancing the City's mission to serve its residents and offer competitive benefits to attract, retain, and motivate top performers.

#### III. CITY BACKGROUND

The City of St. Charles is located approximately one hour west of Chicago. The City employs approximately 250 full-time employees; approximately 50% of employees belong to one of the City's five unions. City Departments include Police, Fire, Public Works, Information Systems, Community & Economic Development, Finance, Human Resources, and the City Administrator's Office. For more information, visit the City of St. Charles' website at [www.stcharlesil.gov](http://www.stcharlesil.gov).

The below information provides potential candidates an overall view of the City's health and welfare benefit programs.

#### *Benefit Programs*

<b>Benefit</b>	<b>Service Provider</b>
<b>Medical</b>	BCBS IL - three PPO's and one HDHP/HSA
<b>Prescription Drug</b>	Caremark/CVS
<b>Stop Loss</b>	Guardian
<b>Dental</b>	Delta Dental PPO
<b>Life</b>	Cigna
<b>AD&amp;D</b>	Cigna
<b>FSA</b>	EBC
<b>Vision</b>	VSP



# Statement of Work and Related Requirements

## Health and Welfare Benefits Management Services

### #1004

HSA	HSA Bank
-----	----------

The plan year is May 1<sup>st</sup> through April 30<sup>th</sup>.  
Open Enrollment is in March for the following plan year.  
All plans except for vision are self-insured.

#### IV. SCOPE OF SERVICES

The City of St. Charles seeks a consultant to perform services related to the design, implementation, maintenance, communication, compliance, and improvement of its health and welfare plans. Specific responsibilities include, but are not limited to:

##### ***Program Design, Implementation and Improvement***

- 1 Offer options to improve the current program design.
- 2 Prepare RFP to solicit benefit providers and assist in the sourcing of services. Submit a Recommendation based on interviews with potential benefit providers and marketing research.
- 3 Assist with implementation of selected benefit providers.
- 4 Provide assistance in communication and compliance with selected service providers.

##### ***Program Maintenance and Financial Analysis***

- 5 Track participation and costs by month and by coverage (including life & AD&D).
- 6 Compare annual claim utilization to prior years as well as industry standard.
- 7 Provide quarterly financial reports that separate costs versus budget.
- 8 Annually summarize key medical utilization statistics in conjunction with the strategic planning process for subsequent years.
- 9 Analyze, review, and negotiate renewals with insurance carriers.
- 10 Calculate COBRA rates annually.
- 11 Review and evaluate the City's benefit components, specifically in the area of design, funding, cost, and administration.
- 12 Review levels and types of coverages offered and recommend changes.
- 13 After close of the plan year, present a historical analysis of costs and utilization compared to previous years.
- 14 Project cash flow impact of funding alternatives and plan design options.
- 15 Review and summarize annual demographic changes. Review demographics after each open enrollment and identify likely cost impact.
- 16 Assist with and participate in annual open enrollment activities.
- 17 Analyze and compare employee contributions to normative data. Assist in developing contribution strategy for the future.



# Statement of Work and Related Requirements

## Health and Welfare Benefits Management Services

### #1004

#### ***Program Communication***

- 18 Provide update on legal issues and regulations as they relate to operations and coverage.
- 19 Attend meetings/conference calls regularly for such purposes of discussion, review, and evaluation of benefits plans.
- 20 Provide financial exhibits for union negotiations or employee Health Insurance Team meetings such as comparisons with other companies (municipalities if applicable), five-year cost projections of existing plan, as well as potential plan changes, etc.
- 21 Assist with development of employee communication tools, including designing and preparing printed materials, attending on-site employee meetings, etc.
- 22 Act as a liaison between the City of St. Charles and its service providers.
- 23 Provide coverage summaries including key contacts for each benefit, rate summaries, and benefit program highlights.
- 24 Arrange meetings with service providers to meet customer service team dealing with City employees, provide better understanding of how the service provider services City employees, learn about new programs or options available with that service provider, etc.
- 25 Provide other assistance and advise as needed.

#### ***Program Compliance***

- 26 Work as an extension of our Human Resources department related to health and welfare.
- 27 Provide day-to-day account management services.
- 28 Assist with claim and/or eligibility issues and all benefit related issues.
- 29 Review documents such as Summary Plan Document (SPD), plan documents, benefit highlight sheets, and service provider contracts.
- 30 Assist with all state and Federal laws regarding insurance including COBRA, HIPAA, Affordable Care Act, etc.

#### **V. TRANSITION OF SERVICES**

- 31 At the end of the contract term, the incumbent contractor must provide:
  - A status report on all open issues and pending resolution.
  - A final Summary Plan Document (SPD) detailing the detailed coverage, definitions of coverage, and levels of coverage for all benefits.
  - Other information as requested by the city



# Response Cover Page

This is page #1 of your response.

## Health and Welfare Benefits Management Services #1004

Based on Addendum # \_\_\_\_\_

**Please do not submit punched or perforated pages, nor bind your proposal in anything other than paperclips.**

Proposal Prepared By:		Contacts:	
Firm Name		<b>Operations</b>	
DBA		Contact Name	
Address		Contact Phone #	
		Contact E-mail	
City, St, Zip		<b>Sales</b>	
Signature		Contact Name	
Print Name		Contact Phone #	
Position		Contact E-Mail	
Phone #		<b>Billing</b>	
Fax #		Contact Name	
E-mail Address		Contact Phone #	
		Contact E-Mail	

**This business Firm is** (check one)  An Individual  A Partnership  A Corporation  An LLC

**Exceptions: (check one)**

This proposal meets and accepts all Requirements, Specifications, Terms and Conditions and Contract Language.

We hereby take the following Exceptions to the Requirements, Specifications, Terms and Conditions and Contract Language (*reference section name and identifying reference*):



# Signature Page

This is page #2 of your response.

## Health and Welfare Benefits Management Services #1004

Based on  
Addendum # \_\_\_\_\_

***If an Individual or sole proprietorship***

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

***If a Partnership***

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Partner

***If a Corporation***

By: \_\_\_\_\_  
Signature of person authorized to sign

\_\_\_\_\_  
Title

ATTEST \_\_\_\_\_

***If an LLC***

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

DATE \_\_\_\_\_



## Response Price Proposal Page

This is page #3 of your response.

### Health and Welfare Benefits Management Services #1004

Based on  
Addendum # \_\_\_\_\_

A onetime Start-Up fee applicable to the implementation costs of services \$\_\_\_\_\_

A firm, fixed fee for each month of service =

\$\_\_\_\_\_/month x 53 months = \$\_\_\_\_\_ total contracted services.

A onetime Transition fee applicable at the end of the contract \$\_\_\_\_\_

**Grand Total for Contracted Services \$\_\_\_\_\_**

Projected number of hours to service this account each month = \_\_\_\_\_/hours per month

Time to respond to an e-mail or phone message = \_\_\_\_\_ hours

To facilitate possible Change Orders, provide an hourly rate for services: \$\_\_\_\_\_/hour

We will accept payment via City of St. Charles credit card.  Yes  No

We will allow a discount of \_\_\_\_\_% if payment is received within \_\_\_\_\_ days of invoice.



## Certification of Compliance

This is page #4 of your response.

### Health and Welfare Benefits Management Services #1004

- (A) The undersigned certifies that, pursuant to the **Equal Opportunity Employer** provisions of Section 2000(e) of Chapter 21, Title 42 of the United States Code and Federal Executive Order No. 11246 as amended by Executive Order No. 11375, the bidder is compliant with all Equal Employment Opportunity Commission ("EEOC") requirements.
- (B) The undersigned certifies that, pursuant to the **Illinois Human Rights Act** provisions of Section 775 ILCS 5/2-105, the bidder complies with and certifies that it is in compliance with all equal employment practice requirements contained therein, and that it has adopted a written sexual harassment policy that meets the minimum requirements.
- (C) The undersigned certifies that, pursuant to the **State of Illinois Law** provisions of Section 720 ILCS 5/33E prohibiting Bid-rigging or Bid-rotating, the bidder is not barred from bidding on this project, or entering into a contract for this project.
- (D) The undersigned certifies that, pursuant to the **Illinois Department of Revenue Tax Laws** provisions of Section 65 ILCS 5/11-42.1-1, the bidder is not barred from doing business with any unit of local government in the State of Illinois as a result of a delinquency in payment of any taxes unless the bidder is contesting, in accordance with the procedures established by the appropriate statute, its liability for the tax or the amount of the tax.
- (E) The undersigned certifies that, pursuant to the **Illinois Drug Free Workplace Act** provisions of Section 30 ILCS 580/3, the bidder deposes states and certifies that it will provide a drug free workplace, inclusive of all satellite locations as well as the City of St. Charles sites.
- (F) The undersigned certifies that, pursuant to the **Illinois Prevailing Wage Act** provisions of Section 820 ILCS 130/0.01 et seq, the bidder, when required, is in compliance with all requirements of, including provisions as to wages, medical and hospitalization insurance and retirement benefits for those trades covered in the Act. Pursuant to **Illinois Public Act** provisions of Section 94-0515 and all provisions of the **Employee Classification Act**, provisions of Section 820 ILCS 185/1 et seq., said bidder agrees to submit certified payroll records as required.
- (G) The undersigned certifies that, pursuant to the **Employment of Illinois Workers on Public Works Act** provisions of Section 30 ILCS 570/0.01, et seq., the bidder is in compliance with all requirements. Furthermore, the bidder certifies that it will demonstrate a good faith effort toward providing equal employment opportunities for City of St. Charles residents to work as crafts persons, consistent with the racial, ethnic, and gender demographics of the City's labor force.
- (H) The undersigned certifies that, pursuant to the **National Security/USA Patriot Act** as defined in Presidential Executive Order 13224, the bidder and all affiliated parties, are not working for or with, nor acting on behalf of, a Specially Designated National and Blocked Person.
- (I) The undersigned certifies that they have not colluded with or participated in any **unethical practices** with any person, firm or employee of the City of St Charles which would in any way be construed as an unethical business practice.

#### Check One:

- There are no conflicts of interest** and in the event that a conflict of interest is identified anytime during the duration of this award, or reasonable time thereafter, you, your firm or your firm's ownership, management or staff will immediately notify the City of St. Charles in writing.
- There is an affiliation or business relationship** between you, your management or staff, your firm or your firm's ownership, and an employee, officer or elected official of the City of St. Charles who makes recommendations to the City of St. Charles with respect to expenditures of money, employment, and elected or appointed positions. Provide on a separate letter included with your response any and all affiliations or business relationships that might cause a conflict of interest or a ny potential conflict of interest. Include the name of each City of St Charles affiliate with whom you, your firm or your firm's ownership, management or staff has an affiliation or a business relationship.

Company Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_



## Service Provider Requirements

This, and the attached answers, is page #5 of your response.

# Health and Welfare Benefits Management Services #1004

Please provide the following information, in the following order as an attachment to this page.

### Experience and Capabilities

- 1 Experience as evidenced by a listing of references from similar projects in size and scope within the past five (5) years. Include contact information (name, title, e-mail address, and phone #) for the individual who oversaw the quality of the work and authorized payment. References within the greater Chicago area preferred.
- 2 Evidence of Financial Stability to fund this project and any and all continuing services this project may require throughout the standard life cycle: i.e. Annual Report; D&B Report, Credit Reference, Letter from Bank

### Statement of Experience (not to exceed 3 pages)

- 3 How many years has your firm been in business under this name?
- 4 How many years has your firm been in business under: Any other name? Other ownership? Provide details.
- 5 How many years has the individual who will oversee 80% of our project worked in a leadership role on projects similar in scope and size? Provide: Resume and personal references from past related projects (even if associated with a different firm);
- 6 What are the roles and expectations of each staff member assigned to the project?
- 7 What is the monetary value of the work: Completed in the past 12 months? Now under contract?
- 8 What is the number of clients: Serviced in the past 12 months? Now under contract?
- 9 How do you measure and gauge performance capabilities?

### Safety Risk

- 10 Certificate of Insurance
- 11 A brief explanation of the following:
  - A time your organization failed to complete a contract
  - Bankruptcy or reorganization
  - Judgment claims or law suits against the firm: Awarded and Pending within past five (5) years

### Specific Questions

- 12 A written document attesting that consultant is not a broker and the firms business is strictly fee based business.
- 13 Description of firm's professional network consisting of colleagues, service providers, legislative resources, union representation, self-insured plans and other.
- 14 Provide a sample of a Quarterly Financial Report
- 15 Provide an example of a typical day to day approach to servicing our needs. Include:
  - Process from setting up a new employee, through annual enrollment, through post-employment.
  - How inconsistencies are addressed.
  - Your approach to problem resolution.
- 16 What other services does your firm offer that the City of St. Charles may be interested in? How would these services benefit the City of St. Charles?



**Customized Mailing Label For Sealed Solicitation**  
**Health and Welfare Benefits Management Services**  
**#1004**

- Cut along outer border and affix this mailing label to the envelope of your sealed submittal.
- Record your firm's name in the space provided.

	<b>Sealed Submittal</b> <b>Health and Welfare Benefits Management Services #1004</b>
<b>DUE: Friday, October 26, 2018</b> <b>Prior to: 4:00 PM</b>	
<b>FROM:</b>	
Firm Name	
<b>TO:</b>	
<b>Receptionist / City Hall</b>	
<b>City Of St Charles</b>	
<b>2 East Main Street</b>	
<b>St Charles, Il 60174</b>	



# St. Charles Agreement for Professional Services

## Health and Welfare Benefits Management Services

### #1004

This agreement for professional services ("**Agreement**") has been awarded on \_\_\_\_\_, 20\_\_\_\_ by City Council and is between the City of St. Charles, an Illinois home rule municipal corporation ("**City**"), located at 2 East Main Street; St. Charles, Illinois 60174 and \_\_\_\_\_ ("**Professional Service Provider**") (Inc/LLC/Co/sole proprietorship), located at \_\_\_\_\_. City and Professional Service Provider are at times collectively referred to hereinafter as the "Parties."

#### RECITALS

**Whereas**, the City issued Request for Proposal #1004 (**Solicitation**) for professional services entitled **Health and Welfare Benefits Management Services** ("**Project**");

**Whereas**, the Professional Service Provider submitted an offer (**Offer**) in response to the Solicitation and the Professional Service Provider represents that it is ready, willing and able to perform the services specified in the project;

**Whereas**, the Offer was found to meet the City's requirements as specified in the solicitation;

**Whereas**, the City awarded the Professional Service Provider the Project, in a firm, fixed monthly amount of \$\_\_\_\_\_/month payable quarterly at the end of the quarter for a 53 month term beginning May 1, 2019 and ending September 30, 2023 which is a total contract value of \$\_\_\_\_\_.

Now therefore, in consideration of the foregoing and for the mutual promises hereinafter set forth and for other good and valuable consideration, the sufficiency of which is acknowledged, the parties agree as follows to the following terms and conditions:

#### Article 1: Contract Documents

**A. Incorporated Documents.** The Contract documents consist of this Agreement and the following attached exhibits. These attachments along with this Agreement represent the entire integrated Contract between the parties and supersede any and all prior negotiations, representations or agreements, written or oral.

- a. The City's Purchase Order document, to be generated as the Work May Proceed document upon contract execution, is incorporated as the first page of this Contract and said Purchase Order Number will become the identification number for this contract and thus must be referenced on all related documents, inclusive of invoices.
- b. The City's solicitation and all related documents is attached as **Exhibit A**
- c. The Professional Service Provider's offer and all related documents is attached as **Exhibit B**
- d. Insurance Coverage for Professional Service Provider is attached as **Exhibit C**
- e. Change Order Form, which is the sole vehicle authorized to amend contract, is attached as **Exhibit D**

**B. Controlling Document.** In the event of a conflict between this Agreement and any attachment or exhibit, the provisions of this Agreement shall control.

#### Article 2: Services Contracted

- A. Scope of Services.** Professional Service Provider shall provide awarded Services in accordance with the Project Requirements stated within the City's Solicitation [**Exhibit A**], and the Offer submitted by the Professional Service Provider [**Exhibit B**].
- a. **Truthful and Accurate.** Professional Service Provider represents that such material and information furnished in connection with the Solicitation and this Contract is truthful and accurate.
  - b. **Necessary Documentation.** Professional Service Provider acknowledges that it has furnished exhibits, as listed previously, and will continue to furnish requested and necessary documentation, including but not limited to certifications, affidavits, reports and other information.
  - c. **Ownership of Project Documents.** All drawings, specifications, reports, and any other project documents prepared by the Professional Services Provider in connection with any or all of the project services shall be delivered to the City for the expressed use of the City. The Professional Services Provider does have the right to retain original documents, but shall cause to be delivered to the City such quality or documents so as to assure total reproducibility of the documents delivered. All information, worksheets, reports, design calculations, plans, and specifications shall be the sole property of the City unless otherwise specified within this negotiated Contract. The Professional Services Provider agrees that the basic survey notes and sketches, charts, computations, and other data prepared or obtained by the Professional Services Provider pursuant to the Contract will be made available, upon request, to the City without cost and without restriction or limitations as to their use. All field notes, test records, and reports shall be available to the City upon request.
- B. Status of Independent Professional Service Provider.** Both City and Professional Service Provider agree that Professional Service Provider will act as an Independent Professional Service Provider in the performance of the Project. Accordingly, the Independent Professional Service Provider shall be responsible for payment of all taxes including federal, state, and local taxes arising out of the Professional Service Provider's activities in accordance with this Contract, including by way of illustration but not limitation, federal and state income tax, social security tax, and any other taxes or license fees as may be required under the law. Professional Service Provider further acknowledges under the terms of this Contract, that it is not an agent, employee, or servant for the City for any purpose, and that it shall not hold itself out as an agent, employee, or servant of the City under any circumstance for any reason. Professional Service Provider is not in any way authorized to make any contract, agreement or promise on behalf of the City, or to create any implied obligation on behalf of City, and Professional Service Provider specifically agrees that it shall not do so. City shall have no obligation to provide any compensation or benefits to Professional Service Provider, except those specifically identified in this Contract. City shall not have the authority to control the method or manner by which Professional Service Provider complies with the terms of this Contract.

### **Article 3: Term**

- A. Term.** This Contract commences on May 1, 2019 and terminates on September 30, 2023. Alteration in termination may occur prior to completion of Project in accordance with the following conditions.
- B. Termination of Contract.** The City has the right to terminate this Contract, in whole or in part at any time. Written notice of termination is to be served by the City to the Professional Service Provider's principal or Professional Service Provider's agent personally or by certified or registered mail, return receipt requested. In the event of termination, the City shall pay the Professional Service Provider for satisfactory services performed as of the effective date of termination. The effective date of termination releases the City from any obligations under this Contract. Professional Service Provider shall deliver to the City any finished and unfinished documents, drawings, studies and reports related to the Project. All such documents, studies and reports shall become the property of the City. The City may terminate this Contract, or any portion of it, as is reasonably necessary in accordance with the following conditions:

- a. **Substitution of Key Personnel.** Should any of the key personnel identified in the offer become unavailable to work on the project; and should no temporary replacement personnel be provided within 24 hours following the commencement of the subject key personnel's unavailability; and/or should no permanent substitute personnel reasonably satisfactory to the City be provided within thirty (30) days of key personnel's unavailability; the City may, at its election, declare breach of contract and terminate the contract for non-performance.
- b. **Non-performance.** Non-adherence to the terms of this Contract and its incorporated documents on the part of the Professional Service Provider is grounds for termination of the Contract. The City will notify the Professional Service Provider in writing with a 24 hour notice specifying the effective date of termination. In the event of termination due to non-performance on the part of the Professional Service Provider, the City has the authority to contract with an alternate Professional Service Provider to complete this Contract. The Professional Service Provider shall be liable to the City for all incidental and consequential expenses incurred in procuring and securing an alternate Professional Service Provider, including any loss due to alternate Professional Service Provider compensation. The City may deduct expenses and loss, due to breach, from payment to the Professional Service Provider for services already performed. Failure to deduct expenses and losses from the City's payment to the Professional Service Provider does not relieve the Professional Service Provider from the Terms of this condition nor bar the City from seeking alternative legal remedies.
- c. **Unappropriated Funds.** If sufficient funds have not been appropriated to cover the estimated requirement of this Contract, the City may terminate this Contract. The City may terminate for unappropriated funds by serving the Professional Service Provider with a fourteen (14) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for unappropriated funds after performance by the Professional Service Provider has commenced, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for unappropriated funds constitutes full satisfaction for services rendered.
- d. **Convenience.** Termination for convenience does not necessitate a reason. The city may terminate for convenience by serving the Professional Service Provider with a seven (7) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for convenience, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for convenience constitutes full satisfaction for services rendered.
- e. **Force Majeure.** A party shall not be held liable for failure of or delay in performing its obligations under this Contract if failure of delay is a result of an event of outside force, including a natural disaster, "Act of God", act of war, act of terrorism, government sanction or strike that could not be foreseen or avoided by prudence. Once performance is delayed by this event of outside force, the non-performing party must make every reasonable attempt to minimize delay. Once performance has been delayed one-hundred and twenty (120) days, performance is considered impracticable due to impossibility, and either party may terminate this Contract.

#### **Article 4: Compensation**

- A. **Price.** The City shall pay the Professional Services Provider for Services in accordance with the amounts set forth in the Offer. [**Exhibit B**] The maximum price stated on page 1 may not be increased unless the City's Project

Manager is provided with supporting documentation to warrant a change, and if upon review and acceptance, a written change order is approved. All change orders shall be by written schedule on a City Change Order form [Exhibit D], and shall be attached as an amendment to this Contract.

- B. **Invoicing.** Professional Service Provider shall submit an itemized invoice with all supporting documentation as required by the City. Supporting documentation may include, but is not limited to: a supporting schedule of hours worked making explicit the percentage of completion of services as of the date of the invoice; receipts for travel, postage, duplication, subcontracted services; supplier's invoices to justify material mark-up; certified payroll; waivers of lien; and supplier's invoices to justify material mark-up.
- C. **Invoice Submittals.** All invoices must be submitted directly to [AccountsPayable@stcharlesil.gov](mailto:AccountsPayable@stcharlesil.gov). Invoices submitted in any other manner will result in a delay of payment to the Professional Service Provider.
- D. **Payment.** The City shall make all payments in accordance with the Illinois Local Government Prompt payment Act or Professional Service Provider's invoice, whichever is more favorable to the City.
  - a. **Schedule of Payment.** The City shall make all payments on the basis of approved invoices and supporting documents. The City shall use its best efforts to make payments within thirty (30) days after review and approval of the invoice. Each payment requires City Council's approval of the Expenditure Approval List which occurs at publicly scheduled meetings.
  - b. **Non-Payment.** All invoices must be submitted to the City within two (2) months of the Professional Service Provider's final performance on this Contract. The City shall not pay any invoices submitted in excess of two (2) months from the date of last service performed per this Contract.

#### Article 5: Duties

- A. **Consent and Approvals.** The City and the Professional Service Provider represent and warrant to each other that each has obtained all the requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Contract and its contemplated undertakings.
- B. **Insurance.** The Professional Service Provider shall, during the entire term of this Contract, maintain, at a minimum, the insurance minimums as specified in the Solicitation and under the terms stipulated In **Exhibit C**.
- C. **Standard of Performance.** Professional Service Provider warrants that the service provided, under the fully incorporated Contract, by the Professional Service Provider and any and all employees, agents, Professional Service Providers, or subcontractors is performed by individuals who are authorized under all applicable licenses and certifications, and who have completed the requisite training as required by industry standards, professional standards, manufacturers' requirements, and statute. Performance by these parties shall be with the degree, skill, care and diligence customarily required of a professional performing services of comparable scope, purpose and magnitude and in conformance with the applicable industry standards. The Professional Service Provider and its employees, agents, Professional Service Providers, or subcontractors shall perform in strict compliance with the laws and regulations of the City, State, and federal government.
- D. **Best Efforts.** The Professional Service Provider shall use its best efforts to assure timely and satisfactory rendering and completion of services under this Contract. The Professional Service Provider shall remain solely responsible for the professional and technical accuracy of all services and deliverables furnished, whether such service is rendered by the Professional Service Provider or others on its behalf including, and without limitation, subcontractors, employees, agents, manufacturers, suppliers, fabricators, and consultants. The Professional Service Provider is not to be relieved from its duty to use best efforts, pursuant to the Contract, by the City's review, approval, acceptance, or payment for any of the agreed to services. Any change to the character, form quality or extent of the Project shall be in writing on a City Change Order form [Exhibit D], and attached as an addendum to this Contract.
- E. **Non-disclosure.** The Professional Service Provider, its employees, agents, consultants, or subcontractors may have access to the City's confidential information during performance of this Contract. Confidential information includes, but is not limited to, methods, processes, formulas, compositions, systems, techniques, computer

programs, databases, research projects, resident identification and contact information, financial data, and other data. The Professional Service Provider shall not directly or indirectly use, disclose or disseminate confidential information to any third party for any purpose other than a purpose explicitly allowed for in this Contract and its integrated documents.

**F. No Duty.** The Professional Service Provider shall not imply any authority to act as an agent of the City. The Professional Service Provider's duties to the City are limited by express authorization under this Contract and by statute.

**G. Hold Harmless and Indemnification.**

- a. **Patents and Copyrights.** Professional Service Provider warrants that all products used or provided in the fulfillment of this Contract will not infringe on any United States or foreign patent. Professional Service Provider shall indemnify the City against any and all judgments, decrees, legal fees, costs and expenses resulting from such alleged infringement. Professional Service Provider will, upon request of the City and at the Professional Service Provider's own expense, defend any suit or action which may be brought against the City by reason of any alleged infringement of any patent or copyright in the sale or use of products provided to the City by the Professional Service Provider.
- b. **Loss and Liability.** The Professional Service Provider shall hereby defend and indemnify the City, its directors, agents, officers, employees, and elected officials from and against any and all liabilities, losses, claims, demands, damages, costs, fines, penalties, expenses, judgments, and settlements, including, but not limited to, reasonable attorneys' fees and costs of litigation, and any and all causes of action of any kind or character, that may be incurred as a result of bodily injury, sickness, death, or property damage or as a result of any other claim or suit arising out of or connected with, directly or indirectly, the negligent acts, errors, omissions, or intentional acts or omissions of any agent, employee, subcontractor, Professional Service Provider, or contractor hired to provide any goods or perform any services on behalf of the Professional Service Provider.

**Article 6: Policies**

**A. Illinois Freedom of Information Act.** The Professional Service Provider acknowledges the requirements of the Illinois Freedom of Information Act (FOIA). Professional Service Provider agrees to comply with all requests made by the City for public records (as defined in FOIA § 2(c)) in the undersigned's possession and/or their subcontractors/suppliers possession.

- a. **Timeliness.** The Professional Service Provider shall provide the requested public records to the City within two (2) business days of the City's request.
- b. **Free of Charge.** The Professional Service Provider agrees not to apply any costs or charge any fees to the City for the procurement of the requested records pursuant to a FOIA request.
- c. **Hold Harmless.** Should the Professional Service Provider deny the City's request unlawfully or request that the City utilize a lawful exemption available under FOIA, Professional Service Provider agrees to pay any and all costs connected with the defense of the Professional Service Provider's denial. All costs include reasonable attorney and witness fees, filing fees and other expenses related to the defense of a complaint. The Professional Service Provider agrees to indemnify the City against any and all claims, costs, penalties, losses and injuries arising out of or relating to its failure to provide the requested public records to the City under this Contract.

**B. Discrimination Prohibited.**

- a. **Equal Employment Opportunity.** Professional Service Provider shall comply with all rules and regulations pertaining to public contracts adopted by the State and the City. The City is an equal opportunity employer.
- b. **ADA.** Professional Service Provider shall be in compliance with current applicable regulations of the Americans with Disabilities Act.

## Article 7: Changes to Contract

- A. Changes and Alterations.** Any changes or alterations to this Project affecting, inclusive of but not limited to: scope, cost, terms, milestones, deadlines or other significant factors shall be integrated in writing on a City of St. Charles Change Order form. [Exhibit D]
- B. Extension or Renewal of Contract.** The City at its option may extend this Contract for an additional to be determined term if the Professional Service Provider either reduces his price, or holds firm to the proposal prices, conditions and specifications.
- C. Assignment.** Professional Service Provider shall not assign, transfer, or subcontract this Contract, in whole or in part, without prior written consent of the City.
- D. Notification.** All notification under this Contract shall be made as follows:
- a. **If to the City**  
City of St. Charles  
Attn: Procurement Division Manager  
2 East Main Street  
St. Charles, IL 60174  
Fax: 630.377.4487  
Email: Procurement@stcharlesil.gov  
Phone: 630.762.6936
  - b. **If to the Professional Service Provider**  
**With electronic copies to**  
Procurement Division Manager: Procurement@stcharlesil.gov  
Project Manager : Lynn Creedon, SPHR, CBP, SHRM-SCP Human Resources Benefits Coordinator

## Article 8: Applicability

- A. Other Entity Use.** The Professional Service Provider may, upon mutual agreement with any municipality or governmental unit, permit that unit to participate in this Contract for substantially similar consulting services under the same or more favorable price, terms and conditions.
- B. Waiver.** Any failure of either the City or the Professional Service Provider to strictly enforce any terms, right, or condition of this Contract, whether implied or expressed, shall not be construed as a waiver of such term right or condition.
- C. Severability.** If any provision of this Professional Service Provider is held to be illegal, invalid, or unenforceable, such provision shall be fully severable, and this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof; the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as part of this Contract, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and legal, valid and enforceable.
- D. Governing Jurisdiction.** The parties agree that any disputes, disagreements, or litigation arising from this Contract, between or amongst them, will be heard and resolved exclusively in the courts of the 16<sup>th</sup> Judicial Circuit, Kane County, Illinois.
- E. Governing Law.** The parties agree that the laws of the State of Illinois govern this Contract.

In Witness Whereof, the parties have entered into this Contract upon the latter of the date accepted and signed by the City and the date accepted and signed by the Professional Service Provider.

**For: City of St. Charles**

By: \_\_\_\_\_  
Mark Koenan; City Administrator

ATTEST \_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_  
Joan M. Schouten; Procurement Division Manager

**For: Professional Service Provider**

***If an Individual or sole proprietorship***

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

***If a Partnership***

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Partner

***If a Corporation***

By: \_\_\_\_\_  
Signature of person authorized to sign

\_\_\_\_\_  
Title

ATTEST \_\_\_\_\_

***If an LLC***

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

DATE \_\_\_\_\_



## Insurance Requirements for Professional Services

### Health and Welfare Benefits Management Services #1004

Exhibit C page 1

Prior to commencement of Professional Services governed by contract between the City of St. Charles (**City**) and the Professional Service Provider (**Insured**), the Professional Service Provider and each of its subcontractors, consultants and agents hired to provide the services for the Project, shall provide the City with satisfactory evidence of insurance coverage.

1. At Insured's expense, Insured shall hereby secure and maintain project insurance of the following kinds and limits set forth to protect the City from and against any and all damages, claims, lawsuits and losses which may occur or arise out of the Insured's work on behalf of the City. The project Insurance shall remain in effect throughout the duration of the entire Contract.
2. Insured shall furnish Certificates of Insurance, Endorsements, and Waiver of Subrogation to the City, inclusive of the Additional Insureds, with its submittal of signed contract.
  - a. Worker's Compensation and General Liability Waiver of Subrogation in favor of the City.
3. All insurance policies must be written with insurance companies approved by the City, licensed to do business in the State of Illinois, and have a rating of not less than A- VI, according to the latest edition of the A.M. Best Company.
4. The City may inspect any and all policies of insurance at any time. If requested, Insured will give the City a copy of the insurance policies. The policies must be delivered to the City within two (2) business days of the request.
5. Insured agrees to obtain and maintain an insurance policy, including coverage with limits not less than those exhibited on the following page (or greater if required by law):
  - a. All Commercial General Liability policies must include Blanket Contractual coverage and Broad Form Vendor's Liability coverage.
  - b. Contractual and other Liability Insurance provided under this Contract shall not contain a supervision inspection or engineering services exclusion that would preclude the city from supervising or inspecting the project to the end result. The Professional Service Provider shall assume all on-the-job responsibilities as to the control of persons directly employed by it.
6. The City reserves the right to increase the aforementioned limits of Liability Insurance required of insured depending on, but not limited to: the size and scope of the particular project, or the level of financial exposure, or operational risk to the City.
7. Insured shall include the City as a primary, non-contributory additional named insured on both the General and Auto Liability Insurance policies and reflect the same language on its Certificate of Insurance provided to the City.
  - a. Additional Insured and Broad Form Vendors' Liability in favor of the City.

If Insured fails to comply with the insurance requirements contained herein, all the City's obligations under the Agreements will terminate.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED <b>Sample</b>	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A:	
	INSURER B:	
	INSURER C:	
INSURER D:		
INSURER E:		
INSURER F:		

**COVERAGES**

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
X	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	Policy Number	eff date	exp date	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
X	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X		Policy Number	eff date	exp date	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
X	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			Policy Number	eff date	exp date	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	X	Policy Number	eff date	exp date	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
	Professional Liability				eff date	exp date	Limit: \$1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Re: Project Name, Project Number  
 The City of St. Charles and any official, trustee, director, officer or employee of the City (plus holder or mortgagee as designated by the City), are added as Additional Insureds, when required by written contract, on the General Liability and Auto Liability on a primary and non-contributory basis with respect to operations performed by the Named Insured in connection with this project. A Waiver of Subrogation in favor of the Additional Insureds applies to the Workers' Compensation and General Liability policies, when required by written contract and where allowed by law. The General Liability policy shall not contain exclusions for bodily injury or property damage arising out of Explosion Hazard, Collapse Hazard, or Underground Hazard work. The Umbrella must follow form over the underlying liability with regards to coverage terms and conditions, Additional Insured, and Waiver of Subrogation.

**CERTIFICATE HOLDER****CANCELLATION**

City of St. Charles 2 E. Main St. St. Charles, IL 60174	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <div style="text-align: right; font-size: 1.2em;">Signature</div>
---	--

© 1988-2015 ACORD CORPORATION. All rights reserved.



**Change Order** Contract/PO # \_\_\_\_\_ Amendment # \_\_\_\_\_

**Health and Welfare Benefits Management Services #1004**

**Exhibit D**

This document is incorporated into the above contract as an amendment to the Contract between the City and the Contractor/Professional Service Provider commencing on the date the last party signs this document. Any change to the character, form, quality, extent, or cost of the Service/Project shall be in writing and approved on this form.

**1. This Change Order is required due to** (check all that apply):

- Changed / Unforeseen Condition
- Change in Scope
- \_\_\_\_\_
- Errors and Omissions
- Renewal / Extension of Services

**2. The effect of this change is** (check all that apply):

- Total Cost is increased by \$ \_\_\_\_\_
- Material is increased by \$ \_\_\_\_\_
- Emergency Change, not to exceed \$ \_\_\_\_\_
- \_\_\_\_\_
- Extension of \_\_\_\_\_ (calendar / work) days
- Extension of Completion Date from \_\_\_\_\_ to \_\_\_\_\_

**3. Attachments Supporting Change Order** (check all that apply)

- Contractor's Proposal
- Description of Change (include Drawing if applicable)
- other: \_\_\_\_\_

Change in Price		Change in Completion (days / calendar date)	
Original Price <i>(reference Agreement cover page)</i>	\$ _____	<b>a</b>	Original: #days until completion / calendar date for completion <i>(reference date of Work May Proceed)</i> _____
Current Price resulting from Prior Change Orders <i>(reference prior Change Order line d)</i>	\$ _____	<b>b</b>	Current Completion resulting from Prior Change Orders: <i>(reference prior Change Order line d)</i> _____
Net Increase/decrease of this Change Order <i>(reference above #2)</i>	\$ _____	<b>c</b>	Net increase/decrease of days for this Change Order <i>(reference above #2)</i> _____
New Price inclusive of this Change Order* <i>d=(b+c)</i>	\$ _____	<b>d</b>	New Time of Completion inclusive of this Change Order <i>d=(b+c)</i> _____
Cumulative Price change since execution* <i>e=(d-a)</i>	\$ _____	<b>e</b>	Cumulative Time of completion since execution (expressed as total days)** <i>e=(d-a)</i> _____
*if the total price (d) exceeds \$25,000, and has not been approved by council, council approval is required. *If the cumulative price change (e) exceeds \$25,000, or exceeds an approved contingency, council approval is required.		**if the cumulative change in days of completion exceeds the contracted dates for completion, are Liquidated Damages applicable? <b>Yes or No</b>	

All parties hereby acknowledge and agree this Change Order is inclusive of all known changes to scope, compensation and work schedule on behalf of the undersigned and Contractor's supplier, subcontractor, consultant, and agent necessary to complete the Project/Service. All parties hereby acknowledge that this Change Order is incorporated into the previously executed Contract by the signature of the parties below.

City Project Manager \_\_\_\_\_ date \_\_\_\_\_

City Administrator \_\_\_\_\_ date \_\_\_\_\_

Contractor/Professional Service Provider \_\_\_\_\_ date \_\_\_\_\_

For Office Use Only



## Response to Questions

# Health and Welfare Benefits Management Services #1004

1. **RE:** Service Provider Requirements question 7, “What is the monetary value of the work: completed in the past 12 months? Now under contract?”

**QUESTION:** Are you asking, what is the total revenue associated with all project work or brokerage fees/commissions received in the last 12 months throughout the entire organization or strictly the team that would be servicing the City? As well as current expected future revenue from all active contracts (again for the entire organization or strictly the City’s anticipated service team)? If something else entirely, please explain what you are looking for here.

**ANSWER:** “What is the monetary value of the firm’s work: completed in the past 12 months? Now under contract?”

2. **RE:** Service Provider Requirements question 8, “What is the number of clients: serviced in the past 12 months? Now under contract?”

**QUESTION:** Are you looking for the total number of clients serviced in the last 12 months throughout the entire organization or strictly the team that would be servicing the City? As well as a count of clients currently under contract throughout the entire organization or simply with the team who would be managing the City’s account? If something else entirely, please explain what you are looking for here.

**ANSWER:** “What is the number of clients in your firm: serviced in the past 12 months? Now under contract?”

3. **RE:** In regards to the submission process please let me know if you see any differences between my submission outline (below) and what is expected by the City. I want to make sure I am following your submission policy precisely.

**QUESTION:** \_\_\_\_\_ will provide two original hard copies of the RFP on 8.5 by 11 paper which is not bound or utilizing things like tabs. 1 hard copy shall be submitted in a sealed envelope and identified with the enclosed label for the Project Manager. Another hard copy shall be submitted in a sealed envelope and identified with the enclosed label for the Procurement team. Lastly a digital (USB) copy of the RFP will be submitted in a sealed envelope for procurement and identified with the solicitation # and project name. All RFP submissions will be delivered in person. Please let me know if I missed anything.

**CLARIFICATION:**

- 6) Submit **all of the below in one** sealed envelope identified with the enclosed label:
- i. 1 original for Procurement
  - ii. 1 original for Project Manager
  - iii. 1 file copy via USB Flashdrive for Procurement identified with solicitation # and project name.
  - iv. If your proposal includes confidential information as defined by FOIA (5 ILCS 140/7) (From Ch. 116, par. 207) Sec. 7 provide
    1. 1 redacted original identified as REDACTED ORIGINAL
    2. 1 file copy on the same above USB Flashdrive, identifying file as REDACTED ORIGINAL

**CLARIFICATION:** Sealed Submittals may be delivered via mail, messenger, in person or any other means. They must be received any time prior to the due date and time.

4. **RE:** Your current vision plan



## Response to Questions

# Health and Welfare Benefits Management Services #1004

**QUESTION:** Can you please send me the following?

- 1.) Current plan benefit summary.
- 2.) Current/renewal rates.
- 3.) Is this plan voluntary or does the group pay for a portion of the vision premium?
- 4.) Census with zip codes for employees (not necessary, but if you have it please send it along).

**ANSWER:** Your questions are not applicable to this solicitation. The city is soliciting proposals from insurance consultants to provide consulting services. The successful consultant will review current plans and make recommendations.

5. **QUESTION:** Why are the services out to bid at this time?

**ANSWER:** The current service provider's contract will expire and the City Council requested we go out to bid.

6. **QUESTION:** Please provide a breakdown of the premium and contribution rates by line of coverage.

**ANSWER:** The city does not view sharing this amount of detailed information as necessary for responding to this RFP. If your firm believes this breakdown is prudent, please prepare your proposal based on stated assumptions based on other cities of similar size and scope. Include an explanation (formula or narrative) explaining how proposed numbers would change once this detailed breakdown is provided. The successful consultant will be able to review current plans and make recommendations.

7. **QUESTION:** Are the dental plan and the vision plan fully insured or self-insured?

**ANSWER:** The dental plan is self-insured. The vision plan is fully insured.

8. **QUESTION:** Does the City have any retirees covered under its medical plans?

**ANSWER:** Yes, retirees are on our medical, dental and vision plans.

9. **QUESTION:** Please describe the City's current wellness program(s)/initiatives, including whether the City administers the program(s) internally or uses an external vendor.

**ANSWER:** We offer a full spectrum of wellness programs that incorporate the employee's physical, nutritional, financial, and emotional well-being. We administer these programs internally.

10. **QUESTION:** Does the City have an established set of other organizations against which it benchmarks the health plan? When was the last time a benchmark analysis was conducted?

**ANSWER:** We look at national as well as local benchmark data. We are currently surveying comparable communities to gather this information to use as a benchmark.

11. **RE: Question 7 of Service Provider Requirements**

**QUESTION:** What is meant by value of the work completed in the past 12 months? Is this specifically for the work we --- have done for CSC in the last 12 months? And then for "now under contract", are you looking for the current 1 year contract value with --- from 5/1/18 – 4/30/19?

**ANSWER:** "What is the monetary value of the firm's work: completed in the past 12 months? Now under contract?"



## Response to Questions

# Health and Welfare Benefits Management Services #1004

12. **RE: Question 8 of Service Provider Requirements**

**QUESTION:** For the number of clients serviced in the last 12 months, is this across all of---? Or just in the Midwest? We have clients in every state.

**ANSWER:** see response for #11

13. **RE: Question 12 of Service Provider Requirements**

**QUESTION:** ---has business that is fee based, commission based, as well as other types of compensation arrangements. As the current vendor, may we answer specifically to the current arrangement with the City?

**ANSWER: No**

14. **RE: the Response Price Proposal Page**

**QUESTION:** Is the question regarding the projected number of hours to service account required? We currently do not track hours and will not bill for hours that may go above any type of estimate as long as services provided are in scope.

**ANSWER: Yes**

# City of St. Charles

Response to Request for Proposal for  
Health & Welfare Benefits Management Services

Group Employee Benefits

Friday October 26<sup>th</sup>, 2018

4:00 P.M.



## Gallagher

Insurance | Risk Management | Consulting

### Melissa Ginter

Area Senior Vice President  
Gallagher Benefit Services, Inc.  
Public Entity Division  
2850 Golf Road | Rolling  
Meadows, IL 60143  
[Melissa\\_Ginter@ajg.com](mailto:Melissa_Ginter@ajg.com)  
630.694.5101

### Tyler Feeney

Client Development  
Gallagher Benefit Services, Inc.  
Public Entity Division  
2850 Golf Road | Rolling  
Meadows, IL 60143  
[Tyler\\_Feeney@ajg.com](mailto:Tyler_Feeney@ajg.com)  
630.694.5455

# Table of Contents

Response Cover Page.....	3
Signature Page.....	4
Response Price Proposal Page.....	5
Certification of Compliance.....	6
Service Provider Requirements.....	7
Gallagher Cover Letter.....	11
Company Overview.....	12
Scope of Services.....	13
Employee Benefits Consulting.....	14
Strategy & Design.....	15
Financials & Analytics.....	16
Plan Management & Administration.....	17
Compliance.....	18
Communication & Education.....	19
Wellbeing & Engagement.....	20
The IPBC.....	21
References.....	26
The Team.....	27
Project Schedule.....	28
Conclusion.....	29
Appendix.....	30



# Response Cover Page

This is page #1 of your response.

## Health and Welfare Benefits Management Services #1004

Based on Addendum # \_\_\_\_\_

Proposal Prepared By:		Contacts:	
Firm Name	Gallagher	<b>Operations</b>	
DBA	Gallagher Benefit Services	Contact Name	Joyce Janu
Address	2850 Golf Road	Contact Phone #	630.694.5084
		Contact E-mail	<a href="mailto:Joyce_Janu@ajg.com">Joyce_Janu@ajg.com</a>
City, St, Zip	Rolling Meadows, IL 60008	<b>Sales</b>	
Signature	<i>Tyler Feeney</i>	Contact Name	Tyler Feeney
Print Name	Tyler Feeney	Contact Phone #	630.694.5455
Position	Client Development	Contact E-mail	<a href="mailto:Tyler_Feeney@ajg.com">Tyler_Feeney@ajg.com</a>
Phone #	630.694.5455	<b>Billing</b>	
Fax #	N/A	Contact Name	Vicki Correa
E-mail Address	<a href="mailto:Tyler_Feeney@ajg.com">Tyler_Feeney@ajg.com</a>	Contact Phone #	630.285.4213
		Contact E-mail	<a href="mailto:Vicki_Correa@ajg.com">Vicki_Correa@ajg.com</a>

This business is (check one)  An Individual  A Partnership  A Corporation  An LLC

**Exceptions: (Check one)**

- This proposal meets and accepts all requirements, Specifications, Terms and Conditions, and Contract Language
- We Herby take the following Exceptions to the Requirements, Specifications, Terms and Conditions, and Contract Language



# Signature Page

This is page #2 of your response.

## Health and Welfare Benefits Management Services #1004

Based on Addendum # \_\_\_\_\_

*If an Individual or sole proprietorship*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

*If a Partnership*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Partner

*If a Corporation*

By: Moni  
Signature

Area Senior Vice President  
Title

ATTEST Tyler King

*If an LLC*

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

DATE 10/25/18



## Response Price Proposal Page

This is page #3 of your response.

### Health and Welfare Benefits Management Services #1004

Based on Addendum # \_\_\_\_\_

A onetime Start-Up fee applicable to the implementation costs of services \$0.00

A firm, fixed fee for each month of service =

\$4,375.00/month x 53 months = \$231,875 total contracted services.

A onetime Transition fee applicable at the end of the contract \$ 0.00

Grand Total for Contracted Services \$231,875

Projected number of hours to service this account each month = 60/hours per month

Time to respond to an e-mail or phone message = Maximum of 24 hours

To facilitate possible Change Orders, provide an hourly rate for services: \$0.00/hour

We will accept payment via City of St. Charles credit card.  Yes  No

We will allow a discount of 0% if payment is received within X days of invoice.



# Certification of Compliance

This is page #4 of your response.

## Health and Welfare Benefits Management Services #1004

- (A) The undersigned certifies that, pursuant to the **Equal Opportunity Employer** provisions of Section 2000(e) of Chapter 21, Title 42 of the United States Code and Federal Executive Order No. 11246 as amended by Executive Order No. 11375, the bidder is compliant with all Equal Employment Opportunity Commission ("EEOC") requirements.
- (B) The undersigned certifies that, pursuant to the **Illinois Human Rights Act** provisions of Section 775 ILCS 5/2-105, the bidder complies with and certifies that it is in compliance with all equal employment practice requirements contained therein, and that it has adopted a written sexual harassment policy that meets the minimum requirements.
- (C) The undersigned certifies that, pursuant to the **State of Illinois Law** provisions of Section 720 ILCS 5/33E prohibiting Bid-rigging or Bid-rotating, the bidder is not barred from bidding on this project, or entering into a contract for this project.
- (D) The undersigned certifies that, pursuant to the **Illinois Department of Revenue Tax Laws** provisions of Section 65 ILCS 5/11-42.1-1, the bidder is not barred from doing business with any unit of local government in the State of Illinois as a result of a delinquency in payment of any taxes unless the bidder is contesting, in accordance with the procedures established by the appropriate statute, its liability for the tax or the amount of the tax.
- (E) The undersigned certifies that, pursuant to the **Illinois Drug Free Workplace Act** provisions of Section 30 ILCS 580/3, the bidder deposes states and certifies that it will provide a drug free workplace, inclusive of all satellite locations as well as the City of St. Charles sites.
- (F) The undersigned certifies that, pursuant to the **Illinois Prevailing Wage Act** provisions of Section 820 ILCS 130/0.01 et seq, the bidder, when required, is in compliance with all requirements of, including provisions as to wages, medical and hospitalization insurance and retirement benefits for those trades covered in the Act. Pursuant to **Illinois Public Act** provisions of Section 94-0515 and all provisions of the **Employee Classification Act**, provisions of Section 820 ILCS 185/1 et seq., said bidder agrees to submit certified payroll records as required.
- (G) The undersigned certifies that, pursuant to the **Employment of Illinois Workers on Public Works Act** provisions of Section 30 ILCS 570/0.01, et seq., the bidder is in compliance with all requirements. Furthermore, the bidder certifies that it will demonstrate a good faith effort toward providing equal employment opportunities for City of St. Charles residents to work as crafts persons, consistent with the racial, ethnic, and gender demographics of the City's labor force.
- (H) The undersigned certifies that, pursuant to the **National Security/USA Patriot Act** as defined in Presidential Executive Order 13224, the bidder and all affiliated parties, are not working for or with, nor acting on behalf of, a Specially Designated National and Blocked Person.
- (I) The undersigned certifies that they have not colluded with or participated in any **unethical practices** with any person, firm or employee of the City of St Charles which would in any way be construed as an unethical business practice.

### Check One:

- There are no conflicts of interest** and in the event that a conflict of interest is identified anytime during the duration of this award, or reasonable time thereafter, you, your firm or your firm's ownership, management or staff will immediately notify the City of St. Charles in writing.
- There is an affiliation or business relationship** between you, your management or staff, your firm or your firm's ownership, and an employee, officer or elected official of the City of St. Charles who makes recommendations to the City of St. Charles with respect to expenditures of money, employment, and elected or appointed positions. Provide on a separate letter included with your response any and all affiliations or business relationships that might cause a conflict of interest or any potential conflict of interest. Include the name of each City of St Charles affiliate with whom you, your firm or your firm's ownership, management or staff has an affiliation or a

Company Name Gallagher Signature [Signature] Date 10/25/18



## Service Provider Requirements

This, and the attached answers, is page #5 of your response.

# Health and Welfare Benefits Management Services #1004

### Experience and Capabilities

1. Experience as evidenced by a listing of references from similar projects in size and scope within the last five (5) years. Include contact information (name, title, e-mail address, and phone #) for the individual who oversaw the quality of the work and authorized payment. References within the greater Chicago area preferred.

Please refer to the section titled, References, on page #26.

2. Evidence of Financial Stability to fund this project and any and all continuing services this project may require throughout the standard life cycle: i.e. Annual Report; D&B Report, Credit Reference, Letter from Bank. Please see below for the last three published Gallagher Annual Reports which contain Gallagher's audited financial data:

*2016 Annual Report*

<http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjY0MDUwfENoaWxkSUQ9MzcxNzQyfFR5cGU9MQ==&t=1>

*2015 Annual Report*

[http://media.corporate-ir.net/media\\_files/IROL/10/104111/2015Annual-Report/index.html](http://media.corporate-ir.net/media_files/IROL/10/104111/2015Annual-Report/index.html)

*2014 Annual Report*

[http://media.corporate-ir.net/media\\_files/IROL/10/104111/2014-ar/index.html](http://media.corporate-ir.net/media_files/IROL/10/104111/2014-ar/index.html)

### Statement of Experience (not to exceed 3 pages)

3. How many years has your firm been in business under this name?  
Gallagher has been in business under its original name since the firm's foundation in 1927.
4. How many years has your firm been in business under: Any other name? Other ownership? Provide details.  
Please refer to question #3.
5. How many Years has the individual who will oversee 80% of our project worked in a leadership role on projects of similar scope and size? Provide: Resume and personal references from past related projects (even if associated with a different firm);  
Joyce Janu, Area Vice President, and service team manager for the Government Entity Service Team has over 30 years of experience assisting organizations with their health and welfare programs. All of the references listed on page # are Joyce's clients. Both her Resume & Biography can also be found in the appendix.
6. What are the roles and expectations of each staff member assigned to the project?  
Please refer to the section titled, The Team, on page #27.

7 | City of St. Charles

©2018 Arthur J. Gallagher & Co. All rights reserved

7. What is the monetary value of the work: Completed in the past 12 months? Now under contract?  
Gallagher is one of the world's largest insurance brokers and risk management services firms. As of 10/1/18, Gallagher had approximately \$5 billion in total brokerage and risk management segment revenues. Employee benefits services and solutions provided by Gallagher Benefit Services, a subsidiary of Gallagher accounted for 25% of Gallagher's brokerage revenues.
8. What is the number of clients: Serviced in the past 12 months? Now under contract?  
Gallagher's clients number in the tens of thousands.
9. How do you measure and gauge performance capabilities.  
Gallagher sends out a client satisfaction survey to its local government clients on an annual basis. This is an opportunity for our clients to provide feedback to their service teams and Gallagher as a whole. We then utilize those responses to measure and gauge performance as well as determine, if applicable, areas where there may be room for improvement.

### Safety Risk

10. Certificate of Insurance  
Please see appendix item, Certificate of Insurance.
11. A brief explanation of the following:
  - A time your organization failed to complete a contract  
Our data show's no record of our local government team failing to meet a contract.
  - Bankruptcy or reorganization  
Gallagher has never filed for Bankruptcy or reorganization.
  - Judgement claims or lawsuits against the firm: Awarded or Pending within past (5) years  
Gallagher and its affiliates may be involved in multiple court actions at any given time proportionate for a broker of its size and profile. It is not feasible to efficiently provide detailed information on all lawsuits against Gallagher as requested, or necessary in evaluating our company since this is the nature of the insurance brokerage business. Gallagher also considers these matters confidential. Any material items are noted in reports to the SEC, which are available under "SEC Filings" at [investor.ajg.com](http://investor.ajg.com).

### Specific Question

12. A written document attesting that consultant is not a broker and the firms business is strictly fee based business.  
In the case of The City we would operate under a strictly fee basis and provide The City with a consulting agreement. Then for every year moving forward we would provide a compensation disclosure addressing the fact that we would not be receiving commission on any of the covered lines or policies attributed to The City.

13. Description of firm's professional network consisting of colleagues, service providers, legislative resources, union representation, self-insured plans and other.  
Gallagher as a whole consists of over 27,000+ employees (colleagues) and partners with the leading service providers and carriers. Additionally, we have 28 compliance lawyers on staff to manage all of your legal counsel needs. Furthermore, our local government service team has ample experience and expertise around both self-insured and full-insured plans as well as ample experience working with Unions. For example, we have over 500 local government client's right here in IL, more than half of whom have active unions.
14. Provide a sample of a Quarterly Financial Report.  
Gallagher provides its clients, a Member Dashboard, every month which includes the end of each quarter. This Dashboard showcases things like loss ratios and terminal reserve balances (if self-funded). Please see an IPBC client example Member Dashboard in the appendix.
15. Provide an example of a typical day approach to servicing our needs. Include:
- Process from setting up a new employee, through annual enrollment, through post-employment.  
First and foremost our team would ensure that all employees are enrolled in the appropriate coverages, plans, and tiers in a timely manner well in advance of the effective date of coverage. As well as managing any ongoing day to day concerns and claims disputes.
  - How inconsistencies are addressed.  
Inconsistencies are addressed by determining the correct information and adjusting the eligibility system accordingly. Additionally, by ordering a report from BCBS (3993 report) after open enrollment is complete to verify that any changes were made correctly.
  - Your approach to problem resolution.  
We typically encourage employees when they have a concern to take it to The City's Human Resources department. If it's a question that HR cannot answer the HR team can then bring Gallagher into the mix to address the situation. The purpose for this structure is to prevent employees from contacting us with questions that more HR focused rather than health and welfare insurance related which can quickly become burdensome to the service team and reduce the time available to provide critical services for the City.

16. What other services does your firm offer that the City of St. Charles may be interested in? How would these services benefit the City of St. Charles?

Due to the size and scope of Gallagher's services we can provide consultation on almost any insurance or benefit related matter. Gallagher will function as an extension of the City's HR team and ensure that the City is truly seen as an employer of choice.

One area that we feel would be of particular interest to the City is our compliance expertise. Gallagher will work with The City on all areas of compliance related to Health & Welfare, Benefits, ACA, and more. Due to the size and expertise within our organization our team has the resources to provide thorough recommendations and consultation on nearly any subject matter. Our property and liability division can even provide insights on the other side of your insurance if requested. Gallagher provides all of its clients with newsletters and compliance briefings anytime there is a notable update in legislature or any other compliance related matter. Gallagher takes complex matters of law and compliance and creates a simplified and more digestible summary for our clients. Additional consultation is available if further clarification is needed. There are no additional expenses associate with these services.



# Gallagher Cover Letter

City Hall  
City of St. Charles  
2 East Main Street  
St. Charles, IL 60174

Re: Health & Welfare Benefits Management Services

To Whom It May Concern,

Arthur J. Gallagher & Co. (hereafter "Gallagher") appreciates the opportunity to submit a proposal for Benefits Consulting Services to The City of St. Charles (hereafter "The City"). We believe that you will find our proposal will assist The City by providing strategic planning and cost containment consulting and support your team in all aspects of your employee benefit program. We are confident you will find that Gallagher has the experience, integrity, resources and innovative people necessary to meet your benefit needs as addressed in our proposal. We agree to accept all terms, conditions and requirements contained in the RFP. We do not foresee any areas of possible, "conflict of interest," with City officials and employees.

We understand that selecting a trustworthy employee benefit consultant is critical to the success of The City; after all we're charged with helping you design programs to attract and retain high-quality staff while operating under specific budget parameters. We are prepared to manage each program uniquely, while working with The City to explore opportunities for program synergies. Your Gallagher team has experience working with Municipalities similar to The City on Health & Welfare. The synergy of Gallagher's Health & Welfare teams will generate a successful Total Rewards approach to employee benefits for The City.

Gallagher's Commitment to The City of St. Charles:

- Dedicated local team in Rolling Meadows, IL
- Recognized leader in Benefits consulting for Public Entity clients
- Proprietary in-house data analytics services to help control costs
- State of the art communications tools to engage employees and further reduce costs

Should you have any questions regarding our proposal, please contact Tyler Feeney directly at 630.694.5455, or via email at [Tyler\\_Feeney@ajg.com](mailto:Tyler_Feeney@ajg.com). We are excited about the opportunity to partner with The City.

Sincerely,



Melissa Ginter  
Area Senior Vice President



Tyler Feeney  
Client Development

**\*The above signatures acknowledge all addendums\***

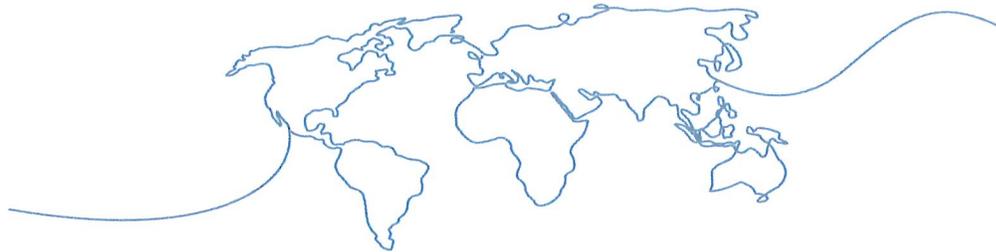
11 | City of St. Charles

©2018 Arthur J. Gallagher & Co. All rights reserved

# Company Overview

## What We're About

- Founded in 1927
- 26,000+ Employees
- 710+ offices worldwide
- Headquartered in Rolling Meadows, IL
- Operations in 30 countries and client services capabilities in more than 140
- One of the world's largest insurance brokerages



## Company Philosophy, Mission and Values:

- Build the best benefit services practice with brokers and consultants who understand the value of building relationships and trust, and creating experiences and results that inspire our clients' confidence
- Provide superior, cost-effective benefit products and services that meet the ever-changing needs of The City, while striving for the highest professional excellence in the delivery of those solutions
- Measurably help organizations manage and grow through our benefit services expertise and counsel

Gallagher will accomplish this mission with the kind of leadership that maintains our philosophy and continues to strengthen our company culture. We will honor the moral and ethical standards that are inherent to building trust in all relationships, and clients' confidence in our ability to create and maintain a Gallagher team that is the very best at what we do.

## The Gallagher Way

The Gallagher Way is a one-page document, written by our former Chairman and CEO Robert E. Gallagher, which defines the Gallagher culture. It describes the principles, behaviors and beliefs that have produced great work – and great working relationships – at Gallagher since the company was founded. These 25 shared values guide business conduct for each of us as individuals, and all of us as a team. You'll find them listed on our website, below is one of our favorites:

**“We run to problems—not away from them.”** -Tenet #20

# Scope of Services (Capabilities)

# Employee Benefits Consulting

Gallagher offers an array of solutions to help you achieve a holistic approach to employee benefits. Throughout this proposal, we will walk through those solutions, which are listed in the diagram below. Together, these solutions support every aspect on the employee benefits spectrum. This Holistic Approach will help us attain our key priorities of:

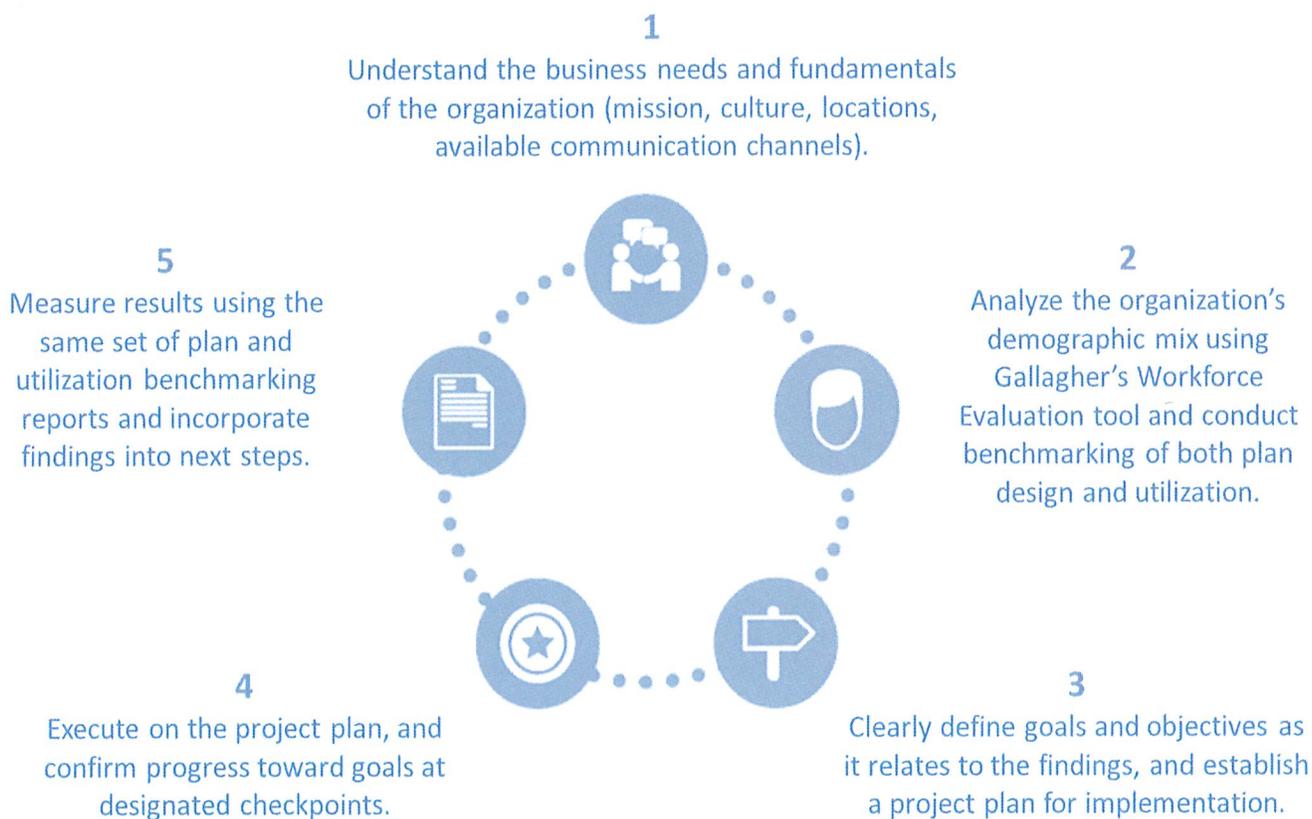
- ✓ Plan modification recommendations to maximize benefit spending for greatest value on annual basis.
- ✓ Provide innovative and creative ideas to improve benefits for The City's employees.
- ✓ Provide customer support for benefit plans.
- ✓ Identify gaps in coverage and recommend changes.
- ✓ Attend open enrollment meeting and assist in the education of employees about their benefits.
- ✓ Prepare annual comparative studies using benchmarking data to show the City's healthcare costs vs. normative data.
- ✓ Represent The City in all negotiations with vendors.
- ✓ Recommend cost containment strategies.
- ✓ Evaluate current medical plan offerings and design flexible option plans for The City employees based around a target monthly price point.
- ✓ Solicit dental and vision coverage vendors for inclusion in The City health plan.
- ✓ Evaluate and market stop-loss coverage.



# Strategy & Design

According to our 2016 National Benchmarking Survey, only 40% of employers can say that they are confident that they have an effective strategy to manage healthcare costs in their organization. Focusing first on Strategy and Design creates for a good foundation when it comes to a new client engagement. As such, the development of a client service plan is a cornerstone of our service philosophy. We will work with The City to develop a multi-year strategy which will serve as the guiding document for the health and welfare programs. This will ensure your employee benefit programs are in sync with your short and long-term organizational objectives. Your Gallagher consulting team will review, analyze and make appropriate recommendations in terms of competitiveness, cost-effectiveness, and benefits philosophy as they relate to the strategic plan.

Your Gallagher team will always begin with your needs in mind. We will work with The City to fully understand your employee benefit strategies and priorities, including cost containment, employee satisfaction and engagement, industry competitiveness, your benefits philosophy and other concerns. If you're interested in controlling costs with new concepts, ideas, and trends in health plans, we'll help you explore your options. To do this, we propose applying the following five steps as a framework for developing an employee benefits strategy:



# Financials & Analytics

**Data drives decisions.** Gallagher is ready to provide The City with thorough financial and analytic support. Below is an overview of our financial capabilities and reporting.

## Capabilities



### Trend Reduction

*Cost Driver Analysis*  
*Trend Management*  
*Risk Reduction*



### Vendor Management

*Renewal Negotiations*  
*Vendor Selection*  
*Marketing*



### Program Financing

*Underwriting Strategies*  
*Funding Alternatives*  
*Risk Sensitivity*



### Stop Loss Services

*Modeling*  
*Actuarial Support*  
*Monthly Documentation*  
*Policy/Contract Review*



### Forecasting and Budget

*Fully-insured Equivalent Rates & Contribution Modeling*  
*Budgeting*  
*Plan Change Pricing*  
*Contribution Modeling*



### Healthcare Analytics

*Data Warehousing*  
*Actuarial Consulting*  
*PBM Support*  
*Audit Services*

## Reporting

Below are the list of available reports. We will select the reports applicable to The City.

- **Quarterly Reports:** Summary of Plan Costs, Analysis of Actual vs. Budget, Identification of Employee Contributions, Tracking of Large Claims, Comparison of Claims to Aggregate Stop Loss, Identification of Plan Costs by Line of Coverage, as data is available by the vendor(s).
- **Annual Reports:** Executive Summary of Program Expenses, Comparison of Current Costs to Renewal Costs, Renewal Alternatives, IBNR Dollar Projections, Overview of Specific Stop Loss Projections, if applicable.

## Plan Management & Administration

Gallagher is here to support your plan management and administration needs. By including The City's vendor partners in plan design discussions, we can identify potential administrative challenges with plan design or implementation schedules under consideration. Plus, we can share best practices and lessons learned from past experiences to mitigate risk and identify potential workarounds early in the process.

Below are some of the management and administration deliverables:

- **Analytics and Reporting** – As data is available from carrier(s): monthly, quarterly, and year end reporting; claims/utilization analysis/high-loss claimant tracking; enrollment analysis
- **Metrics** – As data is available from carrier(s): clinical improvement; unit cost; trends; engagement
- **Vendor Management** – Issue resolution, performance monitoring, contract review
- **Day-to-Day Assistance** - Employee advocacy (*for additional fee*), HR support, claims and billing issue resolution

Vendor management and performance monitoring is vital to effective administration of your benefits program. Our strategy is to work with vendors to identify root causes of recurring, cyclical and special problems. We also work with vendors to negotiate and implement the most favorable terms and conditions for our clients' programs.

When needed, our vendor selection philosophy is based around asking the "appropriate" questions to bidders for answers that are customized to meet the needs of our clients. We do not use a standard proposal approach, where all proposals are the same for all clients. We would work with you to define the marketing objectives and then structure our efforts around these objectives.

Gallagher's consulting services will include:

- Recommending procedures and/or policies The City should implement to become or remain in compliance;
- Assisting HR in the preparation, review and updating of benefit plan documents, including "wrap" documents, summary plan descriptions, Summary of Benefits and Coverage (SBC), etc.;
- Educating and advising on Healthcare Reform and the key strategic decisions that The City should consider;
- Researching and keeping The City's Human Resources Department alerted to upcoming legislative mandates and assist with implementation of strategies to ensure compliance with those changing mandates.

# Compliance

Gallagher has 31 dedicated compliance professionals averaging more than a decade of benefits compliance experience. Most of them are licensed attorneys. These experienced professionals monitor legislative initiatives, regulatory developments, court cases and industry changes, and analyze their impact on your employee benefits plans.

with federal employee benefit laws and regulations as well as state insurance law requirements, and are experts on Healthcare Reform. All members of our compliance team are former practicing attorneys and have deep experience in Healthcare Reform, COBRA, FMLA, HIPAA, Medicare Part D, ADA, and other federal legislation. The complianc

The City's local team includes five in-house attorneys, all of which regularly consult with clients by emphasizing methods for client's compliance e team will evaluate the design of The City's benefit plans and review all relevant documents, such as summary plan descriptions, benefit documents and contracts, and your employee communications.

Our compliance departments – both regionally and on the national level – are continually scanning the state and federal legislative environment for any developments of importance to employee benefit plan sponsors.

Gallagher's compliance experts will also keep you informed of the active legislative landscape. They will provide your organization with timely, accurate, and concise information about the regulatory environment through various publications, including:

- **GBS Directions** – a monthly publication featuring general interest articles on employee benefits and human resources
- **Healthcare Reform Update** – a comprehensive publication written by our own compliance experts on the latest healthcare reform developments and their potential impact on employers
- **Client Webinars** – on-demand webinars offering updates on hot topics as well as reviews of major legislative developments
- **Technical Bulletins** – detailed whitepapers on proposed or new legislation

The collage displays several key publications and resources from Gallagher's compliance team. On the left is the 'DIRECTIONS' newsletter, dated March 2014, with a table of contents including 'Healthcare Reform Update', 'Technical Bulletin', and 'Recruiting Webinars'. In the center is a large 'Healthcare Reform UPDATE' whitepaper, dated March 2, 2014, which includes sections on 'Tools You Can Use Transitional Relief Flowcharts' and 'Agencies Issue Final 90-day Guidance'. To the right is a 'TECHNICAL BULLETIN' titled 'IRS Clarifies Two Rules for Health FSAs', dated May 2014, which discusses the IRS's recent release of Chief Counsel Memoranda regarding rules for Health FSAs. Below this is a 'Webinar' titled 'Counting Hours Under the Final Rule', dated February 20, 2014, which discusses the final rule regarding the calculation of hours for FMLA purposes. The collage also features a 'Knowledge Center' and a 'Webinars' section with various topics related to healthcare reform and employee benefits.

## Communication & Education

Gallagher places high importance on the role of communications in employee benefits. An employee who has a greater understanding of his/her benefit program will value it more and will be more likely to stay with The City longer. Increasing employee retention, engagement, and recruitment are critical by-products of a strong communications program.

An employer cannot reach its business objectives without a team of engaged employees who understand the organizations vision and who are energized to move it forward. Gallagher will collaborate with The City to develop effective employee communications to complement and further enhance the work and effort you put forth into developing a comprehensive benefits package for your employees.

Gallagher can help The City develop a communication plan as well as produce brochures, guides, newsletters, and more. Gallagher places high importance on the role of communications in employee benefits. An employee with a greater understanding of his/her benefit program will value it more and will be more likely to stay with The City longer. Increasing employee retention, engagement, and recruitment are critical by-products of a strong communications program.

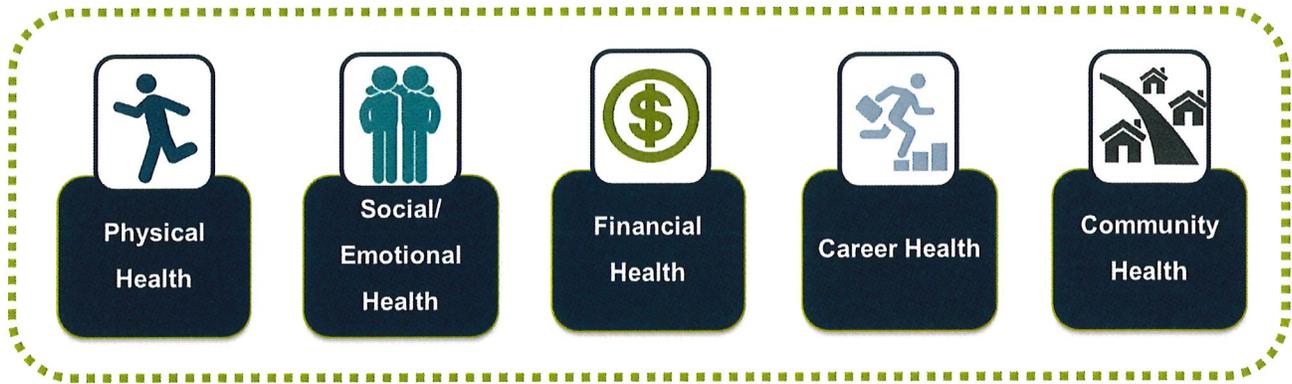
### Four Elements of Communication

We view employee communications as a strategy to enhance both employee engagement and workplace productivity – all leading to optimal cost containment and positive talent attraction and retention. We believe the right communication plan, combined with the right rewards program, can help an organization either achieve or maintain employer of choice status. Our approach integrates the four elements of communication: The Sender (employer), The Receiver (Employees), The Message, and The Channels.



# Wellbeing & Engagement

We view wellness as an integral part of your strategy to contain costs, impact engagement and heighten productivity. Our approach to wellness is more than just weight-loss, or disease management, rather we take a look at an employee’s overall wellbeing, integrating these five elements:



As we set strategy, we support our clients in a multitude of ways, both strategic and tactical. Wellness Consultants work closely with the Core Team to ensure all initiatives are in alignment with the overall rewards strategy. Common strategic initiatives and tactics used to support our clients which may include, but are not limited to:

Wellness Toolkit & Resource Guides	Monthly Wellness Newsletters	Communication campaign	Multi-year strategy development	Vendor selection (if applicable)
Wellness committee development	Wellbeing program design	Self-care / consumer education	Program measurement markers	Productivity & absenteeism indicators

## Wellness Opportunities Review

As best practice, regardless of where your program sits today, we believe it is prudent to understand your current wellness infrastructure. Your Gallagher team (led by your wellness consultant) will conduct a Wellness Opportunities Review where we will dig deep into the resources currently available for employees. This exercise will uncover strengths, weaknesses, and opportunities inside of current health and wellness initiatives, and allow Gallagher to develop goals and objectives as they relate to total wellbeing. Our Wellness Opportunities Review will provide all of the guidance and resources you need to establish (or re-establish) a strong and sustainable wellness initiative framework.

# THE IPBC

Intergovernmental Personnel Benefit Cooperative

211 City of St. Charles

©2018 Arthur J. Gallagher & Co. All rights reserved

## Differentiator (self-funded option)

Cooperative Purchasing- Intergovernmental Personnel Benefit Cooperative (IPBC)

One of Gallagher's differentiators stems from its relationship as the exclusive health and welfare consultant for the Intergovernmental Personnel Benefit Cooperative (IPBC). By choosing to work with Gallagher, The City would have access to a self-insured pooling option, the IPBC, and in turn, a significant level of insulation from the rising cost of healthcare.

The IPBC is an entity created under Illinois State Laws, which enables municipal groups to band together for the purposes of insurance. The purpose of the cooperative is to provide economies of scale and risk pooling that will allow members more financial stability than they could gain alone, transparency of expenses and ability to retain surpluses. The members retain the ability within the IPBC to create and change their plan design, which is often required due to the nature of bargained contracts. Each IPBC members appoints a delegate to participate on the Board of Directors, who is responsible for all decisions made regarding the programs and operation of the pool. The IPBC boasts a PPO 5 year renewal average of 2.06% and an HMO 5 year renewal average of 1.18%.

### Members

Due to the cooperative's risk sharing and purchasing power, members have experienced annual increases in health plan costs lower than that of market medical trend allowing the IPBC to attract 135 members across Illinois. In the past five years over 60 government entities have joined IPBC seeking an alternative to managing rising health costs. Long-term commitment by members to the philosophy of risk pooling has been instrumental in the success of the IPBC. Many members have been part of the organization for more than two decades.



## Products

IPBC members share risk through the self-insured PPO, HMO, and Dental programs. IPBC requires members to participate in the Life insurance and Medical program, the Dental program is optional. Along with the IPBC products, the Gallagher team can assist with any other employee benefit program member communities may offer to their employees, such as: vision, dental, worksite products, property and casualty, long-term care, retirement, etc.

The cooperative has administrative agreements with premium medical, prescription drug and dental networks and offers flexibility in plan design. Regardless of the path of entry chosen by The City you would be able to port your BCBS medical plans almost identically into the pool with minimal disruption to employees.

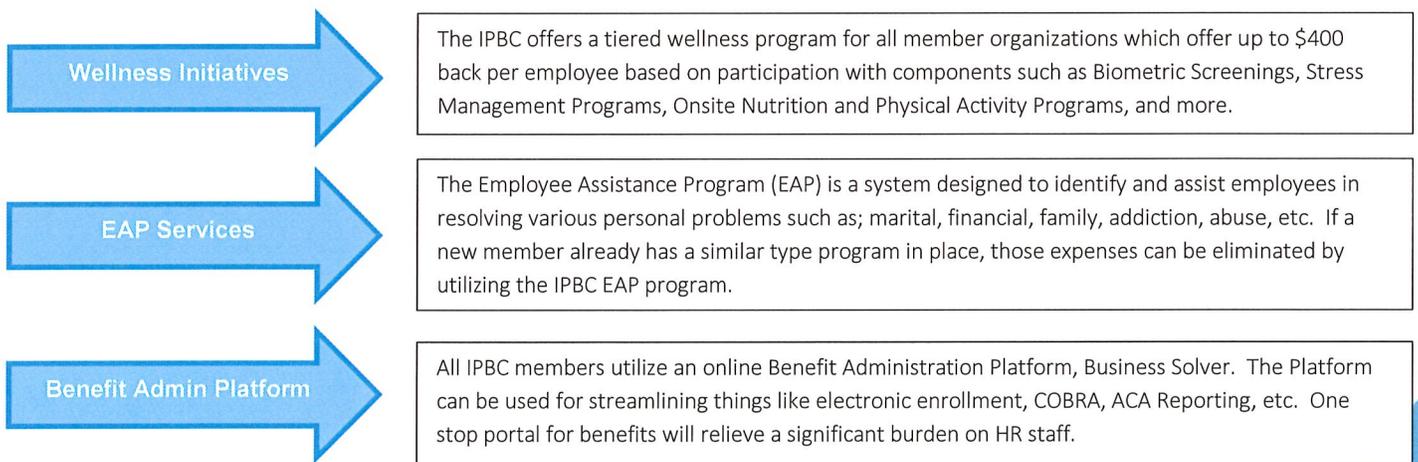
## Owner, Member, and Surpluses

Unlike traditional fully-insured plans the IPBC enables plan sponsors to transition from being a customer to an owner and partner. Similar to the way a City Council functions, the IPBC includes a Full Board, Executive Board, and various committees, all of which are made up of municipal member communities. These boards make recommendations and decisions that control the direction of the IPBC, with Gallagher, the broker of record, providing strategic consulting.

Furthermore, members receive a surplus on years when claims are less than projected through an agreed upon distribution formula. That means members have the opportunity to earn a portion of their premiums back at the end of the year which can be used at the member's discretion for whatever community leaders deem necessary. The IPBC averages about 5% surplus returns per year. An alternative option, which many members select, is to have their surpluses reinvested by the IPBC's professional portfolio managers until such a time the community wishes to withdraw their accrued fund balance.

## Value Adds

Outside of joining a more stable, budgetable, and predictable insurance model, members also gain access to a number of additional resources. All of which are included in your rates for the IPBC at no additional premium.

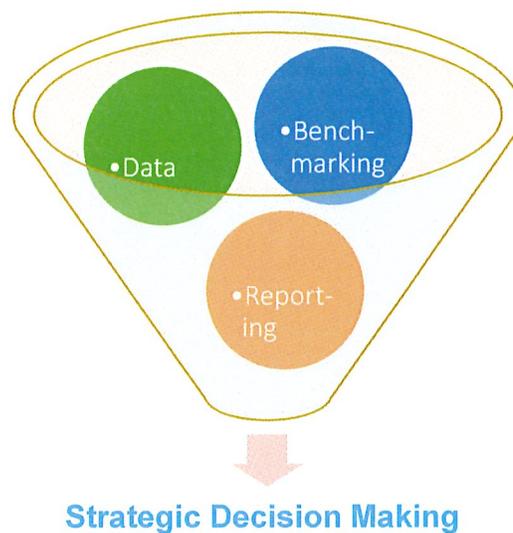


## Reporting

Gallagher as well as the IPBC believe in full transparency. Transparency, not only allows Gallagher to be recognized for modeling ethical standards in the industry, but also allows for the creation of effective and accurate reporting for clients. Gallagher conducts an Employee Benefits Benchmarking Survey every year which polls data from thousands of clients and prospects from across the country. The results are separated into specific cuts relative to categories such as region and industry. For example, each year Gallagher creates a custom cut of the survey specifically for municipalities which will allow clients to see how they compare to their peers, where they are competitive with industry averages and where there may be opportunities for improvement. With this data, Gallagher consultants can help clients make educated decisions in regards to their long-term employee benefits strategy.

In addition to the benchmarking survey IPBC members will also have access to benchmarking data on all 130+ members of the cooperative. This provides another comparison point to peers right here in Illinois and is another tool to assist our consultants in generating ideas for different types of plan designs that may assist communities in attracting and retaining talent.

IPBC members receive monthly financial reporting allowing them to keep up to date on their own financial performance as well as the performance of the cooperative.



Admission Options

The IPBC consists of 135 municipal members, 37 of which are considered individual members, and another 98 who are a part of one of the cooperative’s 6 Subpools. Individual members are communities which have at least 150 full-time employees enrolled in its medical plans. Smaller groups, would fall into a regionally based subpool where you are further insulated from risk due to your renewals being rated based on a variety of factors such as your individual performance, subpool performance, and that of the pool in its entirety. Based on the City’s size you would have the opportunity to be an individual member or a subpool member.

Should The City elect to join a subpool it would fall under the subpool NWHIP (North West Health Insurance Pool). Below are some NWHIP members who are also some of your most geographically close municipal neighbors. The date of each member’s entry into the IPBC can be seen below their entity’s title.

<b>Algonquin</b> 1/1/2014	<b>Libertyville</b> 5/1/2006	<b>McHenry</b> 1/1/2018	<b>Batavia</b> 12/1/2016	<b>Beach Park</b> 7/1/2016	<b>Lake Zurich</b> 1/1/2017
<b>Roscoe</b> 7/1/2015	<b>SEECOM</b> 1/1/2011	<b>Cary</b> 1/1/2015	<b>Spring Grove</b> 7/1/2017	<b>Gilberts</b> 4/1/2011	<b>Streamwood</b> 7/1/1979
	<b>Glencoe</b> 1/1/2015	<b>Wauconda</b> 7/1/2017	<b>Highwood</b> 5/1/2016		

## References

<b>Client / Company Name:</b> City of Warrenville (70 FTE)	
<b>Contact Name:</b> Cristina White	<b>Contact Title:</b> Assistant City Administrator
<b>Phone:</b> 630.836.3025	<b>Email:</b> cwhite@warrenville.il.us
<b>Date and Scope of Work Provided:</b> IPBC Member (1/1/2016)	

<b>Client / Company Name:</b> Village of Streamwood (168 FTE)	
<b>Contact Name:</b> Josh Peacock	<b>Contact Title:</b> Director of Finance
<b>Phone:</b> 630.736.3815	<b>Email:</b> jpeacock@streamwood.org
<b>Date and Scope of Work Provided:</b> IPBC Member (7/1/1979)	

<b>Client / Company Name:</b> City of Wheaton (212 FTE)	
<b>Contact Name:</b> Holly Schulz	<b>Contact Title:</b> Director of Human Resources
<b>Phone:</b> 630.260.2015	<b>Email:</b> hschulz@wheaton.il.us
<b>Date and Scope of Work Provided:</b> IPBC Member (4/1/2003)	

<b>Client / Company Name:</b> Village of Deerfield (196 FTE)	
<b>Contact Name:</b> Eric Burk	<b>Contact Title:</b> Director of Finance
<b>Phone:</b> 847.719.7432	<b>Email:</b> eburk@deerfield.il.us
<b>Date and Scope of Work Provided:</b> IPBC Member (5/1/2013)	

# The Team

## The City of St. Charles' Core Team

Name	Industry Experience	Title	Role
Mary Beth Seger	+25 years	Area President	Executive Leader
Melissa Ginter	+20 Years	Area Senior Vice President	Strategic Consulting Lead
Vicki Correa	+20 years	Area Executive Vice President	Managing Partner
Joyce Janu	+35 years	Area Vice President	Manages Service Team
Tyler Feeney	+4 years	Client Development	Marketing & Communications Lead
Amita Patel	+10 years	Senior Benefit Consultant	Day to day problem resolution for eligibility, claim issues, status changes, and ACA tracking
Shannon McHugh	+6 years	Client Representative	Day to day problem resolution for eligibility, claim issues, status changes, and ACA tracking
Emily Conn	+8 years	Wellbeing & Engagement Consultant	Wellness strategy development
Beth Czekalski	+20 years	Employee Communications Manager	Employee communications development
Arnie Munson	+35 Years	Compliance Attorney	Legislative, Compliance, and Healthcare Reform

## Additional Team Members

Name	Title	Role
Steve Mann	Non-Qualified Deferred Compensation	Additional Gallagher Practice Area Resources to be tapped into as desired by The City and/or as needed to support strategic initiatives.
Scott Hamilton	HR & Compensation	
Joe Guadino	Voluntary Benefits	
Jim Fox	Compensation & Classification	
Keith Friede	Talent & Organization Development	
Jessica Govic	Property & Casualty Insurance	

# Project Schedule

Below is the project timeline for Gallagher to prepare The City for its upcoming IPBC entry and/or the beginning of The City's upcoming plan year beginning 5/1/20.

		Phase 1			Phase 2			Phase 3						
		2019						2020						
ACTIONS		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1	Awarding of the Contract													
2	Strategic Planning Session													
3	Service Planning Session													
4	IPBC Quote													
5	IPBC vs. Stand-Alone Analysis & Recommendation													
6	IPBC Executive Board													
7	Evaluate Communication Plan													
8	Develop Employee Communications													
9	Renewal & Marketing Strategic Meetings													
10	Renewal & Recommendation(s) Meeting													
11	Open Enrollment Communication													
12	Personalized Benefit Summaries													
13	Open Enrollment Meetings													
14	Plan Year Begins													

## Conclusion

Thank you for the opportunity to provide The City of St. Charles with this response to your Request for Proposal.

Our proposal provides The City with a strong partner in today's marketplace. We pride ourselves on our ability to deliver a unique, thorough package of solutions. We go beyond the typical brokerage approach, and look at all aspects of your total rewards program and how they align for optimal impact. This strategic perspective allows us to help The City best attract, retain and engage employees while containing costs.

Regardless of whether The City chooses to work with Gallagher on a stand-alone client basis or pursue entry in to the IPBC we are confident that Gallagher is the best consultant and partner to The City for the following reasons:

- Exclusive Broker for the IPBC
- Vendor Relationships and Leverage
- Dedicated Public Entity and Scholastic team
- Providing unique solutions to Public Entities
- Developed a Proven Communication Strategy
- Commitment to the Public Entity and Scholastic Marketplace
- Medicare Solutions Program for Post-65 Medicare Eligible Retirees
- Investment in Resources

Because of our extensive experience, we understand the unique opportunities and challenges that Public Entities face and we are uniquely positioned to tackle those objectives and challenges. As your experienced benefits partner who will partner with you to break barriers, we look forward to working with you to create and manage a comprehensive benefits program to attract and retain top talent.

We are very excited for the opportunity to work with you and share all that the Gallagher Public Entity Group has to offer.



## Appendix

Ethisphere Award

The Gallagher Way

Biographies

Certificate of Insurance

Example Member Dashboard

Resume – Joyce Janu



**Gallagher**

Insurance | Risk Management | Consulting



# Gallagher

Insurance | Risk Management | Consulting

## World's Most Ethical Company



### Gallagher

Insurance | Risk Management | Consulting

We believe that our culture enables us to focus on delivering value to our clients. As a global corporation, we pride ourselves on being a socially responsible company. We strive to make a positive impact in our communities and to society as a whole.



Gallagher has been recognized by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as a 2018 World's Most Ethical Company.

Gallagher has received this recognition for six consecutive years and is the only insurance broker to have been so recognized, underscoring our commitment to leading ethical business standards and practices.





# Gallagher

Insurance | Risk Management | Consulting



Arthur J. Gallagher & Co.

## The Gallagher Way

Shared values at Arthur J. Gallagher & Co. are the rock foundation of the Company and our Culture. What is a Shared Value? These are concepts that the vast majority of the movers and shakers in the Company passionately adhere to. What are some of Arthur J. Gallagher & Co.'s Shared Values?

1. We are a Sales and Marketing Company dedicated to providing excellence in Risk Management Services to our clients.
2. We support one another. We believe in one another. We acknowledge and respect the ability of one another.
3. We push for professional excellence.
4. We can all improve and learn from one another.
5. There are no second-class citizens—everyone is important and everyone's job is important.
6. We're an open society.
7. Empathy for the other person is not a weakness.
8. Suspicion breeds more suspicion. To trust and be trusted is vital.
9. Leaders need followers. How leaders treat followers has a direct impact on the effectiveness of the leader.
10. Interpersonal business relationships should be built.
11. We all need one another. We are all cogs in a wheel.
12. No department or person is an island.
13. Professional courtesy is expected.
14. Never ask someone to do something you wouldn't do yourself.
15. I consider myself support for our Sales and Marketing. We can't make things happen without each other. We are a team.
16. Loyalty and respect are earned—not dictated.
17. Fear is a turnoff.
18. People skills are very important at Arthur J. Gallagher & Co.
19. We're a very competitive and aggressive Company.
20. We run to problems—not away from them.
21. We adhere to the highest standards of moral and ethical behavior.
22. People work harder and are more effective when they're turned on—not turned off.
23. We are a warm, close Company. This is a strength—not a weakness.
24. We must continue building a professional Company—together—as a team.
25. Shared values can be altered with circumstances—but carefully and with tact and consideration for one another's needs.

When accepted Shared Values are changed or challenged, the emotional impact and negative feelings can damage the Company.

– Robert E. Gallagher  
May 1984



# Gallagher

Insurance | Risk Management | Consulting

## RESPONSIBILITIES

Mary Beth joined Gallagher Benefit Services in September, 2000 and has over 25 years' experience in the employee benefits industry. She is currently the Area Executive Vice President of the Gallagher Public Entity & Scholastic Group in Illinois. Prior to joining the organization, she was manager of the sales and service teams for a large health carrier. Her responsibilities included market research, product development, purchasing cooperatives, and servicing national accounts and consulting firms.

## PROFESSIONAL EXPERIENCE

In Illinois and across the country, Mary Beth works with public entities to create the link between their employees benefit strategies and their organizational strategies. She helps guide the process of objective setting, plan design, administration and funding of group benefit programs. In addition, she oversees vendor selection and ongoing vendor management as well as account management, financial forecasting and analysis. As a nationally recognized resource for creating employee benefit cooperatives for public employer groups, Mary Beth was named **2009 Power Broker** by Risk and Insurance Magazine. Additionally, she co-authored the following articles featured in PRIMA's Public Risk magazine: "Employee Benefit Cooperatives; From C (concept) to A (application)" and "Public Entities Have a Variety of Options to Help Contain HealthCare Costs."

## EDUCATION, COMMUNITY, AND PROFESSIONAL ACTIVITIES

Mary Beth received her Bachelor of Arts, Marketing & Communications from Oakland University. She recently served on the Board of Directors for Crossroads of Detroit and is a supporter of HAVEN Foundation.



**Mary Beth Seger**  
Area President, Gallagher Public  
Entity & Scholastic Group

### GALLAGHER BENEFIT SERVICES, INC.

2850 Golf Road  
Rolling Meadows, IL 60008  
630.438.1691  
Mary\_Beth\_Seger@AJG.com



# Gallagher

Insurance | Risk Management | Consulting

## RESPONSIBILITIES

Melissa joined Gallagher Benefit Services in November, 2017 and is an Area Senior Vice President on the Public Sector team.

As the Strategic Consulting Lead for the Intergovernmental Personnel Benefits Cooperative (IPBC), she is responsible for guiding the overall direction of IPBC through collaborative work with the IPBC Executive Director, Committees and Board of Directors. Melissa is responsible for IPBC executive vendor relationships and assuring the execution of service of Gallagher's designated IPBC service team.

## PROFESSIONAL EXPERIENCE

Melissa has over 25 years of experience in Health Care and Employee Benefits.

Prior to her time at Gallagher, she spent 14 years at Aetna in a variety of successive leadership roles, including the CFO of the Mid-America Region, CFO of Student Health, Middle Market CFO and Voluntary Business CFO. She has deep experience in Health Plan Operations, Underwriting, Medical Economics and managing large, complex blocks of business.

Melissa has driven results through innovation in product design, network creation, targeted pricing and alternative financial devices. She is recognized as an expert in financial analytics and strategic decision support.

## EDUCATION, COMMUNITY, AND PROFESSIONAL ACTIVITIES

Melissa has her MBA in Leadership and Change Management from DePaul's Kellstadt School of Business and her BSBA in Finance from Creighton University. She currently serves on the Board of Directors and is Assistant Treasurer of Community Health, the nation's largest free health clinic.



### Melissa Ginter

Area Senior Vice President,  
Gallagher Benefit Services

### GALLAGHER BENEFIT SERVICES, INC.

2850 Golf Road  
Rolling Meadows, IL 60008  
630.694.5101  
Melissa\_Ginter@AJG.com

©2018 Gallagher All rights reserved.

AJG.COM  
GALLAGHER



Insurance | Risk Management | Consulting

**Vicki Correa**  
Area Executive Vice President

## RESPONSIBILITIES

As a member of the Public Not-Profit branch leadership team, Vicki is responsible for managing operational processes that affect the delivery of services to our clients. Vicki assists client management teams with understanding of internal policies and procedures, manages employee development activities, and maintains relationships with industry vendors to further improve services to our clients. Vicki also assists with strategic consulting and management of key accounts.

## PROFESSIONAL EXPERIENCE

Vicki joined Gallagher Benefit Services in 1997, working in the employee benefits industry since 1992. Vicki began with Gallagher as an Underwriting Consultant, and moved into Client Management in 2001 working on progressively more complex clients, executing strategy and managing a service team prior to her current role in Operations and Client Services.

Prior to joining Gallagher, Vicki worked for The Segal Company providing underwriting support and financial review of client's employee benefit programs, working predominantly with Taft-Hartley accounts. Vicki began her insurance career as an Underwriter at Washington National Insurance Company where she was responsible for generation of new business proposals and renewal underwriting of group employee benefits.

## EDUCATION, COMMUNITY, AND PROFESSIONAL ACTIVITIES

Vicki earned a Bachelor of Business Degree from Western Illinois University in 1991 and in 2004 she achieved the designation of Certified Employee Benefit Specialist. Vicki participates in industry conferences in the scholastic and municipal segments to keep current with business influences driving decisions to clients in these areas. Vicki maintains a State of Illinois Producer's License for Life, Accident and Health since 2000.



**Vicki Correa**  
Area Executive  
Vice President

### GALLAGHER BENEFIT SERVICES, INC.

2850 Golf Road  
Rolling Meadows, IL 60008  
630.285.4213  
Vicki\_Correa@AJG.com

©2018 Gallagher All rights reserved.

**AJG.COM**  
GALLAGHER



# Gallagher

Insurance | Risk Management | Consulting

## RESPONSIBILITIES

Joyce is a service team leader for PNP Sector Client Service Teams. She provides services to Public Sector clients including members of the Intergovernmental Personnel Benefit Cooperative (IPBC). She is responsible to provide our Service Teams with access and training for all of the resources available at Gallagher Benefit Services. She also works with the various vendors to ensure smooth functioning for the clients. An experienced public speaker, Joyce helps clients communicate plan changes, Health Care Reform, and the implementation of H.S.A. and Wellness programs.

## PROFESSIONAL EXPERIENCE

In her 35+ years in the insurance industry, Joyce has acquired expertise in all areas of employee benefit programs. She joined Gallagher Benefit Services in September, 2010. Prior to coming to GBS, she worked for Hub International and Assurance Agency Limited, both insurance brokerage firms. Her experience in those companies focused on public and private sector business, self-funded and fully insured. Joyce began her group insurance career with Prudential in 1983 as a Group Sales Representative, and became a broker in 1988 to better match client's needs to the appropriate products.

## EDUCATION, COMMUNITY, AND PROFESSIONAL ACTIVITIES

B.S. Degree, Northern Illinois University, DeKalb, Illinois Licensed insurance professional in the State of Illinois, member of ILCMA, IGFOA, and IPELRA; Former Human Resources Roundtable Co-Chair Illinois Technology Association; Crain's Chicago Business featured speaker, May 2002; Former HIPAA Privacy Officer, and Employee Engagement Leadership Trainer, Hub International; Dog Adoption Counselor, The Buddy Foundation; President and Personnel Committee Chairperson, Dutch Hollow Lake Property Owners Association



**Joyce Janu**  
Area Vice President,  
Client Management

### GALLAGHER BENEFIT SERVICES, INC.

2850 Golf Road  
Rolling Meadows, IL 60008  
630.694.5084  
Joyce\_Janu@AJG.com

©2018 Gallagher All rights reserved.

AJG.COM  
GALLAGHER



Insurance | Risk Management | Consulting

**Tyler Feeney**  
Benefits Consultant

## RESPONSIBILITIES

Tyler's role within Gallagher is to identify communities and school districts that would present a good fit for Gallagher's various corporatives found all over the Midwest. Tyler works as a team member servicing two of our largest cooperatives NIHIP (K-12 School Districts) and the IPBC (Municipalities).

## PROFESSIONAL EXPERIENCE

Tyler joined Gallagher in June of 2014 and has since been involved with the organization as a client development specialist and benefits consultant specifically in the public sector. Tyler has serviced, prospected, and sold accounts in various public sector niches ranging from K-12 school districts to Cities, Villages, and Counties.

## EDUCATION, COMMUNITY, AND PROFESSIONAL ACTIVITIES

Tyler holds a Bachelor of Science degree from Northern Illinois University in DeKalb, IL, with a major in Marketing and a minor in Sales. He is licensed to sell Life, Health, and Disability products. Tyler continues to be involved in the municipal community assisting groups such as the Illinois Association of Municipal Manager Assistants (IAMMA) host conferences, seminars, and other events for young professionals in government across the state.



**Tyler Feeney**  
Benefits Consultant

### GALLAGHER BENEFIT SERVICES, INC.

2850 Golf Road  
Rolling Meadows, IL 60008  
630.694.5455  
Tyler\_Feeney@AJG.com

©2018 Gallagher All rights reserved.

**AJG.COM**  
GALLAGHER



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/28/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, Inc. 300 S. Riverside Plaza, Suite 1500 Chicago IL 60606	<b>CONTACT NAME:</b> Eric Gannon <b>PHONE (A/C, No., Ext):</b> 312-803-7445 <b>E-MAIL ADDRESS:</b> Eric_Gannon@ajg.com		<b>FAX (A/C, No):</b> 312-803-7443
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURED</b> ARTHJGA113 Arthur J. Gallagher & Co. and its subsidiaries The Gallagher Centre 2850 West Golf Road Rolling Meadows IL 60008	<b>INSURER A :</b> Lexington Insurance Company		19437
	<b>INSURER B :</b> XL Specialty Insurance Company		37885
	<b>INSURER C :</b>		
	<b>INSURER D :</b>		
	<b>INSURER E :</b>		
<b>INSURER F :</b>			

**COVERAGES**

CERTIFICATE NUMBER: 1749223434

REVISION NUMBER:

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

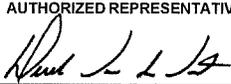
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE	\$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
							GENERAL AGGREGATE	\$
							PRODUCTS - COMP/OP AGG	\$
								\$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
A	Errors & Omissions			018241488	9/1/2018	9/1/2019	Per Claim/Aggregate	\$17,000,000
B	Excess Errors & Omissions			ELU15731218	9/1/2018	9/1/2019	Per Claim/Aggregate	\$13,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Coverage extends to:  
 Gallagher Benefit Services, Inc.  
 2850 Golf Road  
 Rolling Meadows, IL 60008

All employees are included as Named Insureds under the Errors & Omissions coverage as evidenced within.

**CERTIFICATE HOLDER****CANCELLATION**

Evidence of Insurance	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

© 1988-2015 ACORD CORPORATION. All rights reserved.

# Member Dashboard

\*Tutorial available

City of Des Plaines

IPBC Financial Summary

July 2017 Through June 2018 Plan Year

Data Through February 28, 2018

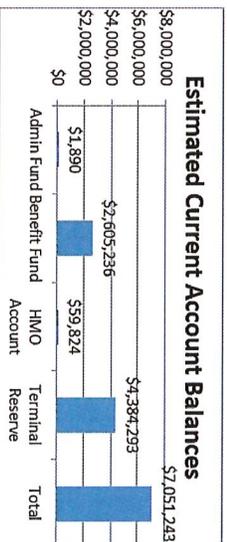


Insurance | Risk Management | Consulting

## Account Summary

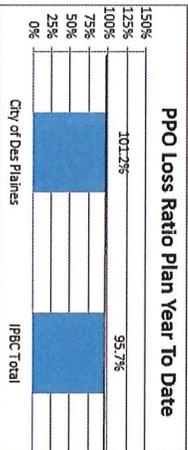
Account	Estimated Account Balance as of 6/30/17	Transfers/Withdrawals Plan Year To Date	Estimated Gain/(Loss) Plan Year To Date	Estimated Account Balance as of 2/28/18
Admin Fund	\$1,890	\$0	\$0	\$1,890
Benefit Fund	\$2,656,462	\$0	(\$51,226)	\$2,605,236
HMO Account	\$0	\$0	\$59,824	\$59,824
Terminal Reserve	\$4,401,762	\$0	\$0	\$4,384,293
<b>Total</b>	<b>\$7,060,114</b>	<b>(\$17,469)</b>	<b>\$8,598</b>	<b>\$7,051,243</b>

> The estimated gain/loss numbers are unaudited and subject to change.  
 > An estimate of the change in IBNR has been included in the above numbers.



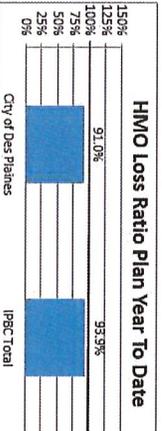
## PPO Experience Summary

Category	City of Des Plaines	IPBC Total
Average Monthly Enrollment	318	11,312
PPO Loss Ratio	101.2%	95.7%
PPO Funding Variance	(\$44,659)	\$5,304,631
PEPM Banded Layer Claim Cost (\$35k - \$125k)*	\$226,75	\$53,79
# of Claims in Banded Layer	18	407



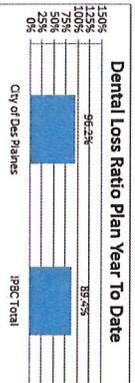
## HMO Experience Summary

Category	City of Des Plaines	IPBC Total
Average Monthly Enrollment	99	5,433
HMO Loss Ratio	91.0%	93.9%
HMO Surplus/(Deficit)	\$93,224	\$3,051,031
Reallocated Surplus/(Deficit)	\$70,800	\$3,051,031



## Dental Experience Summary

Category	City of Des Plaines	IPBC Total
Average Monthly Enrollment	478	7,541
Dental Loss Ratio	96.2%	89.4%
Dental Funding Variance	\$11,691	\$488,509



## PPO Network Summary

Category	City of Des Plaines	IPBC Total
Network Savings %	55.3%	55.9%
Network Utilization %	99.9%	98.2%

# Joyce E. Janu

---

734 S. Warren Ave. • Palatine, IL 60074

312-543-7859 (M) • 847-255-2142 (H)

[joycejanu@sbcglobal.net](mailto:joycejanu@sbcglobal.net) • [www.linkedin.com/in/joycejanu](http://www.linkedin.com/in/joycejanu)

## SUMMARY

Knowledgeable, dedicated professional with extensive experience in the insurance industry. An independently driven problem solver utilizing exceptional organizational, technical and interpersonal skills to exceed business objectives. Demonstrated ability to establish and cultivate relationships in servicing employee benefits for employer groups and develop others along the same path.

## PROFESSIONAL EXPERIENCE

### GALLAGHER BENEFIT SERVICES, Itasca, IL

2010 - Present

#### ***Area Vice President, Client Management/Public Sector Service Team Lead***

As a service lead for the Municipal team, I provide strategic direction for self funded cooperative clients and fully insured and self funded stand alone clients. Primary responsibilities include:

- Relationship Management with Key Clients
- RFP & Project Management
- Supervision of the Service Team
- Staff Training & Development
- Cooperative Committee Leadership
- Staff direction to adhere to Client Service Standards

### HUB INTERNATIONAL, Chicago, IL

1998 - 2010

#### ***Senior Account Manager/Vice-President***

Provided employee benefit consulting services to employer groups - 100 to 1,000 employees, over \$1M in revenue, fully insured and self-funded public and private sector employers. Key accomplishments included:

- Employee Leadership & Engagement Trainer since 2007
- Small Business Unit Manager
- Association Property & Casualty Sales Manager
- HIPPA Compliance Officer

### BENEFIT PLANNING ASSOCIATES, Northbrook, IL

1996-1997

#### ***Account Executive***

Produced new sales and account development for accounts from 100 to 1000 lives. Oversaw the marketing process, carrier negotiations, and employer group communication.

### ASSURANCE AGENCY LIMITED, Arlington Heights, IL

1990-1996

#### ***Assistant Director***

Helped found the benefits department in this predominantly Property & Casualty (only) Agency. Sold and serviced Employer Groups from 2 to 300 lives, fully insured and self funded.

**BENICO LTD., Arlington Heights, IL**

**1988-1990**

***Vice President***

Developed my knowledge of carriers and employee benefit products as a Retail Broker. Direct sales and leads from the Assurance Agency.

**PROGRESSIVE CASUALTY INSURANCE CO., Chicago, IL**

**1986-1988**

***Territory Manager***

Educated and trained two hundred agencies on Progressive Products and rating, evaluated agent's performance and profitability.

**PRUDENTIAL INSURANCE COMPANY, Chicago, IL**

**1983-1986**

***Group Representative***

Began a career in Group Insurance including home office training with a strong emphasis on underwriting. Sales and Service of Group Accounts.

**CERTIFICATIONS and PROFESSIONAL DEVELOPMENT**

Health and Life license for Illinois

Property and Casualty License for Illinois

Xerox, Dale Carnegie and Selling Dynamics Sales Training

Crains Chicago Business Featured Speaker May 2002 Health Insurance for the Small Employer

Former Broker Advisory Committee Member Humana

Illinois Technology Association Human Resources Roundtable Co-Chair 2003-2006

**EDUCATION**

**Northern Illinois University**

**Bachelor of Science**

**REFERENCES ARE AVAILABLE UPON REQUEST**



**Gallagher**

Insurance | Risk Management | Consulting

## Gallagher's Clarification and Best & Final Offer Letter

Health and Welfare Benefits Management Services

Dear Joan,

First and foremost our team would like to thank you and the rest of your colleagues at The City of St. Charles for the opportunity to serve The City. Our proposal provides the City with a strong partner in today's insurance marketplace. At Gallagher we pride ourselves in our ability to deliver a unique and thorough package of solutions. We go beyond that of a typical broker and look at all aspects of your program to ensure it delivers the most optimal and desired impact. This strategic perspective allows us to help the City best attract, retain, and engage top talent while simultaneously controlling costs.

We believe that choosing to hire Gallagher as your consultant is in the best interest of the City for a variety of reasons:

- Exclusive Access to the Local Government Cooperative (IPBC).
- Marketplace leverage from strong vendor and carrier relationships with organizations like BCBS.
- Dedicated municipal service team that works exclusively on IL local government business and acts as an extension of your Human Resources Department.
- Extensive data warehousing and benchmarking capabilities that will enable the City to make educated and strategic decisions in regards to your total compensation program to ensure you continue to attract and retain the top talent as well as get the most value for your benefit spend.
- The extensive resources and niche focused experts of a large corporation, but the personalized and intimate servicing experience of a Ma & Pa Shop.

Included on the backside of this letter are answers/clarifications to the questions proposed. Our Team is very excited for the opportunity to work with you and share all that the Gallagher Public Sector has to offer. Thank you!

**Melissa Ginter**

Area Senior Vice President  
2850 Golf Road Rolling Meadows, IL 9<sup>th</sup> Floor  
P: 630.694.5101  
[Melissa.Ginter@ajg.com](mailto:Melissa.Ginter@ajg.com)

**Tyler Feeney**

Client Development  
2850 Golf Road Rolling Meadows, IL 9<sup>th</sup> Floor  
P: 630.694.5455  
[Tyler.Feeney@ajg.com](mailto:Tyler.Feeney@ajg.com)



## The City Requests Clarification from/for the Following:

1. Your proposal provided monthly pricing for services without commission. Please provide the amount to be deducted each month if The City chooses to allow commissions.

Gallagher has agreed, if the City allows Gallagher to receive commissions, to deduct any commissions received from the pricing for our firm's services. For example, based on our response to the City's RFP Gallagher's monthly fixed fee is \$4,375. If Gallagher receives \$2,000 a month in commissions from BCBS then the true monthly fee due from The City to Gallagher would only be \$2,375. Gallagher would forecast the estimated commission and deduct that equally from each monthly fee with a true up at the end of the year (or quarterly if preferred). If commissions are received in excess of Gallagher's monthly fixed fee then the true monthly fee due from the City to Gallagher would be \$0. No excess commissions would be paid out to City in accordance with federal law. Unfortunately, it is impossible using only the information provided by The City currently to determine exactly what expected commissions from each carrier would be. Once Gallagher begins to administer your plan and have more access to necessary information we can develop those numbers.

2. The City is exploring the possibility of offering insurance to two small (less than 10 employees), non-profit partner organizations that operate within City Hall. Please comment on the feasibility of providing these services in both a self-funded or pool arrangement.

The feasibility of offering insurance to your non-profit partner organizations is challenging to directly answer without first obtaining more information regarding the matter. However, we will answer the question in two separate parts; the first which addresses the feasibility under the pool arrangement (IPBC) and the second which addresses the feasibility under a self-funded arrangement.

**Self-Funded Arrangement:** This arrangement would usually require the mentioned non-profits to either be on the city's payroll or to have some sort of contractual employee/employer relationship with the City. We have reached out to BCBS to ask if there is any flexibility to this standard and will follow-up up with The City as soon as we have an answer.

**Pooling Arrangement (IPBC):** The IPBC by-laws specifically define that a member must be considered a unit of local government or an intergovernmental agency. If these nonprofit entities fall under either category then they would be able to participate in the IPBC.



## Insurance Requirements for Professional Services

### Health and Welfare Benefits Management Services #1004

Exhibit C page 1

Prior to commencement of Professional Services governed by contract between the City of St. Charles (**City**) and the Professional Service Provider (**Insured**), the Professional Service Provider and each of its subcontractors, consultants and agents hired to provide the services for the Project, shall provide the City with satisfactory evidence of insurance coverage.

1. At Insured's expense, Insured shall hereby secure and maintain project insurance of the following kinds and limits set forth to protect the City from and against any and all damages, claims, lawsuits and losses which may occur or arise out of the Insured's work on behalf of the City. The project Insurance shall remain in effect throughout the duration of the entire Contract.
2. Insured shall furnish Certificates of Insurance, Endorsements, and Waiver of Subrogation to the City, inclusive of the Additional Insureds, with its submittal of signed contract.
  - a. Worker's Compensation and General Liability Waiver of Subrogation in favor of the City.
3. All insurance policies must be written with insurance companies approved by the City, licensed to do business in the State of Illinois, and have a rating of not less than A- VI, according to the latest edition of the A.M. Best Company.
4. The City may inspect any and all policies of insurance at any time. If requested, Insured will give the City a copy of the insurance policies. The policies must be delivered to the City within two (2) business days of the request.
5. Insured agrees to obtain and maintain an insurance policy, including coverage with limits not less than those exhibited on the following page (or greater if required by law):
  - a. All Commercial General Liability policies must include Blanket Contractual coverage and Broad Form Vendor's Liability coverage.
  - b. Contractual and other Liability Insurance provided under this Contract shall not contain a supervision inspection or engineering services exclusion that would preclude the city from supervising or inspecting the project to the end result. The Professional Service Provider shall assume all on-the-job responsibilities as to the control of persons directly employed by it.
6. The City reserves the right to increase the aforementioned limits of Liability Insurance required of insured depending on, but not limited to: the size and scope of the particular project, or the level of financial exposure, or operational risk to the City.
7. Insured shall include the City as a primary, non-contributory additional named insured on both the General and Auto Liability Insurance policies and reflect the same language on its Certificate of Insurance provided to the City.
  - a. Additional Insured and Broad Form Vendors' Liability in favor of the City.

If Insured fails to comply with the insurance requirements contained herein, all the City's obligations under the Agreements will terminate.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED <b>Sample</b>	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A:	
	INSURER B:	
	INSURER C:	
INSURER D:		
INSURER E:		
INSURER F:		

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
X	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	Policy Number	eff date	exp date	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
X	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X		Policy Number	eff date	exp date	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
X	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			Policy Number	eff date	exp date	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		X	Policy Number	eff date	exp date	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
	Professional Liability				eff date	exp date	Limit: \$1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Re: Project Name, Project Number  
 The City of St. Charles and any official, trustee, director, officer or employee of the City (plus holder or mortgagee as designated by the City), are added as Additional Insureds, when required by written contract, on the General Liability and Auto Liability on a primary and non-contributory basis with respect to operations performed by the Named Insured in connection with this project. A Waiver of Subrogation in favor of the Additional Insureds applies to the Workers' Compensation and General Liability policies, when required by written contract and where allowed by law. The General Liability policy shall not contain exclusions for bodily injury or property damage arising out of Explosion Hazard, Collapse Hazard, or Underground Hazard work. The Umbrella must follow form over the underlying liability with regards to coverage terms and conditions, Additional Insured, and Waiver of Subrogation.

**CERTIFICATE HOLDER****CANCELLATION**

City of St. Charles 2 E. Main St. St. Charles, IL 60174	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <div style="text-align: right; font-size: 1.5em;">Signature</div>
---	--



**Change Order** Contract/PO # \_\_\_\_\_ Amendment # \_\_\_\_\_

**Health and Welfare Benefits Management Services #1004**

**Exhibit D**

This document is incorporated into the above contract as an amendment to the Contract between the City and the Contractor/Professional Service Provider commencing on the date the last party signs this document. Any change to the character, form, quality, extent, or cost of the Service/Project shall be in writing and approved on this form.

**1. This Change Order is required due to** (check all that apply):

- Changed / Unforeseen Condition
- Change in Scope
- \_\_\_\_\_
- Errors and Omissions
- Renewal / Extension of Services

**2. The effect of this change is** (check all that apply):

- Total Cost is increased by \$ \_\_\_\_\_
- Material is increased by \$ \_\_\_\_\_
- Emergency Change, not to exceed \$ \_\_\_\_\_
- \_\_\_\_\_
- Extension of \_\_\_\_\_ (calendar / work) days
- Extension of Completion Date from \_\_\_\_\_ to \_\_\_\_\_

**3. Attachments Supporting Change Order** (check all that apply)

- Contractor's Proposal
- Description of Change (include Drawing if applicable)
- other: \_\_\_\_\_

Change in Price		Change in Completion (days / calendar date)	
Original Price (reference Agreement cover page)	\$ _____	<b>a</b>	Original: #days until completion / calendar date for completion (reference date of Work May Proceed) _____
Current Price resulting from Prior Change Orders (reference prior Change Order line d)	\$ _____	<b>b</b>	Current Completion resulting from Prior Change Orders: (reference prior Change Order line d) _____
Net Increase/decrease of this Change Order (reference above #2)	\$ _____	<b>c</b>	Net increase/decrease of days for this Change Order (reference above #2) _____
New Price inclusive of this Change Order* <i>d=(b+c)</i>	\$ _____	<b>d</b>	New Time of Completion inclusive of this Change Order <i>d=(b+c)</i> _____
Cumulative Price change since execution* <i>e=(d-a)</i>	\$ _____	<b>e</b>	Cumulative Time of completion since execution (expressed as total days)** <i>e=(d-a)</i> _____
*if the total price (d) exceeds \$25,000, and has not been approved by council, council approval is required. *If the cumulative price change (e) exceeds \$25,000, or exceeds an approved contingency, council approval is required.		**if the cumulative change in days of completion exceeds the contracted dates for completion, are Liquidated Damages applicable? <b>Yes or No</b>	

All parties hereby acknowledge and agree this Change Order is inclusive of all known changes to scope, compensation and work schedule on behalf of the undersigned and Contractor's supplier, subcontractor, consultant, and agent necessary to complete the Project/Service. All parties hereby acknowledge that this Change Order is incorporated into the previously executed Contract by the signature of the parties below.

**City Project Manager** \_\_\_\_\_ date \_\_\_\_\_

**City Administrator** \_\_\_\_\_ date \_\_\_\_\_

**Contractor/Professional Service Provider** \_\_\_\_\_ date \_\_\_\_\_

For Office Use Only

**Jessica Kleca:** Not within the first year? After I assess the first year I may consider hiring on another person.

Motion By Ald. Turner, second by Vitek to recommend for approval an Application for a New Massage Establishment License for Restore and Recover located at 1121 E Main Street, St. Charles, IL 60174.

**Roll Call:** Ayes: Silkaitis, Payleitner, Lemke, Turner, Gaugel, Vitek, Bessner, Lewis; Nays: None; Abstain: Stellato. Chrmn. Bancroft did not vote as Chair. **Motion Carried.**

## **6. Human Resources Department**

### **a. Recommendation to approve a Resolution Authorizing the Director of Human Resources to Execute a Letter of Agreement Between the City of St. Charles and HUB International Midwest Limited.**

**Jennifer McMahon:** For your consideration is a letter of agreement for one year with HUB International to provide benefit consulting services. They work with both Finance and Human Resources to help do some fiscal analysis and budgeting for our self-insured health insurance plan, as well as help us seek out other benefits such as, dental, vision, etc. They also help with our open enrollment materials and resolve the more complex claims that employees may have. The last time an RFP was issued was in 2014, effective May 1, 2015, it was a three year agreement. That agreement is expiring at the end of April. Given my short tenure, and the fact that we're bringing on a Purchasing Manager; I asked that they hold their price and extend the contract for one year, and we'd like to go out for RFP this summer. Included in your packet is the one year agreement of the same price we're currently at which is \$44,000, that is budgeted for the upcoming fiscal year.

**Ald. Turner:** Next year you're going to go out for RFP?

**Jennifer McMahon:** I'll do that work over the summer, but it would be effective May 1, 2019.

Motion by Ald. Turner, second by Stellato to recommend for approval a Resolution Authorizing the Director of Human Resources to Execute a Letter of Agreement between the City of St. Charles and HUB International Midwest Limited.

**Voice Vote:** Ayes: Unanimous; Nays: None. Chrmn. Bancroft did not vote as Chair. **Motion Carried**

## **7. Fire Department**

### **a. Recommendation to approve an Ordinance Authorizing the Disposal of Surplus Personal Property Owned by the City of St. Charles.**

**Chief Schelstreet:** The Fire Department has a list of miscellaneous equipment and other items that have exceeded their useful life due to age and condition. I'm requesting approval to work with Finance and Inventory Control departments to list this material on the auction website. All monies would be returned to the General Fund and all items we can't sell would be donated.

**Ald. Silkaitis:** Do we have any success selling these items, or do we have to donate them?

**Chief Schelstreet:** Typically we put the materials up for auction. A hose can go quickly or languish.

**City of St. Charles, Illinois  
Resolution No. \_\_\_\_\_**

**A Resolution Authorizing the Director of Human Resources  
to Execute A Letter of Agreement between the  
City of St. Charles and Gallagher Benefit Services, Inc.  
for Health and Welfare Benefits Management Services**

**Presented & Passed by the  
City Council on \_\_\_\_\_**

WHEREAS, the last Letter of Agreement with HUB International Midwest Limited dated February 27, 2018, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans at \$44,000 will expire on April 30, 2019; and

WHEREAS, Gallagher Benefit Services, Inc. provided a Letter of Agreement dated \_\_\_\_\_, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans for the fiscal year May 1, 2019, through September 30, 2023, in the amount of \$52,500 annually; and

WHEREAS, this amount is the Gallagher Benefit Services, Inc.'s best and final offer after participating in an RFP process and;

NOW THEREFORE, be it resolved by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the attached Letter of Agreement between the City of St. Charles and Gallagher Benefit Services, Inc., dated \_\_\_\_\_, to provide health and welfare benefits management services of the City's health plans for fiscal years 2020 through 2024 is hereby approved and the Director of Human Resources is authorized to sign same.

PRESENTED to the City Council of the City of St. Charles, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Resolution No. \_\_\_\_\_

Page 2

PASSED by the City Council of the City of St. Charles, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

APPROVED by the Mayor of the City of St. Charles, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Raymond P. Rogina, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: