

**CITY OF NEWTON  
PURCHASING DEPARTMENT**

***CONTRACT FOR HUMAN RESOURCES DEPARTMENT***

***REQUEST FOR QUALIFICATIONS:***

**HEALTH INSURANCE ADMINISTRATION  
AND RELATED SERVICES**

***RFQ #23-69***

**Bid Opening Date March 9, 2023, at 3:00 p.m.**

**FEBRUARY 2023**

**Ruthanne Fuller, Mayor**

**CITY OF NEWTON  
PURCHASING DEPARTMENT  
REQUEST FOR QUALIFICATIONS #23-69**

This City of Newton (City) Request For Qualifications (RFQ) invites sealed statements of qualifications (SOQs) for

**HEALTH INSURANCE ADMINISTRATION AND  
AND RELATED SERVICES**

SOQs will be received until: **3:00 p.m., Thursday, March 9, 2023.**

at the Purchasing Department, Room 108, Newton City Hall, 1000 Commonwealth Ave., Newton, MA 02459. Immediately following the deadline for submission, the City shall prepare and publish a list of all proposals submitted. Documents associated with this RFQ (Contract Documents) will be available online at the City's website: [www.newtonma.gov/bids](http://www.newtonma.gov/bids) after: **10:00 a.m., February 10, 2023.**

Proposers are responsible for downloading the specifications from the City's web site at [www.newtonma.gov/bids](http://www.newtonma.gov/bids) . Proposers must email the Purchasing Department ([purchasing@newtonma.gov](mailto:purchasing@newtonma.gov) ) their Company Name, Address, Email address, Phone & Facsimile number and what bid # (i.e. #23-69) they have downloaded.

SOQs shall consist of two (2) parts: (i) a medical insurance administration SOQ (Medical SOQ) and (ii) a pharmacy administration SOQ (Pharmacy SOQ). Proposers may submit an SOQ for one or both services and the City may award a contract to two or more proposers.

The submission requirements are different for each SOQ:

**(i) Medical SOQ**

SOQs should be responsive to all information requested in the RFQ. The City has determined that Medical SOQs can be more accurately and efficiently evaluated if bidders provide item prices in a separate Excel item spreadsheet, that will be provided through a secure file site as **Exhibit 2** (Item Spreadsheet) which shall be provided on request being made to

[jacqueline.scherer@lockton.com](mailto:jacqueline.scherer@lockton.com) and [matt.mccarthy@lockton.com](mailto:matt.mccarthy@lockton.com)

Bidders are to provide prices only in accordance with the terms of the RFQ. Any bidder that makes changes to the Item Spreadsheet that modify the terms and conditions of the RFQ as issued may be automatically disqualified.

All Medical SOQs shall be submitted as **one (1) ORIGINAL and ten (10) COPIES and one (1) digital copy of both the Bid Form and the Item Spreadsheet. Each respondent shall also email a copy of the Item Spreadsheet to [purchasing@newtonma.gov](mailto:purchasing@newtonma.gov) when it submits its SOQ. The subject line should read "RFQ 23-69 Item Spreadsheet."**

**(ii) Pharmacy SOQ**

The City has retained the services of a consultant, Northeast Series of Lockton Companies LLC (Consultant),<sup>1</sup> to oversee the selection of a Pharmacy SOQ provider. Because the contents of the Pharmacy SOQ are technical and confidential, proposers will need to obtain the Pharmacy SOQ requirements and technical specifications from the Consultant by making a request therefor to

[jacqueline.scherer@lockton.com](mailto:jacqueline.scherer@lockton.com) and [matt.mccarthy@lockton.com](mailto:matt.mccarthy@lockton.com)

The Consultant will provide all information with respect to the Pharmacy RFQ, including Pharmacy SOQ submission requirements. The Pharmacy RFQ will not be available to the general public and submissions therefor will be exclusively electronic.

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<sup>1</sup> One International Place, Suite 1630, Boston Massachusetts 02110.

**Municipalities in Massachusetts are not required by law to publicly bid contracts for insurance. M.G.L. c. 30B, §1(b)(12); M.G.L. c. 32B, §3A. Interested proposers should take note that the provisions of the bidding laws DO NOT APPLY to this solicitation. In order to obtain qualified proposers only, the City of Newton has undertaken this Request For Qualifications. The City also reserves the right to engage in negotiations with proposers after the SOQs are opened.**

Proposers' attention is directed to the requirements of the City's Supplemental Equal Employment Opportunity, Anti-Discrimination and Affirmative Action Program and also to the Minority/Women Business Enterprise Plan, December 1999, all of which are available on the Purchasing Department's web page. In the event of conflict between any of the above listed policies, the stricter policy shall apply.

All City of Newton bids are available on the City's web site, [www.newtonma.gov/bids](http://www.newtonma.gov/bids). It is the sole responsibility of Proposers downloading these bids to ensure they have received any and all addenda prior to the bid opening. Addenda will be available online within the original bid document as well as a separate file. If you download bids from the internet site and would like to make it known that your company has done so, you must email the Purchasing Department ([purchasing@newtonma.gov](mailto:purchasing@newtonma.gov)) the Company Name, Address, Email address, Phone & Facsimile number and what bid # (i.e. #23-69) has been downloaded.

The City will reject any and all SOQs in accordance with the above referenced General Laws. In addition, the City reserves the right to waive minor informalities in any or all proposals, or to reject any or all proposals (in whole or in part) if it be in the public interest to do so.

Timely delivery of an SOQ in accordance with this RFQ shall be the full responsibility of the Bidder. In the event that Newton City Hall is closed on the date or at the time that bids are due, the date and time for receipt of SOQs shall be on the next business day following that the Newton City Hall and the Purchasing Department are open.

In the event that any person wishes to attend a bid opening or pre-bid meeting, accessible and reasonable accommodations will be provided to persons requiring assistance. If you need a reasonable accommodation, please contact the city of Newton's ADA Coordinator, Jini Fairley, at least two business days in advance of the meeting: [jfairley@newtonma.gov](mailto:jfairley@newtonma.gov) or (617) 796-1253. For Telecommunications Relay Service, please dial 711.

CITY OF NEWTON



Nicholas Read  
Chief Procurement Officer  
February 10, 2023



**CITY OF NEWTON PURCHASING  
DEPARTMENT  
REQUEST FOR QUALIFICATIONS  
RFQ #23-69**

Ruthanne Fuller,  
Mayor

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**HEALTH INSURANCE ADMINISTRATION AND RELATED SERVICES**

**1. Introduction**

The City of Newton, Massachusetts, (“City” or “Owner”), is seeking the services of a qualified vendor (“Administrator”) to manage the City’s employees benefit health and pharmacy insurance plans (“Services”).

**2. Background**

History, Profile and Organizational Structure

The City of Newton was settled in 1639 and incorporated as a City in 1873. The City is located approximately seven miles from downtown Boston. The City has a population of approximately 87,000 and occupies a land area of 18.33 square miles. The City is principally suburban-residential in character and consists of 13 distinct villages – Auburndale; Chestnut Hill; Newton Centre, Newton Corner; Newton Highlands; Newton Lower Falls; Newton Upper Falls; Newtonville; Nonantum; Oak Hill; Thompsonville; Waban; and West Newton.

The City is governed under a home-rule charter, which vested executive authority and responsibility in an elected Mayor, who serves a four-year term. Legislative authority is vested in a 24-member City Council, of which eight members are elected from the City’s eight wards and sixteen are elected at large. Members of the City Council are elected every two years.

The City offers group health insurance to all eligible employees and retirees of both the City of Newton and Newton Public Schools. Tufts Health Plan and Harvard Pilgrim Health Plan have been its carriers for its active employees, non-Medicare eligible retirees, and Medicare eligible retirees for many years. The prescription drug programs are currently “carved in” on all self-insured plans. The chart below summarizes the plans offered, the estimated number of subscribers, and the funding arrangement.

Carrier/Plan	Individual	Family	Total	Funding Arrangement
Tufts Health Plan PPO & OOA (Indemnity)	51	63	114	Self-funded
Tufts Health Plan EPO	598	791	1389	Self-funded
Harvard Pilgrim Health Plan HMO	635	705	1340	Self-funded
Tufts Medicare Complement	2058	0	2058	Self-funded
Tufts Medicare Preferred (PDP)	324	0	324	Fully insured
BCBS HMO Medicare Blue (PDP)	17	0	17	Fully insured

The estimated FY2023 total cost for this program is \$76 million. This estimate includes actual cost of claims, claims administration, excess insurance policy, as well as some small specialty drug programs. The City’s goal is to provide its active employees and retirees comprehensive, affordable healthcare options. The City is evaluating opportunities to maximize the value of its health plan partner relationships, simplify administration, and create meaningful choice for its active employee and retiree populations. The City will continue to offer self-insured benefits for active and non-Medicare eligible retirees.

### 3. Scope of Services:

The City seeks a vendor(s) to provide medical and pharmacy benefit services including:

- Provide administrative services of the medical benefits for both active employees and retirees (Medicare and Non-Medicare eligible)
- Provide a comprehensive local, regional, and national provider network with uniform quality
- Provide cost-effective contracting arrangements that can be demonstrated to represent direct savings to the City and plan participants
- Provide a comprehensive set of medical management services
- Effective, efficient, and accurate claim processing
- Payment of claims on a scheduled basis including issuance of reimbursement checks
- Level 1 and 2 internal claims appeals for plan members, as well as willingness to cooperate and provide necessary documentation in the case of an external appeal
- Provide best-in-class member services and customer support
- Superior level of account management and service
- Accessible current coverage reports
- An active third-party liability (TPL) coordination of benefits (COB) function encompassing identification of TPL, cost avoidance, and collections
- Sophisticated web-services for plan participants
- Commitment to provide communications to plan participants, both active employees and retirees
- Commitment to provide administrative assistance to the City’s human resources team as outlined in Exhibit 1: Technical Proposal
- Commitment to a successful implementation

The Administrator will be required to execute the City (Contract) substantially similar (subject to appropriate modifications by the City’s Law Department) to that attached hereto as **Attachment A** and incorporated herein by reference. The initial term of the Contract period will be for one year. The City will have the option at its sole discretion to extend the Contract on the same terms and conditions for two (2) additional one (1) year terms.

#### 4. Schedule:

The following is a tentative schedule of the selection process, subject to change at the Owner's discretion.

February 2, 2023,	RFQ has been advertised in the <i>Goods and Services Bulletin</i> of the Commonwealth of Massachusetts and Local Paper.
February 10, 2023,	RFQ available online or from the Owner's Purchasing Department
March 3, 2023, 12:00 noon	Last day for questions from Respondents.
March 5, 2023, 5:00 PM	Owner's responses to Respondents' Questions.
March 9, 2023, 3:00 PM	Responses to SOQs due.
March 15, 2023*	Respondents short-listed
March 20, 2023*	Interview short-listed Respondents
March 27, 2023	Start negotiations with selected Respondent
April 3, 2023*	Execute Contract

\*Estimated

RFQs may be downloaded after 10:00 AM on February 10, 2023, from:

<https://www.newtonma.gov/government/purchasing/current-bids>

Purchasing Department  
Newton City Hall  
1000 Commonwealth Avenue, Room 108  
Newton, Massachusetts 02459  
Email: [purchasing@newtonma.gov](mailto:purchasing@newtonma.gov)  
Phone # 617.796.1220

Any questions concerning this RFQ must be submitted in writing to Purchasing Department as indicated above, by 12:00 noon on March 3, 2023.

## 5. SOQ Requirements:

Persons or firms interested in applying must meet the following requirements:

- (i) **With respect to the Medical SOQ, responses (ten (10) hard copies, and one (1) digital copy in PDF format on separate USB drives) must be received on or before 3:00 PM EST March 9, 2023.** Sealed Responses to the RFQs must be clearly labeled “Health Insurance Administration & Related Services, RFQ 23-69” Hard copy responses should be printed double-side and bound in such a manner that the pages lie and remain flat when opened. The specific organization and orientation of the proposal is at the applicant’s discretion, but it is recommended that the proposal be laid out in such a manner that the reader doesn’t need to be constantly rotating the proposal. Responses should not be provided with acetate covers.

Responses are to be delivered in person or by certified/express mail. Responses submitted by fax or electronic mail will not be considered.

The Owner assumes no responsibility or liability for late delivery or receipt of Responses. All Responses received after the stated submittal date and time will be judged to be unacceptable and will be returned unopened to the sender.

- (ii) **With respect to the Pharmacy SOQ,** proposers shall obtain submission requirements and technical specifications from the Consultant by making a request therefor at:

[jacqueline.scherer@lockton.com](mailto:jacqueline.scherer@lockton.com) and [matt.mccarthy@lockton.com](mailto:matt.mccarthy@lockton.com)

The Consultant will provide all information with respect to the Pharmacy RFQ, including Pharmacy SOQ submission requirements. The Pharmacy RFQ will not be available to the general public and submissions therefor will be exclusively electronic. Proposers shall submit completed and signed copies of the documents listed in **Attachment B** with their Pharmacy SOQs.

## 6. Requirements for Content of the Medical SOQ:

Submit Ten (10) hard copies of the response to this Request for Qualifications and one (1) electronic version in PDF format on two USB drives. All responses shall be:

- In ink or typewritten;
- Presented in an organized and clear manner;
- Must include the required forms in **Attachment B**;
- Must include all required certifications;
- Must include the following information:
  1. Cover letter shall be a maximum of two pages in length and include:
    - a. An acknowledgement of any addendum issued to the RFQ.
    - b. An acknowledgement that the Respondent has read the Request for Qualifications. Respondent shall note any exceptions to the RFQ in its cover letter.
    - c. An acknowledgement that the Respondent has read the Standard Contract and Standard Amendments. Respondent shall note any exceptions to the Standard Contract and/or Standard Amendments in its cover letter

**7. Payment Schedule and Fee Explanation:**

The City will negotiate the fee for services dependent upon an evaluation of the level of effort required, job complexity, specialized knowledge required, estimated construction cost, comparison with past project fees, and other considerations.

**8. Other Provisions:**

**A. Public Record**

All responses and information submitted in response to this RFQ are subject to the Massachusetts Public Records Law, M.G.L. c. 66, § 10 and c. 4, § 7(26). Any statements in submitted responses that are inconsistent with the provisions of these statutes shall be disregarded.

**B. Waiver/Cure of Minor Informalities, Errors and Omissions**

The Owner reserves the right to waive or permit cure of minor informalities, errors or omissions prior to the selection of a Respondent, and to conduct discussions with any qualified Respondents and to take any other measures with respect to this RFQ in any manner necessary to serve the best interest of the Owner and its beneficiaries.

**C. Communications with the Owner**

The Owner’s Procurement Officer for this RFQ Nicholas Read, Chief Procurement Officer. Communications to the Purchasing Department should be made as follows:

Newton City Hall  
1000 Commonwealth Avenue Rom 108  
Newton, Massachusetts 02459  
Phone # 617.796.1220  
Email: [purchasing@newtonma.gov](mailto:purchasing@newtonma.gov)  
Fax # 617.796.1227

Respondents that intend to submit a response are prohibited from contacting any of the Owner’s staff other than the Owner’s Purchasing Department. An exception to this rule applies to Respondents that currently do business with the Owner, but any contact made with persons other than a member of the Owner’s Purchasing Department must be limited to that business and must not relate to this RFQ. In addition, such respondents shall not discuss this RFQ with any of the Owner’s consultants, legal counsel or other advisors.

**FAILURE TO OBSERVE THIS RULE MAY BE GROUNDS FOR DISQUALIFICATION.**

**D. Costs**

The Owner is not liable for any costs incurred by any Respondent in preparing a response to this RFQ or for any other costs incurred prior to entering into and only in accordance with a Contract between the Respondent and the Owner.



**E. Withdrawn/Irrevocability of Responses**

A Respondent may withdraw and resubmit their response prior to the deadline. No withdrawals or re- submissions will be allowed after the deadline.

**F. Rejection of Responses, Modification of RFQ**

The Owner reserves the right to reject any and all responses if the Owner determines, within its own discretion, that it is in the Owner’s best interests to do so. This RFQ does not commit the Owner to select any Respondent, award any contract, pay any costs in preparing a response, or procure a contract for any services. The Owner also reserves the right to cancel or modify this RFQ in part or in its entirety, or to change the RFQ guidelines. A Respondent may not alter the RFQ or its components.

**G. Subcontracting and Joint Ventures**

Respondent’s intention to subcontract or partner or joint venture with other firm(s), individual or entity must be clearly described in the response.

**H. Validity of Response**

Submitted responses must be valid in all respects for a minimum period of ninety (90) days after the submission deadline.

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## **FURTHER INFORMATION**

**Exhibit 1: Medical RFQ Technical Proposal**

**Exhibit 2: Medical RFQ Item Spreadsheet (available on written request)**

**Attachment A: Form of Contract**

**Attachment B: Required Certifications**

Bidders Qualifications and Reference Form  
Certificate of Non-Collusion  
Satisfaction of State Tax Requirements – Attest Form  
Certificate of Foreign Corporation, (if applicable)  
Debarment Letter  
IRS Form W-9  
Business Category Information Form

The following files will be available through a secure file site that will be provided to each bidder:

- Census
- Claims and enrollment data
- Utilized providers
- Summary Plan Descriptions (SPDs)
- Summaries of Benefits and Coverage (SBCs)
- Medical Cost Proposal Form **Exhibit 2**
- Pharmacy Benefit Manager (PBM) Technical Proposal
- Pharmacy Benefit Manager (PBM) Cost Proposal
- Pharmacy utilization

City of Newton

## **Exhibit #1: Technical Proposal**

Medical Administrative Services

February 3, 2023

### **Instructions**

1. Responsiveness
  - a. Generic responses or stock answers that do not address City specific requirements will be deemed unresponsive.
  - b. “Will discuss” or “will consider” are not appropriate answers and will be treated as unresponsive.
2. Format and Responding to Each Question
  - a. Please follow the same numbering format, noting section and question number (ex. 1.1), when providing responses.
  - b. All responses to questions should be limited to a maximum of 50 words. Any additional information that needs to be provided should be done in an appendix.
  - c. If a question is repeated in multiple sections and your answer is the same, do not refer to the answers provided in another section. Please provide the full answer in each section.

## **Section 1: General Responses and Company Profile**

- 1.1 Proposer acknowledges that if there are conflicting responses in any portion of this RFP (i.e., technical questionnaire, pricing worksheets, supporting documentation, etc.) the most favorable response to the City will prevail in the final contract.
- 1.2 Proposer acknowledges that the award of this business will not be contingent upon the City awarding / continuing any other business with the successful bidder.
- 1.3 Confirm that the plan will be administered in accordance with all Massachusetts General Laws, including Chapter 32B and the City will have final approval in determining eligibility of an active employee, retiree, or member.
- 1.4 What is the size of your current book of business (by number of covered lives) in Massachusetts for each of the products requested in this proposal? (HMO, EPO, PPO, Indemnity, Medicare Supplement, Medicare Advantage)
- 1.5 List your 3 largest public sector clients
- 1.6 Please provide a summary of your financial rating. (i.e., A.M. Best, Moody's, etc.)
- 1.7 Are there any outstanding legal actions pending against your organization? If so, explain the nature and status of the action(s).

## **Section 2: Implementation & Communications**

- 2.1 Describe your process for implementation of the benefit plan including:
  - a. Assuming a business award no later than April 1, 2023, provide a detailed transition plan/timeline that includes completion dates for each specific task.
- 2.2 Discuss your procedures and processes for handling the following during the transition period:
  - a. Members in active treatment
  - b. Pregnancy (second and third trimesters)
  - c. Members undergoing chemotherapy or radiation
  - d. Members confined in hospital at changeover dates
  - e. Members under case management
  - f. Services that have been pre-certified but not completed as of the effective date.
  - g. Employee communications regarding change in administrators
- 2.3 Describe your ability and willingness to develop and have available a customized, City-specific website on or before the City's open enrollment period

in May 2023.

- 2.4 Confirm that you will duplicate the current benefit design and administer the proposed benefits and describe how you will collaborate with the City to verify the design. If you cannot duplicate a specific benefit feature, list those items as exceptions. Describe any limitations the City would have in setting its plan design.
- 2.5 Will a dedicated 800# pre-enrollment line be available during open enrollment in May 2023 for member questions?
- 2.6 Describe all communication support services available to the City at no additional cost both during initial implementation and on an ongoing basis.
- 2.7 It is the City's expectation that the bidder will provide notifications to members that are eligible for Medicare.
  - a. Describe the notification process.
  - b. Confirm if this service is included or if there is an additional fee and provide the fees in the cost Appendix A – cost proposal worksheet.
- 2.8 It is the City's expectation that the bidder will provide notifications to dependent members that are turning 26 years old and aging off of the plan.
  - a. Describe the notification process.
  - b. Confirm if this service is included or if there is an additional fee and provide the fees in the cost Appendix A – cost proposal worksheet.
- 2.9 The City currently has a highly-manual, paper-based administrative process. Members complete paper enrollment forms and submit then submit to Human Resources administrator. HR then keys-in the enrollment information into the carrier system. The City's intent is to move to Munis to make this process more automated in the future.
  - a. Describe how you will assist the City with the current manual paper-based process.
  - b. Confirm that your systems are able to accept a file feed from Munis.
  - c. Confirm that your systems can accept file feeds from multiple sources, if necessary. List the maximum number of file feeds if applicable.
  - d. Describe the process to integrate Munis with your systems.
  - e. Provide an example integration timeline.
  - f. Confirm you have outlined any additional costs associated with the manual process assistance and/or Munis integration in the pricing Appendix A – cost proposal worksheet.
- 2.10 Describe your pre- and/or post-implementation audit process to ensure proper set-up and configuration of plans/programs in your system.

### **Section 3: Customer Service & Technology**

- 3.1 From which location(s) will you service the City's account?
- 3.2 Describe the City's access to an Executive Sponsor for high level concerns? Confirm the Executive Sponsor's intent to attend meetings on a non-less-than annual basis
- 3.3 What would be the hours of the customer service phone line for this client? Online support?
- 3.4 Describe your ability to provide the City direct access to one or more of the customer service representatives who handle employee calls.
- 3.5 Describe any buyup customer service/concierge options that you have available. If available, outline how it is priced. How do the services differ from your standard customer service model?
- 3.6 What percentage of your calls for the unit you are proposing are offshored?
- 3.7 Is there a chat function on your website? What are the coverage hours of the chat function? Can the chat function deal with individual member issues?
- 3.8 Describe what type of consumer tools are available through your member log-in.
- 3.9 Describe any cost comparison tools available to assist employees in making the right site of care decision to utilize the plan.
- 3.10 Describe your mobile application and its capabilities.

### **Section 4: Plan Design, Administration & Billing**

- 4.1 Confirm that all current plan designs can be duplicated. Describe any deviations from the current plan designs.
- 4.2 Confirm that you have provided plan cost increments and decrements in Appendix A, for plan design changes to match the GIC benchmark plan.
- 4.3 Confirm and/or provide instances of when the following rights would not be honored:
  - a. The plan sponsor has the right to make any change it would like, to any plan, including, without limitation, changes in deductibles, copayments, plan maximums, and similar variables.
- 4.4 Under what circumstances would plan design changes result in extra administrative cost to the plan sponsor?

- 4.5 Confirm that you agree to administer the appeals process for the City. Describe the internal claims and appeals process and the external review processes. Confirm that the City has the right to override any appeal.
- 4.6 The City is currently invoiced weekly with Tufts requiring a deposit on hold. The City also receives an prompt payment discount if the invoices are paid within 24 hours. Describe your invoice timing, deposit requirements and prompt payment discounts.
- 4.7 Confirm you are willing to guarantee your fees for three (3) years. If not, please detail fees in Appendix A, Medical ASO tab.
- 4.8 Will you provide future renewals 180 days prior to the renewal date?
  - a. If no, please provide a sample renewal release timeline.
- 4.9 Confirm if the proposed fees are mature.
  - a. How long is the runout period?

### **Section 5: Retiree Plans (Medicare Advantage & Medicare Supplement)**

- 5.1 Confirm that you have provided a proposal for a fully insured replacement of the Medicare plans in Appendix B.
- 5.2 In the case that the plans offered are RDS eligible, will you provide assistance with the filing? Describe in detail how you will provide assistance.
- 5.3 List notifications that will be sent to retirees.
- 5.4 Will you notify retirees that are turning 65 and enrolled in non-Medicare plans of their Medicare eligibility?
- 5.5 Will you provide the City notification when a retiree enrolled in a Medicare plan has enrolled in Part D plan outside of the City's plans?
  - a. Describe how you will assist in communicating to retiree's that they do not need to enroll in Part D outside of the retiree plan.

### **Section 6: Promoting Competition**

- 6.1 Describe the strategies the ASO/TPA employs to encourage competition among providers in their markets, including any support to independent/non-system providers? Cite specific examples and outcomes.

- 6.2 Provide a comparison of average reimbursement rates for office consults to independent and system-owned providers in Middlesex County, Massachusetts in the following areas:
  - a. primary care,
  - b. Physical Therapy
  - c. Behavioral Health
  - d. Cardiology
  - e. Orthopedics
  - f. Dermatology
  - g. Neurology, and
  - h. Oncology

### **Section 7: Cost Trends and Cost Management Strategies**

- 7.1 What is your PMPM trend over the last five years for your total book of business and among similarly sized clients? Categorize the annual increase by changes in price, utilization, or other causes.
- 7.2 Break down the plan sponsor's estimated PMPM by spending categories agreed to by the ASO/TPA and the plan sponsor, including any non-claims-based payments (e.g., PCMH payments), capitated payments, subcontractor fees, etc.
- 7.3 What is your projected year-over-year PMPM trend for this plan for the next three years?
- 7.4 Detail strategies (including impact) that you have implemented to better manage your total book of business spend?
- 7.5 Describe strategies that you plan to implement to meet the City's year-over-year cost targets.

### **Section 8: High-Value Providers: Measurement and Incentives**

- 8.1 What quality and pricing metrics do you track/use to monitor providers? Include: source (e.g., CMS, Leapfrog, RAND, vendor, in-house), timeframe, level (facility or physician), and outcomes- or process-based.
- 8.2 Describe any strategies you employ to incentivize members to utilize high-value providers.
  - a. When steering to affordable commodity-based services, are the preferred providers always those who offer the lowest price to the plan sponsor? If not, why not?
  - b. Do your provider (or leased network) contracts include provisions that restrict in any way the ASO/TPA's or plan sponsor's ability to incentivize/steer members to high-value providers (e.g., anti-tiering/steering, all-or-nothing, or



gag clauses)? If so, describe.

- 8.3 Do you track PCP referral patterns, including referrals to high-value and/or in-system providers?
  - a. Do you provide price and quality data to providers to assist with high-value referrals?
- 8.4 Can and will you incorporate and integrate quality and price data from an outside vendor?
- 8.5 If requested by the City, do you agree to implement a tiered or narrow network based on quality metrics provided by the plan sponsor or a third-party vendor identified by the plan sponsor? Describe any additional costs associated with this undertaking, the timeframe to implement, and any previous experience that you have had implementing such a network.

## **Section 9: Alternative Payment Models and Point Solutions**

- 9.1 Describe your approach to staying innovative and if possible, describe any innovative new tools, solutions, technologies and approaches you are just now rolling out or plan to roll out in the next 12-24 months.
- 9.2 Describe any limitations on working with third party vendors including, but not limited to:
  - a. Stop loss carriers
  - b. Pharmacy benefit managers
  - c. Wellness point solutions
  - d. Mental Health Carve-Outs
  - e. Subrogation
- 9.3 Do you have any preferred partnerships with third party vendors for services requested in this RFP? To what degree would you permit the City to work with vendors outside of these partnerships?
- 9.4 Describe deviations in the City's authority to:
  - a. carve out any services it chooses, including but not limited to Rx, navigation/care management services, customer service and telehealth, as well as prior authorization for certain services.
  - b. add any additional services/vendors it chooses, including capitated primary care options and bundled payments/centers of excellence.
  - c. execute direct contracts with providers (or utilize direct contracts executed by others) for any services it chooses; or
  - d. implement a reference-based pricing health plan, either as its only plan offering or in combination with one or more other plan offerings
- 9.5 Confirm and provide any deviations to the following statements regarding your

agreeing to integrate, administer, and/or process claims for all carved-out services, additional services, and direct contracts as directed by the City or their chosen third party vendor (including, but not limited to, integrating medical and Rx deductibles, out-of-pocket maximums, and prior authorization processes and adjudicating claims from any direct contracts or reference-based pricing plans)—at no additional cost to the plan sponsor or the vendor:

- a. If the plan sponsor participates in a direct provider contract, confirm that the City and its members will be charged the lower of (1) the provider's billed charges, (2) the ASO/TPA's discounted or negotiated rate with the provider, or (3) the rate in the direct contract.
- b. Is in agreement that the administrative costs associated with carved-out services will be deducted from the plan sponsor's administrative payment
- c. That the ASO/TPA will implement any plan design changes that the plan sponsor requests to encourage utilization of the plan sponsor's point solutions, at no additional cost
- d. That the ASO/TPA's navigation services able (and willing) to steer members to the City's point solutions, under a plan-sponsor-approved process, even when the ASO/TPA offers similar services.

9.6 Describe point solutions (carve-outs and add-ons), direct contracts, and reference-based pricing plans that the ASO/TPA has integrated/processed for other clients

9.7 Describe your network strategy in terms of available types of networks, approaches to ACOs and value-based care, and provide a specific overview of how those strategies/approaches will provide value to the City based on where their employees are located across the City and country.

9.8 What innovative approaches to care delivery and/or network design are you currently evaluating?

9.9 Do you currently have provider contracts that require providers to accept financial responsibility for cost, utilization, or patient outcomes (i.e., downside risk)? If so, describe, including outcomes and payments as a percent of total spend.

9.10 Describe any funds paid to Providers for more cost-efficient care – i.e., Pay for Performance, Value-Based Contracts, etc.

- a. If your contracts include these types of payments, outline the expected charge for this service on a PEPM or PMPM basis. Separately list care coordination fees, value-based payments, and any other elements included in the expected charge.
- b. To what degree are you willing to share the details of how payments are calculated? (e.g., calculation of benchmarks, portion of savings/cost paid to/by provider, caps on payments and reimbursements etc.)
- c. To what degree are you able and willing to report on which participating providers receive/pay performance-based payments, and the amount of

- payments they receive?
- d. The City will require the contractual ability to opt in or out of these types of arrangements. Confirm City's ability to specify this arrangement.

9.11 Provide information about Tiered Networks:

- a. Do you offer a tiered network option? If yes, what is the network name?
- b. In what markets is this available?
- c. What types of services are tiered?
- d. What percentage of overlap does this have with your broadest network?

**Section 10: Shared Savings and Other Charges**

10.1 Do you charge a Shared Savings % for services provided?

- a. If so, confirm completion of the Shared Savings exhibit.
- b. Can you put a cap per claim, per employee or member per month on the shared saving services?
- c. Will the charge come through the claim wire or monthly administrative bill?
- d. If applicable, can this program be turned off at the customer's request? If yes, is there an impact to proposed fees?
- e. Will you provide reporting on savings and costs associated with these programs?

**Section 11: Claims**

11.1 What services, for which you are proposing in this RFP, do you plan to subcontract with outside vendors? Describe all arrangements.

11.2 Provide any additional fees beyond claims charges that are included in claims fees.

- a. Are there any additional claims charges assessed for value-based care? If so, how are these fees calculated?
- b. List any shared-savings fees and provide a sample calculation of how these fees are calculated.

11.3 Plan membership includes members who reside out-of-state, members traveling out-of-state who require medical treatment and dependents (students) who reside out-of-state for extended periods of time. Describe how your organization protects against balance billing for members receiving care from out-of-state providers.

11.4 Describe your process for reviewing large claims. At what threshold do you consider a claim to be "large"? Do you internally audit large claimant activity to ensure that they are accurate and free of duplicate charges? To what extent do large claims go through pre-certification and utilization review?

11.5 Provide the City with a list of all system edits used to identify waste, fraud, abuse,

and other overpayments.

- 11.6 Per question 6, confirm that you will inform the City of any system edits turned off after submission of this RFP and that any recovered dollars which were erroneously paid because of the ASO/TPA turning off an existing edit will be recovered at no additional charge to the plan sponsor.
- 11.7 Describe your claim recovery processes for provider overpayment which would solely benefit the City in the event cross plan offsetting is utilized and how any overpayments made to a provider by the ASO/TPA on behalf of the City shall solely be recovered for the benefit of the plan sponsor.

## **Section 12: Audits**

- 12.1 Describe the rights of the City (or its vendor) to review all medical claims on a pre-payment and/or post-payment basis, which shall include a review of all versions/adjustments of each claim line and shall not be limited to a review of the original or final-action version of medical claims.
- 12.2 Describe the rights of the City (or its vendor) will have to engage in, on no less than a monthly basis, a financial reconciliation process whereby all financial transactions are reviewed for accuracy and completeness, including review of all detail of all debits/credits moving into and out of the plan sponsor's account to pay claims, capitation agreements, vendor fees, etc.
- 12.3 Confirm or provide any deviations that as part of any audit, the ASO/TPA shall at a minimum share with the City (or its auditor):
  - a. Medical claims data -- header level, including but not limited to, unique claim identifier, dates claim received, adjudicated and paid, bill type, diagnosis code(s), DRG-related information, etc.
  - b. Medical claims data – line level, including but not limited to, services rendered (Revenue Code, CPT/HCPCS Code, modifiers, etc.), quantity of services/units rendered, all applicable financial values, etc.
  - c. Member eligibility data.
  - d. Provider demographics data, including but not limited to, unique identifiers (payer-defined ID, NPI, Tax ID, etc.) network status, specialty type, etc.
  - e. Claim adjustment/versioning logic.
  - f. Reimbursement methodology; and,
  - g. Other information which the third-party claim review and financial control vendor deems appropriate (subject to appropriate non-disclosure agreements) to fully fulfil fiduciary obligations outlined above.
- 12.4 Describe in any way that your provider contracts (including contracts for leased networks) restrict in any way the ASO/TPA's or City's ability to audit provider claims, make any resulting payment adjustments, or recoup overpayment.

12.5 In the event the City requests a qualitative or quantitative audit of the plan, describe what credits your organization is available to provide to assist with funding the audit.

### **Section 13: Reporting**

13.1 Confirm that you will identify and quantify all non-claims-based payments (e.g., PCMH payments, capitated payments) and include descriptions of how those payments are being used, as well as any available outcomes metrics.

13.2 Describe your commitment to report on outcomes related to the ASO/TPA's high-value networks, benefit design, and payment reform.

13.3 Describe your ability and commitment to provide the City with complete service and outcome reporting from each of its vendors, including all fees associated with services rendered.

13.4 Will reporting be provided by Account Management team or available via portal? What date will you guarantee reporting is available each month?

13.5 Will you provide monthly claim and enrollment reporting? Provide a standard example.

13.6 Will you provide quarterly lag/triangle reports? Can the City's benefit consultant access those reports via portal or are they provided only upon request?

13.7 Are shared savings or other cost containment reporting available monthly? Are they part of standard reporting on portal or are they only available through Account Management Team?

13.8 Do you provide detailed notes and reporting for those in case management?

13.9 What information is required to be documented in CM notes?

13.10 Are custom reports available? If so, what guidelines apply?

13.11 Do you offer real-time access and ability to generate own reports?

### **Section 14: Disease/Condition Management (DM/CM)**

14.1 Provide a brief description of your DM/CM programs. What programs are included versus buy-up?

14.2 Describe any third-party memberships you may utilize as part of your DM/CM programs.

- 14.3 Describe how members are stratified within your DM/CM program.
- 14.4 Describe the expected frequency and method of member engagement. Describe how you measure utilization.
- 14.5 What constitutes the completion of your DM/CM program?
- 14.6 Describe your approach to the prevention of complications for the chronic conditions your program manages.
- 14.7 Describe how you evaluate the clinical and economic impact of your DM/CM programs. What outcomes are measured? How do you show ROI?
- 14.8 Are interventions and/or resources available online to participants in your DM/CM program? If yes, provide description and example.
- 14.9 Describe the reporting available within your DM/CM program. What is the frequency of these reports?
- 14.10 Do you offer cohort reporting as part of your standard reporting package?

### **Section 15: Virtual Care/Telemedicine**

- 15.1 Describe virtual care services available through the ASO/TPA's telehealth vendor.
- 15.2 Is your telemedicine program integrated with your claim platform?
- 15.3 In addition to the visit cost, does the ASO/TPA also charge a PEPM for vendor-based telehealth services? If so, provide description.
- 15.4 Explain how employees can access your telemedicine provider? Through website or core mobile app or separate mobile app?
- 15.5 Do you allow for behavioral telemedicine? Do members access behavioral providers in a different manner?
- 15.6 What is the cost of a visit for traditional care? Behavioral health?
- 15.7 Can the employer determine varying copays for telemedicine? Or having deductible and coinsurance apply? What restrictions exist?
- 15.8 Describe how virtual providers transition patients to local providers for follow-up care. Are metrics available to effect high-value referrals?
- 15.9 Describe utilization rates based on your book of business for: vendor-based

medical and behavioral health.

- 15.10 What strategies does the ASO/TPA utilize to educate members about the availability of telehealth?
- 15.11 Does the ASO/TPA offer payment parity for virtual visits performed by brick-and-mortar providers? Does the ASO/TPA allow brick-and-mortar providers to charge facility fees for virtual visits?

## **Section 16: Pricing/Financial Guarantees**

- 16.1 Provide confirmation the ASO/TPA will ensure that the plan sponsor and its members will be charged the lower of (1) the provider's billed charges, (2) the ASO/TPA's discounted or negotiated rate with the provider, (3) the rate in the direct contract, or (4) the cash price.
- 16.2 Provide confirmation to and any deviations from the following financial guarantees all to be guaranteed for the length of the contract, including any extension years:
- a. *Inpatient unit cost guarantee*: the growth in the average cost per admission will not exceed the guaranteed annual percentage.
  - b. *Professional unit cost guarantee*: the growth in the average cost per procedure will not exceed the guaranteed annual percentage.
  - c. *Outpatient discount guarantee*: the discount as calculated through the book-of-business claim experience submitted as part of this RFP will increase by no less than the guaranteed annual percentage. Service types include the following categories: emergency room, surgery, radiology, pathology, ancillary, and other.
  - d. *In-network utilization guarantee*: The ASO/TPA shall provide a guaranteed percentage of claims paid on an in-network basis.
  - e. *Medical ROI and claim target guarantee*: If navigation and advocacy services are to be covered in this contract, the ASO/TPA shall guarantee ROI for navigation and advocacy services which demonstrate the ASO/TPA's value through improved outcomes, greater employee engagement, increased employee satisfaction, and significant cost savings.
- 16.3 Confirm that if the ASO/TPA (or its vendor) fails to meet the guarantee(s), the percentage of administrative fee due under the contract for each evaluation period shall be returned to the plan sponsor in a manner acceptable to the plan sponsor. The administrative fee will be measured as total plan sponsor-paid administrative fees for the applicable population for which the guarantee was missed.
- a. Confirm that the ASO/TPA will report annually and quarterly on all financial guarantees in a manner established by the plan sponsor, for purposes of independently evaluating performance results.
  - b. Confirm all guarantees will be based on an evaluation period equal to the plan

sponsor claims incurred in a fiscal year and paid through the first three months of the following year.

### **Section 17: Performance Guarantees and Credit Allowances**

- 17.1 Provide your proposed performance guarantees for both implementation and ongoing management.
- 17.2 Confirm willingness to negotiate amended criteria on your standard PG categories?
- 17.3 Confirm willingness to negotiate in good faith on additional non-standard performance guarantees?
- 17.4 The City requires the ASO/TPA to provide certain monetary credits for issues like Implementation, Communications/Technology, and Wellness Initiatives. Complete Appendix A, Credits tab, to describe your program.

### **Section 18: Mental Health Parity and Transparency Requirements**

- 18.1 Confirm in writing to provide to the City that both your comparative analysis of the City's plan's written and operationally imposed NQTLs applied to mental health and/or substance abuse benefits, and any similar standards applied to comparable medical/surgical benefits, and an attestation as to your conclusion that City's plan provides parity with respect to such NQTLs.; or
  - a. If not an attestation as to the plan's compliance with NQTL parity requirements, at least the comparative analysis described in (a) above.
  - b. If you will not supply a comparative analysis or an attestation as to the plan's compliance with NQTL parity requirements, what level of support will you provide the City to allow it to make such comparative analysis? For example, will you supply the City with claims data and operational protocols to allow the City to perform an adequate comparative analysis?
- 18.2 Confirm in writing to provide to the City that both your comparative analysis of the City's plan's written and operationally imposed quantitative limits applied to mental health and/or substance abuse benefits and comparable medical/surgical benefits, and an attestation as to your conclusion that the City's plan provides parity with respect to such QTLs.; or
  - a. If not an attestation as to the plan's compliance with QTL parity requirements, at least the comparative analysis described in (a) above.
  - b. If you will not supply a comparative analysis or an attestation as to the plan's compliance with QTL parity requirements, what level of support will you provide the City to allow it to make such comparative analysis? For example, will you supply the City with claims data and operational protocols to allow the City to perform an adequate comparative analysis?



- 18.3 In the event of regulatory inquiry mental health parity investigation of the City's plan, describe how you will provide the appropriate documentation or substantiation for purposes of demonstrating mental health parity compliance, including but not limited to:
- a. Samples of paid and samples of denied (in whole or in part) mental health/substance abuse benefit claims and medical/surgical benefit claims.
  - b. Any mental health parity testing you have completed with respect to financial requirements, other QTLs, and NQTLs with respect to mental health/substance abuse benefits and medical/surgical benefits under the plan design offered by the City to its employees.
- 18.4 Describe how you will assist the City in meeting the disclosure requirements of the Treasury Regulation ([26 CFR §54.9815-2715A2\(b\)](#))<sup>2</sup> requiring employer-sponsored group health plans to provide certain medical benefits-related information requested by an enrollee. Specifically:
- a. **Compliance as to internet-based self-service tool:** assisting the City in maintaining a website containing cost-sharing information (required by the regulation referenced above) specific to the City's plan and enrollees' coverage under the plan, with such website able to provide in real time, and accurate at the time of the request, the specific cost information specified in the regulation referenced above.
  - b. **Compliance as to paper method:** providing the same information as described in (a.) above on paper if requested by the enrollee, as provided in the regulation referenced above.
- 18.5 Describe how you will assist the City in meeting the disclosure requirements of the Treasury Regulation ([26 CFR §54.9815-2715A3](#)) by hosting on the City's behalf a website that meets the requirements of that regulation, including:
- a. **Machine-readable files:** maintaining, with respect to the City's plan, three machine-readable files reflecting accurate information satisfying the regulation's requirement as to the plan's in-network rates, out-of-network rates and prescription drug-related information, and timely update that information as required by the regulation?
  - b. **Publicly available:** Describe how the website be publicly available and accessible to any person, as provided in the regulation.
- 18.6 Confirm in writing that you will be prepared by July 1, 2023, to administer claims in accordance with applicable portions of Sections 102-106 of the CAA's No Surprises Act Specifically:
- a. **Compliance with limitation on enrollees' cost-sharing responsibility:** administering enrollees' cost-sharing responsibility for out-of-network emergency services claims, out-of-network air ambulance claims, and claims submitted by out-of-network providers providing non-emergency healthcare services to enrollees at in-network facilities, as required by the CAA's No

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<sup>2</sup> References to the Treasury Regulations include the parallel references where applicable to the Department of Labor regulations and the Department of Health and Human Services regulations.

Surprises Act and regulations issued thereunder, to extent those rules apply to such claims.

- b. **Compliance with claim adjudication and initial payment obligations:** within 30 calendar days receipt of a clean claim on behalf of the plan (i.e., a claim with sufficient information to allow you to process it), calculate and, where applicable, send the out-of-network provider either a denial notice or an initial payment
- c. **Dispute resolution:** that you will install and make available to the City an independent dispute resolution process consistent with regulations to be issued under the CAA's surprise billing rules, under which out-of-network providers dissatisfied with the payment made by the City's plan, with respect to out-of-network claims subject to the CAA's surprise billing rules, may seek arbitration and a resolution of the claim payment dispute

18.7 Describe how for plan years beginning on July 1, 2023, you will provide to enrollees in the City's plan the physical or electronic insurance identification cards reflecting the information described in Section 107 of the CAA's No Surprises Act.

- a. Provisions addressed in the CAA include all parallel provisions related to the referenced section.

18.8 **Advanced explanation of benefits:** Describe how you will timely provide, for plan years beginning in or after 2022, to enrollees in, and (as relevant) healthcare providers requesting benefits information regarding, the City's plan the notification required by Section 111 of the CAA's No Surprises Act, in the form requested by the enrollee or, as applicable the provider.

18.9 **Maintenance of price comparison tool:** Describe how you will timely and accurately provide, for plan year beginning July 1, 2023, the price comparison tool the plan is required to maintain pursuant to Section 114 of the CAA's No Surprises Act

18.10 **Continuity of care:** Describe how for plan years beginning on July 2023, you will timely notify, pursuant to Section 113 of the CAA's No Surprise Act, enrollees under The City's plan who are "continuing care patients" and receiving care from an in-network provider, where the provider's contractual relationship with the plan, insurance carrier or ASO/TPA is terminating. Also, describe how you will also continue to provide or, as applicable, administer benefits under the plan, with respect to such enrollee, as provided in Section 113 until the termination of the period described in that section.

18.11 **Provider directories:** Describe how you will timely maintain the accuracy of, for plan years beginning on July 1, 2023, the provider directories described in Section 116 of the CAA's No Surprises Act.

18.12 **Reporting of pharmacy benefits, drug costs and other plan information:**

Describe how you will provide to the City, to the extent you have, maintain or have access to the information, the plan-related cost information required to be reported by the City pursuant to Section 204 of the CAA's No Surprises Act, and to provide that information in a time and manner (to the extent you are reasonably able to do so) adequate to permit the City to timely report the information as required by Section 204?

- 18.13 Attest that no gag clauses, as defined in Section 201 of the CAA's No Surprises Act, will be in any agreement (after the effective date of Section 201) that you utilize with any carrier, network, or association of providers, ASO/TPA, or other service provider offering access to a network of providers under the City's plan.
- 18.14 Describe how you will timely disclose to the plan any compensation paid to a covered service provider for any of the services specified, and as those terms are defined, in Section 202 of the CAA's No Surprises Act.
- 18.15 Describe to what extent you will indemnify the City for liability imposed upon the City for your failure to comply with your agreement to satisfy the requirements listed details in questions 16.1 to 16.14 in this section.

### **Section 19: Data**

- 19.1 Describe all contract provisions within your provider contracts (or provider contracts related to leased networks) that would restrict your ability to fulfill any of the data requirements in this RFP or restrict in any way the plan sponsor's ability to utilize its data as delineated here.

### **Section 20: RxDC Reporting**

- 20.1 Will you submit the medical cost data (hospital, primary care, specialty care, other medical costs and services, medical benefit drugs) under D2 on behalf of your customers? Is this data at the aggregate level or client level?
- 20.2 Will you submit the pharmacy cost data D3-D8 on behalf of your customers?
- If not, which ones will you not report on?
  - With regard to D1 will you obtain that information from the plan sponsor and file the entire report, or do you require the plan sponsor file the form with the government? If you are collecting the information from the plan sponsor, what is your process for obtaining that information?
- 20.3 If customers do not use your PBM, what reports will you be submitting? What information will you require from the plan?

- 20.4 If you will not submit all data, in which circumstances will you not submit data and which data will you not submit?
- 20.5 Will data be provided at the client level (or aggregate level)?
- 20.6 What is the process and timing you are using to notify clients about their options?
- 20.7 Will you be charging additional fees to the clients for complying with these requirements?
- 20.8 Will you be charging additional fees to the clients for complying with any of the transparency requirements (including machine readable files, price comparison, etc.?)
- a. If so, what will you charge for each service?

END OF SECTION

## **Attachment A**

### **CONTRACT FORM**

The awarded bidder will be required to complete and submit documents substantially similar (and as modified as appropriate by the City's Law Department) in form to the following.

These forms may need to be modified on account of changed circumstances, and are provided for informational purposes only.

## CITY - CONTRACTOR AGREEMENT

CONTRACT NO. C - \_\_\_\_\_

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_ in the year Two Thousand and Twenty-three by and between the CITY OF NEWTON, a municipal corporation organized and existing under the laws of the Commonwealth of Massachusetts, hereinafter referred to as the CITY, acting through its Chief Procurement Officer, but without personal liability to him, and

hereinafter referred to as the CONTRACTOR.

The parties hereto for the considerations hereinafter set forth agree as follows:

**I. SCOPE OF WORK.** The Contractor agrees to furnish and to deliver to the City at such times, at such place or places, in such manner, and in such quantities as the City may direct, and at the unit prices quoted in the Contractor's bid the following item or items:

**II. CONTRACT DOCUMENTS.** The Contract Documents consist of the following documents which are either attached to this Agreement or are incorporated herein by reference:

- a. This CITY-CONTRACTOR Agreement;
- b. The City's Invitation for Bid #23-69 issued by the Purchasing Department;
- c. The Project Manual for **Health Insurance Administration & Related Services** including Specifications, and if included or referenced therein, any Standard Terms and Conditions, Special Conditions (collectively, the "Project Manual");
- d. Addenda Number(s) \_\_\_\_\_;
- e. The Bid Response of the CONTRACTOR submitted for this Project and accompanying documents and certifications;
- f. Certificate(s) of Insurance and surety bond(s), if any, submitted by the CONTRACTOR in connection with this Project;
- g. Duly authorized and executed Amendments, Change Orders or Work Orders issued by the CITY after execution of this CITY-CONTRACTOR Agreement.

This CITY-CONTRACTOR Agreement, together with the other documents enumerated in this Article, constitute the entire Agreement between the CITY and the CONTRACTOR. The CONTRACTOR represents that its bid was made without condition, qualification or reservation of any kind, except upon the written acknowledgement and consent of the CITY.

**III. PRIORITY OF DOCUMENTS.** In the event of inconsistency between the terms of this CITY - CONTRACTOR Agreement and the Project Manual, the terms of this Agreement shall prevail.

**IV. APPLICABLE STATUTES.** All applicable federal, state and local laws and regulations are incorporated herein by reference and the Contractor agrees to comply with same.

- V. **CONTRACT TERM.** The term of this contract shall extend from day of contract execution through \_\_\_\_\_. The City, at its sole discretion, shall have the option to extend the term for two (2) additional one (1) year terms with no change to the contract price and terms and conditions unless the contract total has been increased by a duly executed change order. The City reserves the right to terminate this contract prior to the expiration date in the event total expenditures reach the above stated contract total. It is further understood that in the event the term of this contract extends beyond June 30 in any calendar year, the City reserves the right to terminate the contract if funding for its continuance is not appropriated in the succeeding fiscal year commencing July 1.
- VI. **QUANTITIES.** The quantities specified in the Project Manual are approximate and are based on previous consumption. It is specifically understood the City does not agree to purchase any specific quantity, and purchases will be made to cover actual requirements only. The City may increase or decrease the quantity of any item specified without change in price per unit of quantity as stated in the Contractor's Bid Response.
- VII. **MATERIALS.** The Contractor agrees, unless otherwise specified, that all equipment, materials and supplies furnished under this contract are to be first quality, new and unused.
- VIII. **AUTHORIZATION OF AND PAYMENT FOR WORK PERFORMED.** The execution of this contract does not constitute a notice to proceed or authorization to perform work or make deliveries. No work shall be commenced or deliveries made unless authorized by a written Work Orders issued by the City specifying the equipment, materials or supplies to be delivered. The Contractor will be paid following completed delivery and acceptance of the equipment, materials or supplies ordered in accordance with the Contract. The City will use best efforts to pay within thirty (30) days of receipt of an invoice for the delivered equipment, materials or supplies or acceptance of same whichever date is later.
- IX. **CLAIMS FOR MATERIALS OR LABOR.** In the event any claims have been filed with the City for material or labor delivered or performed pursuant to this contract, the City shall be under no obligation to make any payment until such claims are adjusted to the satisfaction of the City. Any and all liens for supplies may be paid off by the City within twenty (20) days after the filing for record as provided by law of a notice of such liens, except where the claim on which the lien is filed is being litigated by the Contractor, and in such case the City may pay the amount of any final judgment or decree on any such claim. All money paid by the City in settlement of liens and claims as aforesaid, with the costs and expenses incurred by the City in connection therewith shall be charged to the Seller, bearing interest at the rate of six percent (6%) per annum, and be deducted from the next payment falling due the Seller under the terms of this contract.
- X. **UNIT PRICES.** It is agreed that the unit prices listed are maximum prices and that the City shall be entitled to take advantage of any decreasing market conditions, decreases to be governed by the manufacturers' price listing as might be generally adopted in the trade, or by the same percentage that the Seller may reduce prices to others who purchase in similar quantities and under similar conditions.
- XI. **RESPONSIBILITY FOR THE WORK/INDEMNIFICATION.** In the performance of any work, including the delivery of equipment, materials or supplies, pursuant to this Contract, the Contractor shall take all responsibility for the work, and shall take all precautions for preventing injuries to persons and property in or about the work and shall defend, indemnify and hold the City harmless from all loss, cost, damage or expense arising from injuries to persons or property in or about the work. The Contractor shall be responsible for any damage which may be caused by the failure or insufficiency of any temporary works. He shall effectively protect his work and shall be liable for all damage and loss by delay or otherwise caused by his neglect or failure so to do.

- XII. WARRANTY.** Except as may be otherwise provided in the Project Manual, the Contractor shall replace, repair or make good, without cost to the City, any defects or faults arising within one (1) year after date of acceptance of equipment, materials or supplies furnished hereunder (acceptance not to be unreasonably delayed) resulting from imperfect or defective work done or materials furnished by the Contractor.
- XIII. PATENT INDEMNIFICATION.** The Contractor agrees to assume the defense of and shall indemnify and save harmless the City and all persons acting for or on behalf of it from all suits and claims against them, or any of them, arising from or occasioned by the use of any material, equipment or apparatus, or any part thereof which infringes or is alleged to infringe on any patent rights. In case such material, equipment or apparatus, or any part thereof, in any such suit is held to constitute infringement, the Contractor, within a reasonable time, shall at its own expense, and as the City may elect, replace such material, equipment or apparatus with non-infringing material, equipment or apparatus, or remove the material, equipment, or apparatus and refund the sums paid therefor.
- XIV. INSPECTION.** For the purposes of inspection of the equipment, materials and supplies covered by this contract, the Contractor shall give the City free access to his works and furnish every facility for properly inspecting such equipment, materials and supplies, and shall furnish full information, whenever requested, relating thereto. Approval by any inspector of the City shall not relieve the Contractor from his obligation to comply in all respects with the contract.
- XV. ASSIGNMENT/SUB-CONTRACTING.** The Contractor agrees that he will not sell, assign or transfer this Contract or any part thereof or interest therein without the prior written consent of the City.
- XVI. INSTALLATION.** If any of the equipment, materials and supplies covered by this contract is to be installed by either the Contractor or the City, the Contractor shall, upon request of the City, furnish a competent employee to supervise the installation without expense to the City, unless otherwise provided herein.

Such supervisor, or other employees furnished by the Contractor, shall be the agents of the Contractor and not of the City, and the Contractor hereby agrees to indemnify the City and hold it harmless from and against any and all loss, costs, damage, and expense sustained as the result of negligence or other conduct on the part of such supervisor or employee.

- XVII. TERMINATION.** The City of Newton may, by written notice of default to the Contractor, terminate the whole or any part of this Contract or any Shipping of Purchase Order issued pursuant thereto in any one of the following circumstances:
- a. If the Contractor fails to make delivery of the equipment, goods or supplies or to perform the services within the time specified herein or any extension thereof;
  - b. If the Contractor fails to perform any of the other provisions of this contract or, if in the opinion of the City, Contractor so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not correct such failure within thirty (30) days (or such longer period as the City may authorize in writing) after receipt of notice from the City specifying such failure.



**XVIII. INSURANCE.** The Contractor shall provide insurance coverage as listed below. This insurance shall be provided at the Contractor's expense and shall be in full force and effect during the full term of this Contract.

WORKER'S COMPENSATION

Worker's Compensation: Per M.G.L. c.149, §34 and c.152 as amended.

PUBLIC LIABILITY

Personal Injury	\$500,000 each occurrence \$1,000,000 aggregate
Property Damage	\$500,000 each occurrence \$1,000,000 aggregate

VEHICLE LIABILITY

Personal Injury	\$500,000 each person \$1,000,000 aggregate
Property Damage	\$300,000 each occurrence \$500,000 aggregate

The City shall be named as additional insureds on the Contractor's Liability Policies.

**XIX. GOVERNING LAW.** This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

**XX. SEVERABILITY.** The provisions of this Contract are severable. If any section, paragraph, clause or provision of this Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Contract shall be unaffected by such adjudication and all of the remaining provisions of this Contract shall remain in full force and effect as though such section, paragraph, clause or provision, or any part thereof so adjudicated to be invalid, had not been included herein, unless such remaining provisions, standing alone, are incomplete and incapable of being executed in accordance with the intent of the parties to this Contract.

**XXI. AMENDMENTS TO THIS CONTRACT.** This Contract may not be amended except in writing executed in the same manner as this CITY-CONTRACTOR Agreement.

THIS SPACE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties have caused this instrument to be executed under seal the day and year first above written.

**CONTRACTOR**

By \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*Affix Corporate Seal Here*

City funds are available in the following account numbers:  
FUND 6600 \_\_\_\_\_

I further certify that the Mayor, or her designee is, authorized to execute contracts and approve change orders.

By \_\_\_\_\_  
*Comptroller of Accounts*

Date \_\_\_\_\_

**CITY OF NEWTON**

By \_\_\_\_\_  
*Chief Procurement Officer*

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Approved as to Legal Form and Character

By \_\_\_\_\_  
*Associate City Solicitor*

Date \_\_\_\_\_

**CONTRACT APPROVED**

By \_\_\_\_\_  
*Mayor or her designee*

Date \_\_\_\_\_

CERTIFICATE OF AUTHORITY - CORPORATE

1. I hereby certify that I am the Clerk/Secretary of \_\_\_\_\_  
(insert full name of Corporation)
2. corporation, and that \_\_\_\_\_  
(insert the name of officer who signed the **contract and bonds.**)
3. is the duly elected \_\_\_\_\_  
(insert the title of the officer in line 2)
4. of said corporation, and that on \_\_\_\_\_  
(insert a date that is **ON OR BEFORE** the date the  
officer signed the **contract and bonds.**)

at a duly authorized meeting of the Board of Directors of said corporation, at which all the directors were present or waived notice, it was voted that

5. \_\_\_\_\_ the \_\_\_\_\_  
(insert **name** from line 2) (insert **title** from line 3)

of this corporation be and hereby is authorized to execute contracts and bonds in the name and on behalf of said corporation, and affix its Corporate Seal thereto, and such execution of any contract of obligation in this corporation's name and on its behalf, with or without the Corporate Seal, shall be valid and binding upon this corporation; and that the above vote has not been amended or rescinded and remains in full force and effect as of the date set forth below.

6. ATTEST: \_\_\_\_\_ *AFFIX CORPORATE SEAL HERE*  
(Signature of **Clerk or Secretary**)\*

7. Name: \_\_\_\_\_  
(Please print or type name in line 6)\*

8. Date: \_\_\_\_\_  
(insert a date that is **ON OR AFTER** the date the  
officer signed the **contract and bonds.**)

\* The name and signature inserted in lines 6 & 7 **must** be that of the **Clerk or Secretary** of the corporation.