

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is made and entered into by and between Lexington-Fayette Urban County Government in Fayette County, Kentucky ("Client") and Benefit Insurance Marketing, having its principal place of business in Fayette County, Kentucky, at 1151 Red Mile Road, Lexington, Kentucky 40504 ("BIM").

1. Purpose. The purpose of this Agreement is to state the terms and conditions under which BIM shall provide employee benefit advisory and brokerage services for the optional benefit programs offered to employee of Client. BIM has been selected by Client as being the best value respondent to Client's Request for Proposal No. 21-2012 Employee Optional Benefit Broker Advisory Services (the "RFP"). The RFP, which is attached hereto as Exhibit "A", is incorporated herein by reference as if fully stated. BIM's response to the RFP dated July 31, 2012, which is attached hereto as Exhibit "B", is incorporated herein as if fully stated. To the extent of any conflict among and between the terms of these documents, the provisions of this Agreement shall take precedence, followed by the RFP and the response.

2. Description of Services. BIM services to Client shall include, but shall not be limited to, the following:

A. Review the various Client plans structure, benefits, service, vendor contracts, and costs, including (i) review of current benefits and recommend potential benefit adjustments or changes; and (ii) review costs and other obligations.

B. Review proposal specifications, including (i) review and recommendation of specification adjustments for improvement of benefits for Client's Plans to be offered; (ii) review presentation procedures for eligible participants; and (iii) assist with the selection of insurance carriers and other professional vendors that will be provided with a request for proposal.

C. Assist in the selection process by (i) responding to questions or inquiries from insurance carriers and other professional vendors during the proposal process; (ii) reviewing and comparing the proposals received to determine conformity to bid request requirements; (iii) conducting discussions and meet with those insurance carriers and other professional vendors who are competitive to achieve the best benefits, costs and contractual terms for Client; and (iv) making recommendations for the placement of coverage for insurance services and other related professional services.

D. Assist in implementation, communication and Plan management by (i) coordinating the enrollment and installation of contract(s), including employee communication and employee meetings and other necessary services to complete the enrollment and implementation of the Plans; (ii) coordinating with the insurance carrier and other professional vendors for proper administrative procedures, reporting requirements, and contacting service representatives; (iii) monitoring the performance, throughout the year, of such insurance carriers and other vendors; (iv) assisting in the resolution of claims or service issues with insurance carriers or other related professional vendors; and (v) providing services not listed above as may be necessary or negotiated by BIM and Client .

3. Work with Client Staff. In undertaking the foregoing services on behalf of Client, BIM shall work closely with its Division of Human Resources and/or its designees, including other Client Human Resources personnel and other appropriate Client personnel and officials ("Client Staff"), and perform any and all related tasks required by Client Staff in order to fulfill the purposes of this Agreement.

4. Work Product. BIM shall deliver all data, reports and documents which result from its services to Client Staff in such form as is satisfactory to Client Staff. Upon acceptance or approval by Client, all reports, information and other data, given to, prepared or assembled by BIM on behalf of Client pursuant to the terms of this Agreement, and any and all other related documents or items related thereto, shall become the sole property of Client and shall be delivered to Client. BIM may make copies of any and all documents referenced herein for its files.

5. Performance of Services. BIM and its employees and/or associates shall perform all the services under this Agreement and BIM hereby agrees and represents that all of its employees and/or associates who perform services under this Agreement are and shall be fully qualified and competent to perform the services described herein.

6. Term. The term of this Agreement shall begin February 1, 2013 and shall conclude January 31, 2015. The agreement shall be automatically extended for additional one (1) year terms in subsequent years unless either BIM or the Client indicates in writing no later than 60 days prior to January 31, 2015, that they do not wish to renew this Agreement . Further, BIM understands and agrees that all services, written reports, and other data are to be completed and delivered to Client by the termination date unless an extension of time is approved by Client Staff.

7. Compensation for Services. In consideration of the professional services to be performed by BIM pursuant to the terms of this Agreement, Client

shall pay BIM for services rendered, as referenced in attached Exhibit "C", which is incorporated by reference. Payments to BIM shall be in the amount shown by its billings and other documentation submitted to Client and shall be subject to Client's approval. Payments are due by the 1st of the month. If payment is not received by the end of the following month, BIM reserves the right to suspend or terminate all BIM services until payment is received.

8. Change in Scope or Focus of Services. Client and BIM acknowledge that Client may request, from time to time, changes in the scope or focus of the activities and services conducted or to be conducted by BIM pursuant to this Agreement. Any such change which varies significantly from the Description of Services referenced above and which entails a significant increase in cost or expense to BIM shall be mutually agreed on by BIM and Client. Changes in the scope, which in the opinion of BIM and Client Staff will or in all likelihood will require additional funding by Client, must first be authorized in advance by Client.

9. Confidentiality of Work and Work Product. No reports, information, project evaluation, project designs, data or any other documentation developed by, given to, prepared by or assembled by BIM pursuant to the terms of this Agreement shall be disclosed or made available to any individual or organization by BIM without the express prior written approval of Client or as required by the Kentucky Open Records Act, KRS 61.870.

10. BIM's Liability and Insurance Coverage. Approval of Client shall not constitute nor be deemed a release of the responsibility and liability of BIM, its employees, agents and/or associates for the accuracy and competency for their designs, reports, information, and other documents or services, nor shall approval be deemed to be the assumption of such responsibility by Client for any defect, error or omission in the documents prepared by BIM, its employees, agents and/or associates. BIM further agrees that it shall maintain in force and effect insurance of the types and in the minimum amounts provided in the RFP (Exhibit "A").

11. Indemnity. BIM shall comply with the Risk Management provisions provided in the RFP (Exhibit "A").

12. Termination. Client may terminate this Agreement upon sixty (60) days written notice to BIM, with or without cause, with the understanding that all services being performed under this Agreement shall cease upon the date specified in such notice. BIM shall invoice for all services completed and shall be compensated in accordance with the terms of this Agreement for all such services performed by it prior to the date specified in such notice unless the Agreement is terminated for cause in which case the parties agree to act in good faith in determining any amounts owed to BIM.

13. Additional Terms of Agreement. The following shall be additional conditions of, and a part of, the consideration of this Agreement, to-wit:

A. Conflict of Interest. BIM hereby acknowledges that no officer or employee of BIM is financially interested, directly or indirectly, in the sale to Client of any materials, supplies or services other than the professional services referenced herein. BIM hereby agrees that it shall not accept other employment or engage in outside activities incompatible with the proper discharge of its professional obligations, duties and responsibilities to Client, or which might impair its independent judgment in the performance of its obligations, duties and responsibilities to Client. BIM further agrees that it shall not and will not provide services for compensation, directly or indirectly, to any person or organization who is requesting a permit, authorization, approval, investigation or determination from or by Client.

B. Nondiscrimination. As a condition of this Agreement, BIM covenants that it will take all necessary actions to insure that, in connection with any work undertaken pursuant to this Agreement, that it, its associates, agents and subcontractors will not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex or physical disability, either directly, indirectly or through contractual or other arrangements. In this regard, BIM shall keep, retain and safeguard all records relating to this Agreement or work performed hereunder for a minimum period of three (3) years from completion of services to Client, with full access allowed to authorized representatives of Client, upon request, for purposes of evaluating compliance with this and other provisions of this Agreement.

C. Assignment. This Agreement shall not be assigned, in whole or in part, without the prior express written consent of Client.

D. Notices. All notices, communications, and reports required or permitted under this Agreement shall be personally delivered or mailed to the respective parties by depositing same in the United States mail, postage prepaid, or delivered electronically at the following addresses. Mailed notices shall be deemed communicated as of five (5) days after mailing.

If intended for Client to:

Lexington-Fayette Urban County Government
ATTN: Director of Human Resources
200 E. Main Street, Room 338
Lexington, KY 40507

If intended for BIM, to:

Mr. L Briggs Cochran, President
Benefit Insurance Marketing
1151 Red Mile Road
Lexington, KY 40504

E. Independent Contractor. In performing services under this Agreement, BIM is and shall be considered an independent contractor of Client. Nothing contained herein shall modify that relationship and the parties hereto specifically acknowledge that BIM is an independent contractor of Client. Additionally, no term or provision of this Agreement shall be construed as making BIM an agent, servant or employee of Client.

F. Venue. The obligations of the parties pursuant to this Agreement are performable in Fayette County, Kentucky, and if legal action is necessary to enforce same, exclusive venue shall lie in Fayette County, Kentucky.

G. Applicable Laws. This Agreement is made subject to the provisions of applicable state and federal laws. Further, this Agreement shall be governed by and construed in accordance with the laws and court decisions of the Commonwealth of Kentucky.

H. Mediation. In the event of any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, the parties hereto agree to submit such controversy or claim to nonbinding mediation.

I. Entire Agreement. This Agreement contains the entire agreement between the parties and this Agreement supersedes any and all other agreements, whether oral or written. This Agreement may not be amended except in writing and all amendments must be approved by both Client and BIM.

J. Severability. If any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision.

K. Binding Obligation. This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Client warrants and represents that the individual executing this

Agreement on behalf of Client has full authority to execute this Agreement and bind Client to the same. BIM warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind BIM to same.

L. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

M. Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

EXECUTED AND AGREED TO by Lexington-Fayette Urban County Government and Benefit Insurance Marketing on this 28th day of ~~October~~^{February}, 2012.

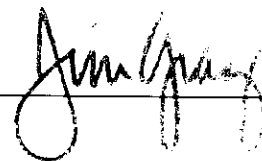
ACCEPTED:
Benefit Insurance Marketing


By: L Briggs Cochran, President

2-1-13

Date

ACCEPTED:
Lexington-Fayette Urban County Government

By: 

3-29-13

Date

PROFESSIONAL SERVICES AGREEMENT

EXHIBIT C

Professional Services	Benefit Plans
<p>Benefit Insurance Marketing services include:</p> <ul style="list-style-type: none">• Determining and recommending the most economical funding methods for the optional benefit programs offered to LFUCG employees.• Representing LFUCG in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design and special terms and conditions.• Meeting with and providing reports to various LFUCG representatives as requested.<ul style="list-style-type: none">○ Respond promptly to LFUCG employee inquiries○ Provide prompt information in response to inquiries from the Urban County Council• Researching and advising LFUCG on any new developments related to employee benefit plans on an ongoing basis.• As requested by LFUCG, preparing bid specifications and soliciting proposals from insurance markets which specialize in optional benefits. Evaluate bids including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from various bidders.• Providing ongoing service and support of all optional benefit programs selected, including but not limited to enrollment support, installation and on-going day to day requests.• Provide coverage documents for all benefit plans.• Review and be responsible for the accuracy and correctness, prior to delivery, of excess/reinsurance coverage documents and/or pricing policies, including all changes and	<p style="text-align: center;">Optional Benefit plans offered to LFUCG Employees</p> <p style="text-align: center;">Short Term Disability Long Term Disability Cancer Insurance Critical Illness Plan Accident Insurance Whole Life Insurance Universal Life Insurance Term Life Insurance</p>

<p>endorsements.</p> <ul style="list-style-type: none"> • Advise LFUCG of any "gaps" in and/or inadequate coverage. • Participate in employee marketing and educational programs as requested. • Assisting with health fairs or other special events as requested. • Preparation of any requested period reports, as requested. 	
<p>For the scope of services outlined in this contract, BIM will accept standard commissions which are included in the optional benefits premiums. BIM will not charge a fee beyond those commissions.</p>	



Lexington-Fayette Urban County Government

Request For Proposal

The Lexington-Fayette Urban County Government hereby requests proposals for **RFP #21-2012 Employee Optional Benefit Broker Advisory Services** to be provided in accordance with terms, conditions and specifications established herein.

Sealed proposals will be received in the Division of Central Purchasing, Room 338, Government Center, 200 East Main Street, Lexington, KY, 40507, until **2:00 PM**, prevailing local time, on **July 31st, 2012**.

Proposals received after the date and time set for opening proposals will not be considered for award of a contract and will be returned unopened to the Proposer. It is the sole responsibility of the Proposer to assure that his/her proposal is received by the Division of Central Purchasing before the date and time set for opening proposals.

Proposals must be sealed in an envelope and the envelope prominently marked:

RFP #21-2012 Employee Optional Benefit Broker Advisory Services

If mailed, the envelope must be addressed to:

Purchasing Director
Lexington-Fayette Urban County Government
Room 338, Government Center
200 East Main Street
Lexington, KY 40507

Additional copies of this Request For Proposals are available from the Division of Central Purchasing, Room 338 Government Center, 200 East Main Street, Lexington, KY 40507, (859)-258-3320, at no charge.

Proposals, once submitted, may not be withdrawn for a period of sixty (60) calendar days.

The Proposer must submit one (1) master (hardcopy), (1) electronic version in PDF format on a flashdrive or CD and seven (7) duplicates (hardcopies) of their proposal for evaluation purposes.

The Lexington-Fayette Urban County Government reserves the right to reject any or all proposals, and to waive technicalities and informalities when such waiver is determined by the Lexington-Fayette Urban County Government to be in its best interest.

Signature of this proposal by the Proposer constitutes acceptance by the Proposer of terms, conditions and requirements set forth herein.

Minor exceptions may not eliminate the proposal. Any exceptions to the specifications established herein shall be listed in detail on a separate sheet and attached hereto. The Lexington-Fayette Urban County Government shall determine whether any exception is minor.

The Lexington-Fayette Urban County Government encourages the participation of minority- and women-owned businesses in Lexington-Fayette Urban County Government contracts. This proposal is subject to Affirmative Action requirements attached hereto.

Please do not contact any City staff member or any other person involved in the selection process other than the designated contact person(s) regarding the project contemplated under this RFP while this RFP is open and a selection has not been finalized. Any attempt to do so may result in disqualification of the firm's submittal for consideration.

Laws and Regulations

All applicable state laws, municipal ordinances and regulations of all authorities having jurisdiction over the project shall apply to the contract, and shall be deemed to be incorporated herein by reference.

Equal Employment Opportunity

The Entity (regardless of whether construction contractor, non-construction contractor or supplier) agrees to provide equal opportunity in employment for all qualified persons, to prohibit discrimination in employment because of race, color, creed, national origin, sex or age, and to promote equal employment through a positive, continuing program from itself and each of its subcontracting agents. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

Kentucky Equal Employment Opportunity Act

The Kentucky Equal Employment Opportunity Act of 1978 (KRS 45.560-45.640) requires that any "county, city, town, school district, water district, hospital district, or other political subdivision of the state shall include in directly or indirectly publicly funded contracts for supplies, materials, services, or equipment hereinafter entered into the following provisions:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin;
- (2) The contractor will state in all solicitations or advertisements for employees placed by or on behalf of the contractors that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin;
- (3) The contractor will post notices in conspicuous places, available to employees and applicants for employment, setting forth the provision of the nondiscrimination clauses required by this section; and
- (4) The contractor will send a notice to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding advising the labor union or workers' representative of the contractor's commitments under the nondiscrimination clauses."

The Act further provides:

"KRS 45.610. Hiring minorities -- Information required

- (1) For the length of the contract, each contractor shall hire minorities from other sources within the drawing area, should the union with which he has collective bargaining agreements be unwilling to supply sufficient minorities to satisfy the agreed upon goals and timetables.
- (2) Each contractor shall, for the length of the contract, furnish such information as required by KRS 45.560 to KRS 45.640 and by such rules, regulations and orders issued pursuant thereto and will permit access to all books and records pertaining to his employment practices and work sites by the contracting agency and the department for purposes of investigation to ascertain compliance with KRS 45.560 to 45.640 and such rules, regulations and orders issued pursuant thereto.

KRS 45.620. Action against contractor -- Hiring of minority contractor or subcontractor

(1) If any contractor is found by the department to have engaged in an unlawful practice under this chapter during the course of performing under a contract or subcontract covered under KRS 45.560 to 45.640, the department shall so certify to the contracting agency and such certification shall be binding upon the contracting agency unless it is reversed in the course of judicial review.

(2) If the contractor is found to have committed an unlawful practice under KRS 45.560 to 45.640, the contracting agency may cancel or terminate the contract, conditioned upon a program for future compliance approved by the contracting agency and the department. The contracting agency may declare such a contractor ineligible to bid on further contracts with that agency until such time as the contractor complies in full with the requirements of KRS 45.560 to 45.640.

(3) The equal employment provisions of KRS 45.560 to 45.640 may be met in part by a contractor by subcontracting to a minority contractor or subcontractor. For the provisions of KRS 45.560 to 45.640, a minority contractor or subcontractor shall mean a business that is owned and controlled by one or more persons disadvantaged by racial or ethnic circumstances.

KRS 45.630 Termination of existing employee not required, when

Any provision of KRS 45.560 to 45.640 notwithstanding, no contractor shall be required to terminate an existing employee upon proof that employee was employed prior to the date of the contract.

KRS 45.640 Minimum skills

Nothing in KRS 45.560 to 45.640 shall require a contractor to hire anyone who fails to demonstrate the minimum skills required to perform a particular job."

It is recommended that all of the provisions above quoted be included as special conditions in each contract. In the case of a contract exceeding \$250,000, the contractor is required to furnish evidence that his workforce in Kentucky is representative of the available work-force in the area from which he draws employees, or to supply an Affirmative Action plan which will achieve such representation during the life of the contract.

Contention Process

Vendors who respond to this invitation have the right to file a notice of contention associated with the RFP process or to file a notice of appeal of the recommendation made by the Director of Central Purchasing resulting from this invitation.

Notice of contention with the RFP process must be filed within 3 business days of the bid/proposal opening by (1) sending a written notice, including sufficient documentation to support contention, to the Director of the Division of Central Purchasing or (2) submitting a written request for a meeting with the Director of Central Purchasing to explain his/her contention with the RFP process. After consulting with the Commissioner of Finance the Chief Administrative Officer and reviewing the documentation and/or hearing the vendor, the Director of Central Purchasing shall promptly respond in writing findings as to the compliance with RFP processes. If, based on this review, a RFP process irregularity is deemed to have occurred the Director of Central Purchasing will consult with the Commissioner of Finance, the Chief Administrative Officer and the Department of Law as to the appropriate remedy.

Notice of appeal of a RFP recommendation must be filed within 3 business days of the RFP recommendation by (1) sending a written notice, including sufficient documentation to support appeal, to the Director, Division of Central Purchasing or (2) submitting a written request for a meeting with the Director of Central Purchasing to explain his appeal. After reviewing the documentation and/or hearing the vendor and consulting with the Commissioner of Finance and the Chief Administrative Officer, the Director of Central Purchasing shall in writing, affirm or withdraw the recommendation.

SELECTION CRITERIA:

1. Compliance with the specifications of the RFP and overall quality of the response.
2. Ability to provide and receive electronic data feeds to our Peoplesoft System.
3. Cost to LFUCG and its employees
4. Quality and effectiveness of proposed approach and plan
5. Capacity to respond to numerous employee inquiries
6. Employment of full time legal counsel for consultation with LFUCG legal staff
7. Quality of services staff
8. Comprehensiveness of services offered
9. Effectiveness of quality assurance programs.
10. Ability to provide LFUCG with meaningful financial experience reports on a timely basis.
11. References of broker/consultant and company
12. Commitment to provide 120 days advance notice of renewal rates for the plan year beginning January 1, 2014 and subsequent plan years.
13. Specialized experience and technical competence of the person or firm with the type of service required.
14. Character, integrity, reputation, judgment, experience and efficiency of the person or firm.
15. Past record and performance on contracts with the LFUCG or other governmental agencies and private industry with respect to such factors as control of cost, quality of work and ability to meet scheduling.
16. Familiarity with the details of the project.
17. Degree of local employment to be provided by the person or firm
18. Multi-year rate and fee guarantees

Proposals shall contain the appropriate information necessary to evaluate based on these criteria. A committee composed of government employees as well as representatives of relevant user groups will evaluate the proposals.

Questions shall be addressed to:

Todd Slatin
Buyer Senior
Division of Central Purchasing
tslatin@lexingtonky.gov

Affirmative Action Plan

All vendors must submit as a part of the proposal package the following items to the Urban County Government:

1. Affirmative Action Plan for his/her firm;
2. Current Work Force Analysis Form;

Failure to submit these items as required may result in disqualification of the submitter from award of the contract. All submissions should be directed to:

Director, Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street, 3rd Floor
Lexington, Kentucky 40507

All questions regarding this proposal must be directed to the Division of Central Purchasing, (859)-258-3320.

AFFIDAVIT

Comes the Affiant, _____, and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is _____ and he/she is the individual submitting the proposal or is the authorized representative of _____, the entity submitting the proposal (hereinafter referred to as "Proposer").

2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.

3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.

4. Proposer has authorized the Division of Central Purchasing to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.

5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.

6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

Continued on next page

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

STATE OF _____

COUNTY OF _____

The foregoing instrument was subscribed, sworn to and acknowledged before me by _____ on this the _____ day of _____, 2012.

My Commission expires: _____

NOTARY PUBLIC, STATE AT LARGE

EQUAL OPPORTUNITY AGREEMENT

The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap.

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.

The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

Bidders

I/We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.

Signature

Name of Business

WORKFORCE ANALYSIS FORM

Name of Organization: _____

Date: ____/____/____

Categories	Total	White		Latino		Black		Other		Total	
		M	F	M	F	M	F	M	F	M	F
Administrators											
Professionals											
Superintendents											
Supervisors											
Foremen											
Technicians											
Protective Service											
Para-Professionals											
Office/Clerical											
Skilled Craft											
Service/Maintenance											
Total:											

Prepared by: _____

Name & Title

**DIRECTOR, DIVISION OF CENTRAL PURCHASING
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
200 EAST MAIN STREET
LEXINGTON, KENTUCKY 40507**

**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE
EQUAL EMPLOYMENT OPPORTUNITIES AND DBE CONTRACT
PARTICIPATION**

The Lexington-Fayette Urban County Government has set a goal that not less than ten percent (10%) of the total value of this contract be subcontracted to MBE/WBE's. The goal for the utilization of certified MBE/WBE's as subcontractors are recommended goals. Contractors who fail to meet such goals will be expected to provide written explanations to the Director of the Division of Central Purchasing of efforts they have made to accomplish the recommended goals and the extent to which they are successful in accomplishing the recommended goals will be a consideration in the procurement process.

For assistance in locating MBE/WBE Subcontractors contact Marilyn Clark at 859/258-3320 or by writing the address listed below:

Marilyn Clark, Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street – Room 338
Lexington, Kentucky 40507

**Lexington-Fayette Urban County Government
MBE/WBE Participation Goals**

PART 1 - GENERAL

- 1.1 The LFUCG request all potential contractors to make a concerted effort to include Minority-Owned (MBE) and Woman-Owned (WBE) Business Enterprises as subcontractors or suppliers in their proposals.
- 1.2 Toward that end, the LFUCG has established 10% of total procurement costs as a Goal for participation of Minority-Owned and Woman-Owned Businesses on this contract.
- 1.3 **It is therefore a request of each Submitter to include in its proposal, the same goal (10%) or for MBE/WBE participation and other requirements as outlined in this section.**

PART 2 - PROCEDURES

- 2.1 The successful proposer will be required to report to the LFUCG, the dollar amounts of all purchase orders submitted to Minority-Owned or Woman-Owned subcontractors and suppliers for work done or materials purchased for this contract. (See Subcontractor Monthly Payment Report)
- 2.2 Replacement of a Minority-Owned or Woman-Owned subcontractor or supplier listed in the original submittal must be requested in writing and must be accompanied by documentation of Good Faith Efforts to replace the subcontractor / supplier with another MBE/WBE Firm; this is subject to approval by the LFUCG. (See LFUCG MBE/WBE Substitution Form)
- 2.3 For assistance in identifying qualified, certified businesses to solicit for potential contracting opportunities, submitters may contact:
 - A. The Lexington-Fayette Urban County Government, Division of Central Purchasing (859-258-3320)
- 2.4 The LFUCG will make every effort to notify interested MBE/WBE subcontractors and suppliers of each RFP, including information on the scope of work, the pre-proposal meeting time and location, the proposal date, and all other pertinent information regarding the project.

PART 3 - DEFINITIONS

- 3.1 A Minority-Owned Business Enterprise (MBE) is defined as a business which is certified as being at least 51% owned and operated by persons of African American, Hispanic, Asian, Pacific Islander, American Indian or Alaskan Native Heritage.

- 3.2 A Woman-Owned Business Enterprise (WBE) is defined as a business which is certified as being at least 51% owned and operated by one or more Non-Minority Females.

PART 4 - OBLIGATION OF PROPOSER

- 4.1 **The bidder shall make a Good Faith Effort to achieve the Participation Goal for MBE/WBE subcontractors/suppliers. The failure to meet the goal shall not necessarily be cause for disqualification of the bidder; however, bidders not meeting the goal are required to furnish with their bids written documentation of their Good Faith Efforts to do so.**
- 4.2 Award of Contract shall be conditioned upon satisfaction of the requirements set forth herein.
- 4.3 The Form of Proposal includes a section entitled "MBE/WBE Participation Form". The applicable information must be completed and submitted as outlined below.
- 4.4 **Failure to submit this information as requested may be cause for rejection of the proposal.**

PART 5 - DOCUMENTATION REQUIRED

- 5.1 Proposers reaching the Goal are required to submit only the "MBE/WBE Participation Form." The form must be fully completed including names and telephone number of participating MBE/WBE firm(s); type of work to be performed; estimated value of the contract and value expressed as a percentage of the total Lump Sum Proposal Price. The form must be signed and dated, and is to be submitted with the proposal.
- 5.2 Proposers not reaching the Goal must submit the "MBE/WBE Participation Form", the "MBE Quote Summary Form" and a written statement documenting their Good Faith Effort to do so (If proposal includes no MBE/WBE participation, proposer shall enter "None" on the subcontractor / supplier form). In addition, the proposer may submit the following as proof of Good Faith Efforts to meet the Participation Goal:
- A. Advertisement by the proposer of MBE/WBE Contracting opportunities associated with this proposal in at least two (2) of the following:
 - 1. A periodical in general circulation throughout the region
 - 2. A Minority-Focused periodical in general circulation throughout the region
 - 3. A Trade periodical aimed at the MBE/WBE community in general circulation throughout the region
 - 4. Proposer shall include copies of dated advertisement with his submittal
 - B. Evidence of written notice of contracting opportunities to at least five (5) MBE/WBE firms serving the construction industry at least seven (7) days prior to the proposal opening date.
 - C. Copies of quotations submitted by MBE/WBE firms which were not used due to uncompetitive pricing or other factors and/or copies of responses from

firms that were contacted indicating that they would not be submitting a proposal.

- D. Documentation of Proposer's utilization of the agencies identified to help locate potential MBE/WBE firms for inclusion on the contract including responses from agencies.
- E. Failure to submit any of the documentation requested in this section may be cause for rejection of the proposal. Proposers may include any other documentation deemed relevant to this requirement. "Record of MBE/WBE Solicitation" and other required documentation of Good Faith Efforts are to be submitted with the proposal, if participation Goal is not met.



MINORITY BUSINESS ENTERPRISE PROGRAM

Marilyn Clark
Minority Business Enterprise Liaison
Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507
mclark@lexingtonky.gov
859-258-3323

OUR MISSION: The mission of the Minority Business Enterprise Program is to facilitate the full participation of minority and women owned businesses in the procurement process and to promote economic inclusion as a business imperative essential to the long term economic viability of Lexington-Fayette Urban County Government.

To that end the city council adopted and implemented resolution 167-91—Disadvantaged Business Enterprise (DBE) 10% Goal Plan in July of 1991. The resolution states in part (a full copy is available in Central Purchasing):

“A Resolution supporting adoption of the administrative plan for a ten percent (10%) Minimum goal for disadvantaged business enterprise participation in Lexington-Fayette Urban County Government construction and professional services contracts; Providing that as part of their bids on LFCUG construction contracts, general Contractors shall make a good faith effort to award at least ten percent (10%) of All subcontracts to disadvantaged business enterprises; providing that divisions of LFCUG shall make a good faith effort to award at least ten percent of their Professional services and other contracts to disadvantaged business enterprises...”

A Disadvantaged Business Enterprise is defined as a business at least 51% owned, operated and managed by a U.S. Citizen of the following groups:

- African-American
- Hispanic-American
- Asian/Pacific Islander
- Native American/Native Alaskan
- Non-Minority Female

We are very happy that you have decided to bid for a contract, request for proposal, submitted a quote or are interested in learning more about how to do business with Lexington-Fayette Urban County Government. We have compiled the list below to help you locate certified minority vendors.

LFUCG – Economic Engine Listings
Marilyn Clark
mclark@lexingtonky.gov
859-258-3323

Commerce Lexington
Tyrone Tyra, Minority Business Development
tyra@commercelexington.com
859-226-1625

Tri-State Minority Supplier Diversity Council
Sonya Brown
sbrown@tsmsdc.com
502-625-0137

Small Business Development Council
Dec Dee Harbut /UK SBDC
ddharbut@uky.edu

Shawn Rogers, UK SBDC
Shawn.rogers@uky.edu

Shirce Mack
smack@uky.edu

Community Ventures Corporation
James Coles
jcoles@cvcky.org
859-231-0054

Kentucky Department of Transportation
Shella Jarvis
Shella.Jarvis@ky.gov
502-564-3601

KPAP
Debbie McKnight
Debbie.McKnight@ky.gov
800-838-3266 or 502-564-4252

Bobbie Carlton
Bobbie.Carlton@ky.gov

Ohio River Valley Women's Business Council
Rea Waldon
rwaldon@orcwbc.org
513-487-6534

Kentucky Small Business Connect
Tom Back
800-626-2250 or 502-564-2064
<https://secure.kentucky.gov//sbc>

**National Minority Supplier Development Council, Inc.
(NMSDC)**
www.nmsdc.org

LFUCG MBE/WBE PARTICIPATION FORM

Bid/RFP/Quote Reference # _____

The MBE/WBE subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Central Purchasing for approval immediately.

MBE/WBE Company, Name, Address, Phone, Email	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1.			
2.			
3.			
4.			

The undersigned company representative submits the above list of MBE/WBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Company

By

Date

Title

LFUCG MBE/WBE SUBSTITUTION FORM

Bid/RFP/Quote Reference # _____

The substituted MBE/WBE subcontractors listed below have agreed to participate on this Bid/RFP/Quote. These substitutions were made prior to or after the job was in progress. These substitutions were made for reasons stated below and are now being submitted to Central Purchasing for approval. By the authorized signature of a representative of our company, we understand that this information will be entered into our file for this project.

SUBSTITUTED MBE/WBE Company Name, Address, Phone, Email	MBE/WBE Formally Contracted/ Name, Address, Phone, Email	Work to Be Performed	Reason for the Substitution	Total Dollar Value of the Work	% Value of Total Contract
1.					
2.					
3.					
4.					

The undersigned acknowledges that any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Company

Date

Company Representative

Title



MBE QUOTE SUMMARY FORM

Bid/RFP/Quote Reference # _____

The undersigned acknowledges that the minority subcontractors listed on this form did submit a quote to participate on this project.

Company Name	Contact Person
Address/Phone/Email	RFP Package / RFP Date

MBE/WBE Company Address	Contact Person	Contact Information (work phone, Email, cell)	Date Contacted	Services to be performed	Method of Communication (email, phone meeting, ad, event etc)	Total dollars \$\$ Do Not Leave Blank (Attach Documentation)	MBE * AA HA AS NA Female

(MBE designation / AA=African American / HA= Hispanic American/AS = Asian American/Pacific Islander/ NA= Native American)

The undersigned acknowledges that all information is accurate. Any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Company

Company Representative

Date

Title



LFUCG SUBCONTRACTOR MONTHLY PAYMENT REPORT

The LFUCG has a 10% goal plan adopted by city council to increase the participation of minority and women owned businesses in the procurement process. In order to measure that goal LFUCG will track spending with MBE/WBE vendors on a monthly basis. By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentation may result in termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims. Please submit this form monthly to the Division of Central Purchasing, 200 East Main Street - Room 338 / Lexington, KY 40507.

Bid/RFP/Quote # _____
Total Contract Amount Awarded to Prime Contractor for this Project _____

Project Name/ Contract #	Work Period/ From: _____ To: _____
Company Name:	Address:
Federal Tax ID:	Contact Person:

Subcontractor Vendor ID (name, address, phone, email)	Description of Work	Total Subcontract Amount	% of Total Contract Awarded to Prime for this Project	Total Amount Paid for this Period	Purchase Order number for subcontractor work (please attach PO)	Scheduled Project Start Date	Scheduled Project End Date

By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentations may result in the termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims.

Company **Company Representative**

Date **Title**

LFUCG STATEMENT OF GOOD FAITH EFFORTS

Bid/RFP/Quote # _____

By the signature below of an authorized company representative, we certify that we have utilized the following methods to obtain the maximum practicable participation by minority and women owned business enterprises on the project. Please indicate which methods you used by placing an X in the appropriate place.

- _____ Attended LFUCG Central Purchasing Economic Inclusion Outreach Event
- _____ Sponsored Economic Inclusion event to provide networking opportunities
- _____ Requested a list of MBE/WBE subcontractors or suppliers from LFUCG Economic Engine
- _____ Advertised for MBE/WBE subcontractors or suppliers in local or regional newspapers
- _____ Showed evidence of written notice of contracting and/or supplier opportunities to MBE/WBE firms at least seven days prior to the proposal opening date
- _____ Provided copies of quotations submitted by MBE/WBE firms which were not used and/or responses from firms indicating they would not be submitting a quote
- _____ Provided plans, specifications, and requirements to interested MBE/WBE subcontractors
- _____ Other
Please list any other methods utilized that aren't covered above.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Company

Company Representative

Date

Title

Firm Submitting Proposal: _____

Complete Address: _____
Street City Zip

Contact Name: _____ Title: _____

Telephone Number: _____ Fax Number: _____

Email address: _____

GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, 29 U.S.C. 650 *et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or

attempted to bribe an officer or employee of the LFUCG.

9. Additional Information: While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. Ambiguity, Conflict or other Errors in RFP: If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. Agreement to Bid Terms: In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. Cancellation: If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.

- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:
- (a) Failure to perform the contract according to its terms, conditions and specifications;
 - (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
 - (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
 - (d) Failure to diligently advance the work under a contract for construction services;
 - (e) The filing of a bankruptcy petition by or against the contractor; or
 - (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent, Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. Assignment of Contract: The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. No Waiver: No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.

15. Authority to do Business: The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must be signed by a duly authorized officer, agent or employee of the Respondent.
16. Governing Law: This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. Ability to Meet Obligations: Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.

Signature

Date

**RISK MANAGEMENT PROVISIONS
INSURANCE AND INDEMNIFICATION**

INDEMNIFICATION AND HOLD HARMLESS PROVISION

- (1) It is understood and agreed by the parties that Consultant hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Consultant or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier (hereinafter "Consultant") under or in connection with this agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (2) Consultant shall indemnify, save, hold harmless and defend the Lexington-Fayette Urban County Government and its elected and appointed officials, employees, agents, volunteers, and successors in interest (hereinafter "LFUCG") from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Consultant's performance or breach of the agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the Consultant; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (3) Notwithstanding, the foregoing, with respect to any professional services performed by Consultant hereunder (and to the fullest extent permitted by law), Consultant shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of Consultant in the performance of this agreement.
- (4) In the event LFUCG is alleged to be liable based upon the above, Consultant shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.

- (5) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.

FINANCIAL RESPONSIBILITY

CONSULTANT understands and agrees that it shall, prior to final acceptance of its bid and the commencement of any work, demonstrate the ability to assure compliance with the above Indemnity provisions and these other risk management provisions.

INSURANCE REQUIREMENTS

YOUR ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW, AND YOU MAY NEED TO CONFER WITH YOUR INSURANCE AGENTS, BROKERS, OR CARRIERS TO DETERMINE IN ADVANCE OF SUBMISSION OF A RESPONSE THE AVAILABILITY OF THE INSURANCE COVERAGES AND ENDORSEMENTS REQUIRED HEREIN. IF YOU FAIL TO COMPLY WITH THE INSURANCE REQUIREMENTS BELOW, YOU MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

Required Insurance Coverage

CONSULTANT shall procure and maintain for the duration of this contract the following or equivalent insurance policies at no less than the limits shown below and cause its subcontractors to maintain similar insurance with limits acceptable to LFUCG in order to protect LFUCG against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT. The cost of such insurance shall be included in any bid:

<u>Coverage</u>	<u>Limits</u>
General Liability million aggregate (Insurance Services Office Form CG 00 01) limit	\$1 million per occurrence, \$2 or \$2 million combined single
Commercial Automobile Liability per occurrence (Insurance Services Office Form CA 0001)	combined single, \$1 million
Professional Liability million aggregate	\$1 million per occurrence, \$3
Worker's Compensation	Statutory
Employer's Liability	\$500,000.00

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky. LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. The General Liability Policy shall include a Products and Completed Operations endorsement or Premises and Operations Liability endorsement unless it is deemed not to apply by LFUCG.
- d. The General Liability Policy shall have a Professional Liability endorsement (including Errors and Omissions) for any services performed pursuant to the contract, and/or a separate Professional Liability Policy shall be obtained unless it is deemed not to apply by LFUCG.
- e. The Professional Liability policy shall be maintained for a minimum of three years beyond the completion date of the project, to the extent commercially available. If not commercially available, CONSULTANT shall notify LFUCG and obtain similar insurance that is commercially available and acceptable to LFUCG.
- f. LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.
- g. Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

Renewals

After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

Deductibles and Self-Insured Programs

IF YOU INTEND TO SUBMIT A SELF-INSURANCE PLAN IT MUST BE FORWARDED TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, DIVISION OF RISK MANAGEMENT, 200 EAST MAIN STREET, LEXINGTON, KENTUCKY 40507 NO LATER THAN A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE RESPONSE DATE. Self-insurance programs, deductibles, and self-insured retentions in insurance policies are subject to separate approval by Lexington-Fayette Urban County Government's Division of Risk Management, upon

review of evidence of CONSULTANT's financial capacity to respond to claims. Any such programs or retentions must provide LFUCG with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance coverage. If CONSULTANT satisfies any portion of the insurance requirements through deductibles, self-insurance programs, or self-insured retentions, CONSULTANT agrees to provide Lexington-Fayette Urban County Government, Division of Risk Management, the following data prior to the final acceptance of bid and the commencement of any work:

- a. Latest audited financial statement, including auditor's notes.
- b. Any records of any self-insured trust fund plan or policy and related accounting statements.
- c. Actuarial funding reports or retained losses.
- d. Risk Management Manual or a description of the self-insurance and risk management program.
- e. A claim loss run summary for the previous five (5) years.
- f. Self-Insured Associations will be considered.

Verification of Coverage

CONSULTANT agrees to furnish LFUCG with all applicable Certificates of Insurance signed by a person authorized by the insurer to bind coverage on its behalf prior to final award, and if requested, shall provide LFUCG copies of all insurance policies, including all endorsements.

Right to Review, Audit and Inspect

CONSULTANT understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

DEFAULT

CONSULTANT understands and agrees that the failure to comply with any of these insurance, safety, or loss control provisions shall constitute default and that LFUCG may elect at its option any single remedy or penalty or any combination of remedies and penalties, as available, including but not limited to purchasing insurance and charging CONSULTANT for any such insurance premiums purchased, or suspending or terminating the work.

00353652

Request for Proposals

**Employee Optional Benefit Broker Advisory
Services for the
Lexington-Fayette Urban County Government**

Table of Contents

- I. Introduction
- II. Current Optional Plans
- III. Open Enrollment
- IV. General Instructions for Completing the Proposal
- V. Preliminary Timetable for Selection and Implementation of Vendor(s)
- VI. Questionnaire
- VII. Quotation Forms
- VIII. Appendices

I. Introduction

This Request for Proposal (RFP) is being issued by the Lexington-Mayette Urban County Government (LFUCG) to qualified insurance brokers/consultants who are interested in providing brokerage and consulting services for the optional benefit programs offered to our employees.

LFUCG is a merged urban county government. It consists of the Office of the Mayor, the Urban County Council, the Department of Finance, the Department of Environmental Quality and Public Works, the Department of General Services, the Department of Law, the Department of Public Safety and the Department of Social Services, and various divisions within those departments. LFUCG currently has over 3,000 employees.

II. Current Optional Plan Benefits

LFUCG offers its employees a full flexible benefits plan where employees receive flex credits to purchase benefits. If the cost of the elected benefits exceeds the flex credits, the employees pay the difference.

To be eligible for the flex plan, a full-time employee must work 40 or more hours per week. Part-time employees are eligible if they have been employed a minimum of twenty four consecutive months. An employee who enrolls for coverage is eligible the first of the month following the date of hire.

LFUCG currently offers the following optional plans: Short Term Disability, Long Term Disability, Cancer Insurance, Critical illness Plan, Accident Insurance, Whole Life Insurance, Universal Life Insurance, and Term Life Insurance.

III. Open Enrollment

The open enrollment period will be in late fall 2012 (October or November), with a plan year contract period of until December 31, 2013.

IV. General Instructions for Completing the Proposal

A. General Conditions

The statistical data and general information contained in this RFP are complete and accurate to the best knowledge of LFUCG. All information provided by LFUCG is confidential. However, any such data and information released with the RFP, or by addenda, are representations and not warranties by LFUCG. Each company submitting a proposal shall assume sole responsibility for reliance upon information included in this RFP to meet its underwriting needs.

Any prospective company desiring clarification of any section, clause, or wording of the RFP, believing that any portion is contrary to acceptable practices, or not in the best interest of LFUCG should e-mail such questions or statements to Todd Slatin at tslatin@lexingtonky.gov. Failure to request interpretation or question the intent or scope of this RFP, as provided, shall not be sufficient cause for relief from any provision of a contract issued as the result of the RFP, or for an invalidation of the proposal process.

The vendor(s) agrees to be bound by its proposal until January 1, 2013, and up to 90 calendar days thereafter (in the event the effective date is delayed), during which time LFUCG may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall affect only that portion of the proposal so amended or clarified.

B. Pre-Proposal Conference

A pre-proposal conference will be held on **July 17, 2012 at 2:00 p.m.** at the following location:

Purchasing Conference Room
Third Floor
Government Center
200 East Main Street
Lexington, KY 40507

An attempt will be made to answer all questions. Questions of a technical nature should be e-mailed to Todd Slatin at tslatin@lexingtonky.gov. Written answers to all submitted questions will be furnished to all prospective responders.

C. Submission of Proposal

Proposals must be submitted under the signature of a person empowered to bind the responder's company. Responders may be asked to designate one person who is authorized to negotiate for the company. LEUCG reserves the right to refuse any or all proposals. LEUCG may make the selection based on factors other than lowest cost (see evaluation criteria listed below).

Proposals in response to this Request for Proposal (RFP) shall be mailed to:

Mr. Todd Slatin
Purchasing Department
200 E. Main Street, Room 338
Lexington, KY 40507

Proposals should plainly state on the outside of the envelope (if not using an official bid envelope) that the envelope contains the notation "**Employee Optional Benefit Broker Advisory Services.**" **Proposals are due no later than July 31, 2012 at 2:00 p.m. EST.** No proposal submitted after this date and time will be considered. All responders shall submit ten (10) copies of their proposal.

D. Conflict of Interest

Firms responding to this Request for Proposal are required to disclose any potential conflict of interest. If the owner of the bidding firm is related to a LFUCG employee, that relationship must be disclosed in writing and made a part of the bid response. "Related person" to a LFUCG employee means a spouse or dependent child of such employee. The term also extends to other individuals sharing the same household as well as siblings, parents and non-dependent children (including step and in-law variations of those relationships), in circumstances where LFUCG employee has actual knowledge that such relative is likely to or will benefit from a particular LFUCG transaction.

E. Format of Proposal

The proposal shall be arranged in the following manner:

1. Cover letter from the individual at your company to whom all inquiries should be directed. The cover letter should include the following information:

- Statement indicating that you understand the requirements of the RFP, the plan design, and benefit provisions that your organization is requested to broker, and the terms and conditions under which the RFP was issued to you.
- List of all deviations, assumptions, conditions and limitations.

It is not sufficient to merely note such deviations in the body of your proposal. If no deviations are listed in the front of the proposal, your acceptance of all terms of the RFP will be assumed and will be binding.

2. Complete responses to the Questionnaire. All responses must be provided sequentially in the order presented in this RFP. Subcontractors, if any, must be clearly identified and their role and function clearly explained. Vendors may provide additional information as part of their proposals that, in the vendor's opinion, might serve to provide a clearer understanding of their services and capabilities.

F. Oral Presentations

Vendors selected as finalists may be required to make an oral presentation. If it is determined that such presentations are necessary, they will take place in Lexington, Kentucky at a time designated by LFCUG.

G. Commissions

Commissions are not to be included in any of the fees quoted by any firm responding to this RFP. Nor should any agent or broker receive any compensation from your company for any services related to the submission of any proposal in response to this RFP.

H. Qualifications of Responders

All providers must comply with the mandatory provisions of Kentucky Revised Statutes relative to insurance including, but not limited to, Chapter 304 of the Kentucky Revised Statutes. The vendor agrees to abide by all applicable laws, including those amendments thereto, which prohibit discrimination.

I. Binding Proposal Acknowledgment

Each proposal shall be signed by a duly authorized officer of the insurance company and the completed proposal shall be without interlineations, alterations, or erasures. It will be assumed that all representations made in your proposal will be binding and that your organization has agreed to all the requirements of the RFP unless specifically stated otherwise at the front of your proposal.

J. Withdrawal of Proposal

Once a proposal that has been signed by a duly authorized officer of your company has been submitted to LFCUG purchasing department, the proposal cannot be rescinded unless approved in writing by LFCUG.

K. Addenda

Amendments to this Request for Proposal may be necessary prior to the closing date, and will be furnished in the form of written addenda by mail to all prospective responders. Oral communication with any person(s) will not be construed as providing amending data to the specifications, unless converted to the form of written addenda and conveyed to all prospective responders.

L. Assignment

The vendor is prohibited from assigning, transferring, conveying, subcontracting or otherwise disposing of this agreement or its rights, title or interest therein, or its power to execute such agreement, to any other person, company or corporation without the previous consent and approval in writing by LFUCG.

M. Criteria for Selection of Administrator/Broker

All proposals received will be considered within the framework of this RFP and all other relevant factors. In determining which proposal(s), if any, will best serve LFUCG and its employees, particular emphasis will be given to the following factors (not necessarily in order of importance):

- Compliance with the specifications of the RFP and overall quality of the response.
- Ability to provide and receive electronic data feeds to our Peoplesoft System.
- Cost to LFUCG and its employees
- Quality and effectiveness of proposed approach and plan
- Capacity to respond to numerous employee inquiries
- Employment of full time legal counsel for consultation with LFUCG legal staff
- Quality of services staff
- Comprehensiveness of services offered
- Effectiveness of quality assurance programs.
- Ability to provide LFUCG with meaningful financial experience reports on a timely basis.
- References of broker/consultant and company

- Commitment to provide 120 days advance notice of renewal rates for the plan year beginning January 1, 2014 and subsequent plan years.
- Specialized experience and technical competence of the person or firm with the type of service required.
- Character, integrity, reputation, judgment, experience and efficiency of the person or firm.
- Past record and performance on contracts with the LFUCG or other governmental agencies and private industry with respect to such factors as control of cost, quality of work and ability to meet scheduling.
- Familiarity with the details of the project.
- Degree of local employment to be provided by the person or firm
- Multi-year rate and fee guarantees

Proposals shall contain the appropriate information necessary to evaluate based on these criteria. A committee composed of government employees as well as representatives of relevant user groups will evaluate the proposals.

N. Award of Contract – Competitive Negotiation

The vendor understands that a decision may be made by September 1, 2012 or up to 90 days thereafter.

LFUCG reserves the right to reject any or all offers and to waive informalities and minor irregularities in offers received.

O. Proprietary Information

This RFP specifies the format, required information and general contents of proposals submitted in response to this RFP. All proposals are kept confidential prior to contract award to everyone except officers, employees and agents of LFUCG.

Information areas which normally might be considered proprietary must be limited to: (1) individual personnel data, (2) customer references, (3) selected financial data, and (4) formulae and financial audits which, if disclosed, would permit an unfair advantage to competitors. If such information must be contained in the proposal, the information shall be separated from the rest of the proposal document and must be marked as “PROPRIETARY DATA.”

Proposals containing information declared by the bidder to be proprietary, either in whole or in part, outside the areas listed above may be deemed nonresponsive to the RFP and may be cause for rejection of the proposal.

After a contract has been awarded, LFUCG shall have the right to duplicate, use or disclose all proposal data not marked "PROPRIETARY DATA" submitted by bidders in response to this RFP as a matter of public record. Although the LFUCG recognizes the responder's possible interest in preserving selected data which may be part of their proposal, LFUCG must treat such information as provided by the Kentucky Open Records Act, KRS 61.870, et seq.

P. Grievance Procedure Requirement

A formal grievance procedure is required as part of your proposal. Please provide a simple, straightforward, step-by-step description of your grievance procedure, indicating where complaints and appeals are to be sent and the time frame for each response.

Q. Lexington Area

In all cases where this RFP refers to the "Lexington Area," please include the following counties located within the State of Kentucky:

Anderson
Bourbon
Clark
Fayette
Garrard
Franklin
Harrison
Jessamine
Madison
Mercer
Montgomery
Powell
Scott
Woodford

R. Administrative Responsibilities of the Selected Vendor(s)

The successful vendor(s) will be expected to perform the following functions:

- Determining and recommending the most economical funding methods for the optional benefit program offered to LFUCG employees.
- Representing LFUCG in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design, and special terms and conditions.
- Meeting with and providing reports to various LFUCG representatives as requested.
 - Respond promptly to LFUCG employee inquiries
 - Provide prompt information in response to inquiries from the Urban County Council
- Researching and advising LFUCG on any new developments related to employee benefit plans on an ongoing basis.
- As requested by LFUCG, preparing bid specifications and soliciting proposals from insurance markets which specialize in group insurance plans as needed. Evaluate bids and bidders including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from various bidders.
- Providing ongoing service and support of all benefit programs selected, including but not limited to enrollment support, installation and on-going day to day requests.
- Provide coverage documents for all benefit plans.
- Review and be responsible for the accuracy and correctness, prior to delivery, of excess/reinsurance coverage documents and/or pricing policies, including all changes and endorsements.
- Advise LFUCG regarding any “gaps” in and/or inadequate coverage.
- Participate in employee marketing and educational programs as requested.
- Assisting with health fairs or other special events as requested.
- Preparation of any requested periodic reports, as requested.

S. Record Retention

The vendor(s) selected must retain all relevant documentation pursuant to any records retention schedule established by LFUCG for the brokering of optional employee benefits plans.

T. Right to Audit

Upon reasonable written notice, LFUCG requires the unencumbered right to audit the vendor(s)'s relevant financial data and other materials for data accuracy. Such audits may be performed by outside auditors, Third Party Administrator selected by LFUCG, or LFUCG itself.

U. Contract and Contract Dates

The contract period will begin as soon as a decision may be made and end December 31, 2013, with annual rate negotiations. The Contract may be extended for an additional one (1) year period upon written agreement of the bidder and LFUCG. Said agreement must be in writing and executed prior to the expiration of the current agreement.

The contract between LFUCG and the selected vendor(s) must be executed as soon as practicable. As such, a draft of the contract must be provided to LFUCG by August 1, 2012 for its review. The following items will be required in the contract and should be included in the administrative fee proposed:

- Clause allowing LFUCG to terminate the contract with 60 days notice;
- Experience reports that will be provided to LFUCG and the time frame in which they will be provided; and,
- Renewal notification no later than 90 days prior to the renewal effective date.

V. Cancellation

Upon acceptance of a proposal by LFUCG, the selected vendor(s) shall agree that coverage shall not be canceled prior to the anniversary date except for failure of LFUCG to pay the required administrative fees and/or claims, or for other breach of contract by either party. All contracts shall contain an endorsement stating such terms of cancellation, with a minimum of 60 days notice required.

V. Preliminary Timetable for Selection and Implementation of Vendor(s)

Release of RFP	July 10, 2012
Pre-Proposal Conference	July 17, 2012
Proposals due	July 31, 2012
Selection of vendor(s)	approximately August 15, 2012
Selection of Optional Benefit Plan Providers	September/October 2012
Distribute open enrollment materials	September/October 2012
Open enrollment	October/November 2012

The above timetable may be changed by LFUCG at its discretion.

VI. Questionnaire

Please complete all information located on the questionnaire, attached as Appendix A.

Appendix A
LFUCG—2012 RFP
EMPLOYEE OPTIONAL BENEFITS
QUESTIONNAIRE

Overview

LFUCG will assume that all answers provided will pertain to the plan design found in Appendix A. The proposal questionnaire includes several questions.

Please respond to each question in the order presented. Please be as succinct as possible while still providing the necessary detail to reduce the need to refer to other parts of your proposal. You should avoid making references to other pre-printed material. Your response should answer each question directly and thoroughly.

Your responses should reflect both your current and expected organization and administrative capabilities. Anticipated changes that will be effective as of August 1, 2012, should be noted.

General Questions

1. List the name, title, mailing address, telephone number, fax number, and e-mail address of the contact person for this proposal.
2. Provide a description of the brokerage firm, including a brief history, size, number/location of offices, and other pertinent information.
3. Describe the organizational structure of the firm.
4. What features/services do you offer that set you apart from the competition?

Fees

5. Provide a description and amount of any and all fees/costs/expenses that will be assessed to LFUCG under this agreement.
6. List any and all circumstances that would result in a change of fees to LFUCG.

Licensure/Experience

7. Confirm that you hold all appropriate licensure(s) for providing benefit brokerage services in the Commonwealth of Kentucky. Provide a list of any other relevant licenses/certifications held by your organization.
8. Describe the responsibility, experience and qualifications of the individual(s) who will provide service to LFUCG and its employees.
9. Have you previously worked with an organization with employees who collectively bargain? Describe in detail any such experience.

Process

10. Describe the overall administration services that are provided for benefits, billing, claim research, and administrative training/consultation.
11. Describe the analysis process of the existing benefit package and reviewing the benefit structure in order to be able to prepare proposals to insurance carriers.
12. Outline your ability to provide expertise and experience in the areas of health benefit plan analysis and design. Explain in detail the types of analyses you have conducted relative to benefits analysis and design for a health plan with approximately 3,000 full-time employees. If you have not provided analysis for an organization of that size, what is the size of the largest organization for which you have previously provided analysis?
13. Describe the marketing and approach and methodology for soliciting coverage quotations on behalf of LFUCG.
14. Describe how you would determine areas of improvement and cost saving solutions.
15. Describe the methods/capabilities for analyzing renewal offers from current and prospective carriers.

Customer Service

16. Describe the firm's overall philosophy for servicing an account and commitment to customer service and quality assurance. What makes your customer service unique? What are its relative strengths and weaknesses?
17. Detail your ability to monitor regulatory and legislative developments at both the state and federal level. How will you obtain and communicate information on trends, new services, and new concepts? How can a

communication plan be crafted to convey this information to appropriate individuals within LIFUCG?

18. Indicate your firm's capabilities and resources concerning communication to include on-going employee communication, open enrollment, and (if applicable) on-line enrollment services.

19. Describe how you assist and keep your clients aware of regulatory changes that may affect voluntary benefit plans (COBRA, HIPAA, etc.).

20. Describe methods your firm uses to ensure employee satisfaction with products and services.

21. What makes your organization different from other organization that may submit proposals to this RFP?

Electronic Interfaces/Communication

22. Do you currently have customers that use PeopleSoft for Benefits Administration? If yes, may we contact them?

23. Provide examples of communication materials developed and prepared by your organization for use in health benefit open enrollment, on-going notifications, annual benefit statements, surveys, etc.

24. Describe the technology tools your firm regularly utilizes. Which tools do you make available to your clients?

25. Upon implementation, are you willing to conduct employee meetings at no cost to LIFUCG? If yes, how many sites can you visit?

26. Will you attend health fairs on an annual basis?

Reporting

27. What standard reports are available to LIFUCG? How often and what time of year are they generated?

28. Explain the procedure, timing and fees for submitting data requests.

29. Please provide a list of all data available if ad hoc information is requested. Provide examples of data requested by other clients with fees attached.

Legal Concerns

30. What, if any, level of malpractice insurance do you require for each type of professional? Does this vary geographically?

31. Describe how you and your providers keep employee data confidential. Is confidentiality mentioned as part of the contract?

32. What do you do to insure proper compliance, government filings, and/or legislative changes?

General

33. List three references of similar size to LFUCG who already are utilizing your products.

34. List three former clients who have terminated their relationship with you for reasons other than changes in corporate structure?

35. What will you do to assist during implementation?

36. Indicate your current ratings by AM Best, Standard and Poor's, Moody's and Duff & Phelps, if applicable.

37. In the event of contract termination, discuss the transition process. Include penalties, number of days notice, etc.

38. Describe services that your competitors typically perform that LFUCG may assume that you provide, but that you do not perform?

39. What start up problems have you encountered with other clients? What procedures have been put in place to avoid these problems in the future?



July 31, 2012

Mr. Todd Slatin
Division of Purchasing
LFUCG
200 E. Main Street, Room 338
Lexington, KY 40507

Dear Mr. Slatin:

Re: RFP #21-2012

Thank you for the opportunity to respond to LFUCG's RFP for Employee Optional Benefits Broker Advisory Services. We are confident that our professional capabilities make Benefit Insurance Marketing uniquely qualified to deliver the scope of services requested with excellence.

We fully understand and agree to the requirements, terms and conditions of the RFP which we understand to include the following.

- Determining and recommending the most economical funding methods for the optional benefit program offered to LFUCG employees.
- Representing LFUCG in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design, and special terms and conditions.
- Meeting with and providing reports to various LFUCG representatives as requested.
- Respond promptly to LFUCG employee inquiries
- Provide prompt information in response to inquiries from the Urban County Council
- Researching and advising LFUCG on any new developments related to employee benefit plans on an ongoing basis.
- As requested by LFUCG, preparing bid specifications and soliciting proposals from insurance markets which specialize in group insurance plans as needed. Evaluate bids and bidders including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from various bidders.
- Providing ongoing service and support of all benefit programs selected, including but not limited to enrollment support, installation and on-going day to day requests.
- Provide coverage documents for all benefit plans.
- Review and be responsible for the accuracy and correctness, prior to delivery, of excess/reinsurance coverage documents and/or pricing policies, including all changes and endorsements.

1151 Red Mile Rd. Lexington, KY 40504
tel 859.255.9455 fax 859.255.9457

teambim.com

Balanced Solutions. Trusted Advice.

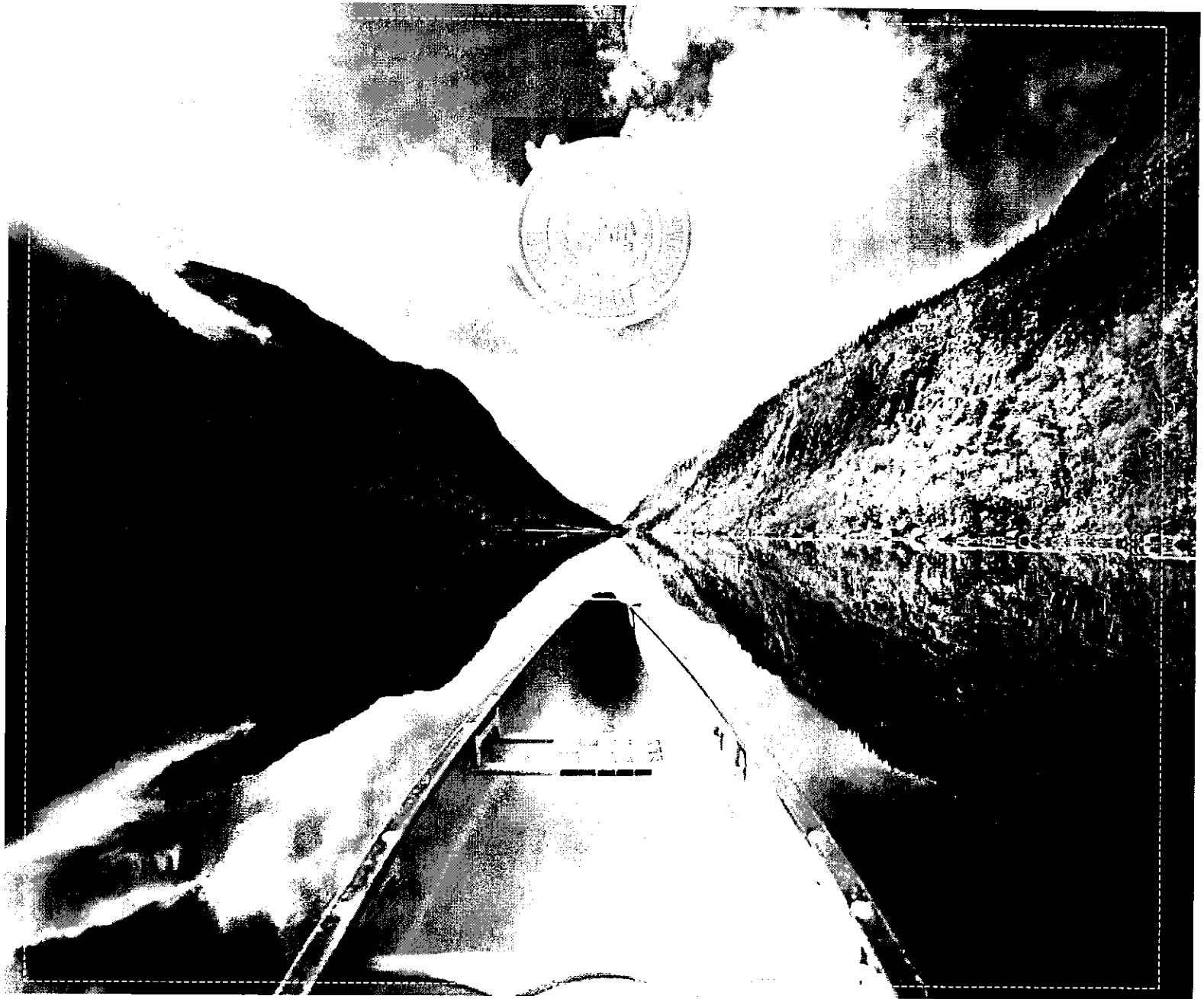
- Advise LFUCG regarding any "gaps" in and/or inadequate coverage.
- Participate in employee marketing and educational programs as requested.
- Assisting with health fairs or other special events as requested.
- Preparation of any requested periodic reports, as requested.

Based on the scope and implied tone of this RFP, we believe LFUCG would be well served by engaging and empowering the professional services of a Benefit Advisory Firm to manage all aspects of your employee benefits. We would be honored to serve in this role and look forward to hearing how LFUCG wants to proceed.

Sincerely,



Benji Marrs
Senior Vice President



Lexington-Fayette Urban County Government
Request for Proposal -
Employee Optional Benefit Advisory Services

RFQ 2016-016

KNOWLEDGE

\ˈnā-līj\ (1): the fact or condition of knowing something with familiarity gained through experience or association (2): the range of one's information or understanding



TRANSFORM YOUR WORKPLACE INTO YOUR COMPANY'S MOST VALUABLE STRATEGIC ASSET

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Approved by the County Executive on behalf of the County Government on 15th March 2012

INTRODUCTION

During an employee's working years, the financial consequences of premature death, disability or excessive health care consumption can have devastating impact without appropriate insurance protection. Critically important to meeting an employee's need for protection is an employer's ability to provide high quality voluntary worksite benefits... voluntary benefits that take maximum advantage of an employer's mass purchasing power and can not be replicated by an employee who attempts to purchase similar protection individually.

With 3,000+ employees, LFUCG has a unique planning opportunity to provide voluntary worksite benefits that we confidently believe employees will be perceived as a great value when properly structured and communicated. Achieving this end result however, will require LFUCG to focus attention and effort on the most important critical success factor. That factor is for LFUCG to apply the same due diligence to voluntary worksite benefits that would be applied to employer funded core health & welfare benefits. Through our consulting expertise and experience, we will guide LFUCG through this due diligence process (producing informed and objective LFUCG decisions). The result will be a voluntary worksite benefits program that employees will understand and appreciate.

Thank you for the opportunity to respond to this request for Employee Optional Benefit Advisory Services. We trust that our response to the questionnaire will demonstrate our professional capabilities and enthusiasm to work on this important project.

2012



APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

Benji Marrs
Senior Vice President/Benefit Advisor
1151 Red Mile Road
Lexington, KY 40504
859-255-9455
FAX 859-255-9457
Benjj@teambim.com

Benefit Insurance Marketing is a leading provider of employee benefit solutions in the Lexington, KY area. Founded in 1980 and headquartered in Lexington, KY Benefit Insurance Marketing is focused exclusively in the practice of employee benefit planning and consulting. Our purpose is to deliver employee benefit solutions that enhance the quality of life of those we serve. We employ a diverse and dedicated team of professionals who possess expertise in all aspects of employee benefits, workforce health improvement, and human resources. We serve clients from a variety of industries, including manufacturing, banking, healthcare, construction, mining, equine, and education, each having challenges that must be met.

Over the past thirty-two years, through organic growth, we have earned the privilege of being a Trusted Advisor for 500+ employer clients representing 50,000+ employees. We are recognized as a market leader by our vendors, peers, and clients. Benefit Insurance Marketing is an exclusive member firm of **United Benefit Advisors** (UBA).

UBA is an alliance of the nation's premier independent planning firms and collectively is the second largest employee benefit advisory organization in the country. Through UBA we provide our clients with unparalleled "bench strength" and intellectual capital. UBA member firms actively collaborate to provide value through benchmarking, proprietary products & pricing, and informed decision making for our clients in a complex and evolving marketplace.

Member firms serve nearly 40,000 private corporations and public employers across the United States, Canada and internationally. With UBA, we manage \$16.5 billion annually in employee benefit expenditures on behalf of 4.8 million employees and their families.

Benefit Insurance Marketing is a recipient of Kentucky's "Best Places to Work" Award for the past seven years and has received national recognition for two years as a recipient of the "Alfred P Sloan Award for Workplace Excellence and Flexibility". In 2009, Republic Bank recognized our dedication to community service with the "We Care" award. Through the character and dedication of our team, who enthusiastically enjoys serving our clients, we have truly created a unique workplace culture of 26 professionals. This culture affords our firm with the ability to recruit and retain the most talented professionals in the industry. Unquestionably, the depth and dedication of our team has been a catalyst to the historical success of our firm.

Benefit Advisor / Consultant	<ul style="list-style-type: none"> · Expert listener · Expert in planning, design, and analytics · Facilitate formulation of strategic plan for benefits and workforce engagement · “Quarterback” of plan implementation
Voluntary/Worksite Benefits Specialist	<ul style="list-style-type: none"> · Subject matter expert in voluntary/worksite benefits · Conducts needs assessment/benefits audit · Conducts client specific RFP build out · Reviews & analyzes products · Manages the vendor timelines for enrollment and implementation
Account Manager	<ul style="list-style-type: none"> · Establishes and maintains plan implementation timeline · Renewal bid preparation, negotiation and analysis · Maintains and delivers financial reports throughout the year
Client Service Manager	<ul style="list-style-type: none"> · Communication & Engagement subject matter experts · Service team leader · Conduct open enrollment meetings · Deliver value added services throughout the year
Client Service Specialist	<ul style="list-style-type: none"> · Billing, eligibility, claims resolution · Stewardship reporting

(Question #3 continued on next page)

APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

Compliance Specialist

- Expert in employee benefit regulation (i.e. COBRA, ERISA, HIPAA, etc)
- Compliance audits
- Healthcare Reform Impact / Changes

Creative Director / Graphic Design / Technology Specialist

- Design and production of all communication and engagement material
- Experts in understanding how different employee populations receive and process information
- Tech support for employee self-service portals and on-line enrollment

Accounting Director

- Manages general accounting needs of company

Human Resources

- Member of leadership team
- Aligns human resources for achievement of overall corporate goals

Administrative Support / Receptionist

- Manages paperless filing system
- Manages office supply needs
- Supports client communication and special projects

The majority of voluntary products mentioned in this RFP are often referred to as "worksite marketing products". These products give employers the opportunity to offer a wide spectrum of protection that encompasses health, income wage replacement, and financial stability in the event of an accident, illness, or death. Often over-looked as insignificant, Benefit Insurance Marketing sees worksite marketing products as a tremendous value for employers to leverage pricing and product on behalf of their employees, which in turn assist them with filling in their gaps of coverage or protection.

As you will note in our proof of work binder, there are numerous Vendors operating in this space which can make decision making extremely complex for employers to decide which vendor best fits their employees' needs. Benefit Insurance Marketing understands this challenge and we have a Voluntary/Worksite Benefits Specialist who will join our team to assist in building tailored RFPs, comparing the choice of products, pricing, and value added services. For a group as diverse as LFUCG, with fire safety, corrections, police, and administrative employees all choosing from the same products, professional advice in navigating these products is critically important; not only in evaluating policy provisions but sometimes more importantly, policy exclusions. Please refer to sections "Carrier RFP/Scoring" and "Plan Design" in the proof of work binder.

Not only is choosing the right product important, but understanding the existing core benefits (health, dental, life) and how the worksite products integrate is just as important. Having great familiarity with those benefits, Benefit Insurance Marketing is uniquely qualified to assist in assuring there is no overlapping coverage and the products are chosen to fill the gaps of protection for LFUCG employees.

We are often able to negotiate inclusion of value added benefits at no additional cost such as employee assistance programs through our RFP process. This typically includes legal, grief, and financial advice for the beneficiaries and employees with no additional out of pocket expense. Other value added benefits often include identity theft protection, worldwide travel assistance, and will preparation services. Please refer to section "Value Add Options" in the proof of work binder.

From our perspective, developing and executing a total benefits strategy for LFUCG will be best achieved by engaging a local team with comprehensive professional capabilities, combined with local, regional, and national practice experience. **With 100% of our team members residing in Lexington and Central Kentucky, we are confident that Benefit Insurance Marketing is ideally positioned to serve in this role.** If LFUCG embraces similar goals and objectives as described throughout this RFP response, then we are aligned for a long-standing partnership that will produce exponential results.

For the scope of services outlined in this RFP and as discussed during the RFP conference on July 17, 2012, we will accept standard commissions which are already embedded in the voluntary benefits as filed by the vendors with the Department of Insurance. BIM will not charge a fee beyond those commissions nor request any commission beyond what is accepted as an industry standard. For any products which commission is not standard, either higher or lower, a standard scale will be requested. Our objective is to make certain those products remain as competitively priced as they are today, while considering normal product increases based on product re-filings, inflationary trends, and/or adjustments due to claims. Upon completion and analysis of our RFPs, LFUCG will make the final determination as to which products are offered to employees. This will ensure the best products with the most competitive price are offered to your employees, irrespective of the financial impact, if any, to our organization.

APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

Benefit Insurance Marketing will not charge any fees to LFUCG associated with this RFP. The only fees which could be assessed would be for services beyond the initial agreement and for which they may be warranted and agreed upon by both BIM and LFUCG.

REGULATORY MATTERS

Benefit Insurance Marketing maintains current health and life licenses with the Kentucky Department of Insurance, which is appropriate for this RFP response.



Benji Marrs

Senior Vice President/Benefit Advisor

Benji joined Benefit Insurance Marketing in September of 1999 as a Benefit Advisor. Benji is a 1998 graduate of Transylvania University with a B.A. in Business Administration. Benji's primary responsibility is the development and execution of a client's overall benefit strategy - financially, administratively and clinically. He has subject matter expertise in all aspects of employee benefit analysis including strategic plan design, self-funding and claims data analysis. Benji's practice primarily serves clients in the banking, construction, healthcare, and municipal market segments.



L. Briggs Cochran, CLU

President/Benefit Advisor

Briggs began his employee benefits planning career in 1979 after graduating from the University of Kentucky with a Bachelor's Degree in Business Administration. Briggs is the President of Benefit Insurance Marketing and under his leadership, the company has grown to become a highly recognized employee benefits planning firm in addition to being recognized as a "Best Place to Work" in Kentucky. As a Benefit Advisor, Briggs' primary responsibility is the development and execution of a client's overall benefit strategy - financially, administratively and clinically. Briggs has served on numerous private and public health care task forces, carrier advisory boards and is often a public speaker on issues relative to employee benefits.



Corby Burus

Voluntary/Worksite Benefits Specialist

Corby is a graduate of Transylvania University and began her professional career in the benefits insurance field over 23 years ago. Corby has worked both within the carrier community and as a broker gaining extensive knowledge of this complex market. Benefit Insurance Marketing utilizes Corby's strengths with clients specifically focused on worksite/voluntary benefits. She becomes an integral part of our team in utilizing her past planning experience with health and other core benefits to assess a clients' coverage gap and the need for voluntary products. Corby currently works and focuses 100% of her attention on worksite & voluntary insurance planning.

(#8 continued on next page)



Ellie Burnside, PHR

Senior Account Manager

Ellie is a Senior Account Manager and is a certified Professional in Human Resources. Ellie brings tremendous human resource experience with special emphasis on benefits administration to the planning team. Ellie specializes in both fully and self-insured plans for 100+ size groups and assists them with the strategic planning, renewal process, plan implementation and claims analysis review. Ellie also helps clients keep abreast of legislative updates, benefit trends and human resource news. Ellie's previous experience includes over 14 years of working for numerous healthcare and managed care organizations as a Human Resource Generalist.



Jan LaBonde

Client Service Manager

Jan has been with BIM since August of 2007. In her current position as Client Service Manager, she is known for her commitment to excellence in building and maintaining positive relationships with key accounts. With sound expertise in problem resolution, she is recognized for her ability to see any issue through to completion. In addition to managing day to day issues, Jan is involved in the strategic planning process, wellness initiatives, and employee/management survey development and execution. She has excellent employee communication skills utilizing print pieces, employee meetings, technology, and one-on-one delivery.



Deanna Johnson

Compliance Specialist

Deanna has experience in the employee benefits industry, both at a carrier and consultant level. Prior to joining Benefit Insurance Marketing in 2008, she was the Director of Client Services and Compliance Officer for Wells Fargo Insurance Services in Atlanta, GA, managing both health and retirement plans for clients ranging from 50-7,500 employees. Deanna's primary focus has been on internal auditing and compliance. She has extensive experience in all areas of health and welfare benefit compliance, including but not limited to ERISA requirements, 5500 and wrap plan documents, COBRA, FMLA, and HIPAA. In addition to being the on-site compliance specialist at BIM, she is the HIPAA Privacy Officer and HIPAA Security Official.



Teresa Lainhart

Claims & Eligibility Resolution

Teresa is the behind-the-scenes "heartbeat" of Team BIM. She serve BIM clients by handling billing and eligibility issues, as well as accurate and timely resolution of complex claims issues. She has more than 20 years of experience in the insurance industry, with an emphasis on complex claims resolution. Over the years, Teresa has developed dedicated concierge relationships with a large pool of insurance carriers, which enables her to respond to inquiries and resolve complex issues in a timely manner.



Kurt Kittinger

Graphic Design / Technology Specialist

Kurt has been with BIM since early 2012, bringing more than 20 year's experience. He is responsible for managing all aspects of design projects, including the creation, development and production of employee communication pieces in various forms of media utilizing the most current forms of technology. This includes customized posters, flyers, employee benefit overview booklets, client web portals, employee communication campaigns, and email communication pieces. He is the driving force behind the "look and feel" of BIM. Kurt's creativity and technical expertise helps our clients effectively share important information with their employees.

APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

We have vast client experience in working with employees who collectively bargain in a variety of industries. Those industries include municipalities, coal, nuclear energy, and manufacturing. For those clients we assist in negotiating benefits such as health, pharmacy, dental, vision and voluntary benefit plans.

PROCESS

The administration of voluntary worksite benefits is complex and can be cumbersome without proper support. Exceptional “iron clad” processes that facilitate enrollment, communications, data management and staffing all have to be in place and supported by an overall robust project management process. Through our RFP and vendor selection process, we will assure that these critically important administrative services are in place and provided externally through the vendor selected or internally by our team of professionals.

Although not intended to be an exhaustive list, we place substantial importance on a potential vendor’s ability to deliver the following administrative services.

Enrollment

- Can vendor deliver voluntary benefits on multi-platforms... i.e. call center, self service, on-site
- Are eligibility rules customizable

Communications

- Can the vendor communicate in multi-media formats
- Customized and personalized enrollment kits

Data Management

- Accounts payable (billing) reconciliation services
- Customizable data feeds that interface with PeopleSoft
- Real time reporting

Staffing

- Availability of 52 week service center
- Enrollment counselors salaried or commissioned
- Group meetings or one on one enrollment

As LFUCG’s client advocate, Benefit Insurance Marketing recognizes the importance of streamlining your administrative duties relative to voluntary worksite benefits. We will coordinate every aspect of administration assuring that both LFUCG and your employees will participate in a positive experience.

In analyzing voluntary worksite benefits, we adhere to a proven proprietary process. Components of our automated process and a brief overview include the following...

Benefits Audit

- Complete audit of existing voluntary benefits offering
- Current billings, premium history and claims experience (where applicable)
- Obtainment of complete census file of eligible employees (title, compensation, date of birth)
- Gaps in coverage analysis
- Direct carrier authorization to obtain needed data

Request for Proposal

- Product and administrative support bid specifications
- Client demographics and logistical needs

Scoring

- Bundled and unbundled weighting
- Detailed and realistic implementation timeline
- Customized products for high risk municipal employees
- Proven success in municipal market

Finalist Interview

- Face to face interviews with select vendors who meet scoring criteria

Best & Final Offer / Consultant Recommendation

- LFUCG Voluntary Worksite Benefits decision finalized

Implementation / Plan Maintenance

- Benefit communication and enrollment rollout
- Post enrollment service center

design.

health benefit plan analysis and

As described in question 2, Benefit Insurance Marketing has 32 years of successful benefit planning analysis and design experience. This is our sole focus and expertise. In addition to LFUCG, we serve like-sized clients such as Hitachi Automotive Systems Americas, Medical Rehabilitation Centers, T.J. Samson Community Hospital, KY Farm Bureau and others.

See our response to question #11, as well as our proof of work section "Carrier RFP/Scoring".

We will conduct a complete audit of your current voluntary benefits before and during the RFP process. We have a dedicated voluntary enrollment specialist who is experienced in analyzing different plan and vendor options. Through the audit process, our experience will guide us through pricing discrepancies, lapses in coverage, opportunities for updated products, and demonstrate, in some cases, where too much coverage is provided.

(#14 continued on next page)

APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

The RFP, when conducted through our internal process, will allow us to leverage and negotiate for the lowest price, strongest guarantees, and highest level of customer service on behalf of LFUCG. Beyond premium pricing, policy provisions such as “guaranteed issue”, maximum allowable benefits, pre-existing condition limitations, exclusions, portability, and conversion are highly important to your employee base and for many generate greater value than cost savings. These are examples of the details we will negotiate for through our RFP process.

Illustrated in our proof of work exhibits, you will note examples of customized RFP's and score sheets developed by our Voluntary/Worksite Specialist. We will use similar customizable documents to score, weight, and produce actionable and quantifiable reports to assist LFUCG in making informed and objective decisions. Our in-depth experience and knowledge of the voluntary insurance market allows us to negotiate meaningful products and guarantees on behalf of our clients. Through our initial discovery process, we will listen and then counsel LFUCG officials on meaningful and measurable objectives and provide recommendations where weighting and effort should be placed in decision-making.

CUSTOMER SERVICE

Our clients are provided with an experienced and dedicated claims, billing, and eligibility support team. While this team is capable of resolving difficult and complex claims issues, our critical mass enables us to have established Vendor “concierge” relationships that provide claims resolution expediency. Our client management system also aids in monitoring Vendor issues across the entirety of our clients.

Our clients are provided with an experienced and dedicated claims, billing, and eligibility support team. While this team is capable of resolving difficult and complex claims issues, our critical mass enables us to have established Vendor “concierge” relationships that provide claims resolution expediency. Our client management system also aids in monitoring Vendor issues across the entirety of our clients.

See also the response to question 10 for additional details regarding customer service.

BIM employs a compliance practice leader in house who is a subject matter expert and client resource for a variety of employee benefit compliance issues ranging from HIPAA to Health Care Reform. This includes review of all plan documents to ensure compliance with applicable laws and contracted agreements. For secondary reviews of plan documents, BIM has access through UBA to two of the country's most highly recognized employment practices (Fisher & Phillips and Spencer-Fane Britt-Brown, fees not included) at proprietary pricing for our clients.

Finally, BIM also provides clients with access to a web hosted and customized “Compliance Dashboard” to help eliminate the complexity of compliance. Compliance Dashboard is a web based solution which helps our clients track and maintain compliance with federal laws that govern health & welfare plans, which includes sample notices, updates in legislation and other compliance tools.

We currently produce, for LFUCG, up to 3,500 Employee Benefit Overviews (EBO) per plan year for benefits we are responsible for managing. We will incorporate into this benefit summary the voluntary worksite benefits overviews in addition to obtaining Vendor specific benefit and enrollment collateral. If the request for benefit communication resources is in excess of the allotment noted, they will be provided to LFUCG at cost. Communicating voluntary benefits with employees is an essential and a crucial consideration of the RFP process. While BIM would assist by overseeing and managing the process, enrollment meetings and communications for similar benefits are most often provided by the vendor in conjunction with their own enrollment teams or that of a professional enrollment firm. In our proof of work binder (section “Enrollment Options”), you will see examples of the types of collateral used by the Vendors. They will be responsible for open enrollment packets, assisting in all aspects of communication, and open enrollment.

See our response to Question #17 which addresses our capabilities regarding compliance.

Surveying your employees allows you to ascertain their feelings about your benefit offerings and make educated decisions about future benefits and/or vendors. We can provide complete and customizable benefit surveys. Our surveys are built in house and can be sent out electronically or in paper.

To reiterate our comments from question 4, Benefit Insurance Marketing is uniquely qualified to assist LFUCG in the process of developing a comprehensive and integrated benefits package. Our perspective is unique in that we seek to fill in the gaps of protection through worksite products without over-insuring. Too many times have we evaluated and audited a new or potential client's benefits package only to discover no thought or planning was put into the worksite/voluntary portion of employee benefits. The result was employees being "over sold", "over insured", and confused about what they had purchased.

The mission of Benefit Insurance Marketing is to protect our clients and their employees from the unintended consequences of life's financial risks. That requires planning, not selling. We take great pride in our consultative approach resulting in a well-rounded offering of insurance solutions which meet our clients' objectives, as well as attract, reward, and retain their greatest asset, their employees.

QUESTION #18: RFP #11-0000000000000000

This question is one which will be included in all vendor RFPs, as well as a request for their clients which interface with Peoplesoft.

Our staff includes a dedicated team of graphic design and technology specialists who develop and produce all of our employee communication material in-house utilizing our high production quality equipment. Because we understand and recognize that different age groups receive and process information differently, we utilize a variety of communication mediums in supporting employee comprehension. We are pleased to enclose examples of posters, payroll stuffers, and other paper materials.

Often surveys are conducted during the beginning stages of the renewal process and select results disseminated during open enrollment meetings. Experience has taught us that sharing these results assists in dispelling false, negative impressions of a client's employee benefit plans, helping them to achieve maximum appreciation for everything they provide. We also utilize decision support tools during open enrollment to help employees understand the total cost of benefits, as well as cost implications of their purchasing decisions.

Additionally, we use voice-over technology extensively to build benefit audio libraries, new hire orientations, and other applications to provide consistent benefit communication. We have technology capabilities to host benefit communication webinars for up to 1,000 participants, in addition to traditional "lunch and learn" presentations.

Not only do we place great emphasis on benefit communication during open enrollment, but we also emphasize continual on-going communication throughout the year on a variety of benefit topics.

See Employee Communication Section of our Proof of Work Binder included in this proposal.

APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

Our firm readily uses Compliance Dashboard, Think HR, Touchpoints, and Survey Monkey. All would be available to LFUCG at no additional charge or fee. These tools are all described throughout the RFP and in the proof of work sections.

Each potential vendor has their own unique software and/or web based tools available to them as a client. The employer typically has access to an enrollment tool, access to pending, approved, or denied claims, billing, and other useful plan components. We will take into consideration all of LFUCG's technology and data needs in the RFP and evaluation process.

Yes, we will plan for a minimum of twelve employee benefit meetings per year. We will also manage the implementation process set forth by your selected vendor. Each vendor is unique in their requirements and resources for open enrollment. This will be evaluated as a part of the RFP. Given enough notice, vendors are typically willing to meet one on one with employees to answer questions and explain their available benefits in detail.

Yes we will attend in addition to making it a pre-requisite in the RFP for the Vendors selected to attend if so desired.

REPORTING

See answer below question #29

See answer below question #29

With respect to products such as cancer, accident, and critical illness, rates are on file with the department of insurance. Therefore validation of rates vs. claims data is not necessary. These are most often referred to as "shelf rated" products. However, for life and disability insurance, it is necessary for selected vendors to provide our clients with consistent reporting detailing claims vs. premium, as well as pending or ongoing claims status. Reserve reporting is also necessary to understand how vendors develop your rating structure.

Vendors will be responsible for providing such standard reports. Each potential vendor has their own web based tools available to you as a client which can be used to access reports and eligibility information. LFUCG's needs will be taken into account during the RFP and evaluation process we perform on your behalf.

Both the company and each licensed professional maintain an E & O policy. The coverage amount is \$2,000,000 per occurrence and \$2,000,000 in aggregate.

Benefit Insurance Marketing is deemed a covered entity under HIPAA. As a result, we adhere to the highest standards of securing protected health information.

We have an appointed compliance officer, policy & procedures manuals and training for all aspects of HIPAA. All team members use secure web hosted encrypted data transmission hosted by Zixcorp.

BIM provides clients with access to a web hosted and customized "Compliance Dashboard" to help eliminate the complexity of compliance. Compliance Dashboard is a web based solution which helps our clients track and maintain compliance with federal laws that govern health & welfare plans, which includes sample notices, updates in legislation and other compliance tools.

Hitachi Automotive Systems Americas, Inc.

Ms. Shelly Robinson, CHIA
 Manager of Corporate Benefits
 955 Warwick Road
 Harrodsburg, KY 40330
 859-734 6547
 Shelly.robinson@hitachi-automotive.us
 (Current Client)

Medical Rehabilitation Centers

Kylie Living Centers, Inc.
 Director of Accounting
 1050 Chinoe Road, Suite 350
 Lexington, KY 40504
 859-255-0075
 kylie@exceptionalivingcenters.com
 (Current Client)

T J Samson Community Hospital

Lauren Campbell
 HR & Benefits Administrator
 1301 N Race Street
 Glasgow, KY 42141
 270-651-4886
 lcampbell@tjsamson.org
 (Current Client)

APPENDIX A – EMPLOYEE OPTIONAL BENEFITS QUESTIONNAIRE

Galls

Mr. Jim Brant
Sr. Director, Human Resources
Galls
1340 Russell Cave Rd
Lexington, KY 40505
859-266-7227 X 1106
Brant-Jim@galls.com

Reason: This client was purchased by another company through a venture capital acquisition.

University of the Cumberlands

Mr. Steve Morris
Director of Business Services
University of the Cumberlands
6180 College Station Drive
Williamsburg, KY 40769
606-539-4597
smorris@ucumberlands.edu

Reason: This client moved to a specially priced association endorsed self funded plan that was marketed exclusively through another planning firm.

Richmond Auto Parts Technology

Mrs. Nancy Barber
Human Resources Manager
Richmond Auto Parts Technology
5000 Corporate Way
Richmond, KY 40475
859-626-4680
Sbarber@raptech.com

Reason: As a result of leadership realignment and relationship challenges that resulted, our services were terminated in 2010. Since that time, we have been approached for ancillary services (i.e. compliance) and are optimistic that the relationship can be reestablished.

BIM will develop an Account Management Implementation timeline which will be reviewed and agreed upon by both parties. We will also coordinate an implementation team/timeline for the Vendors selected which will include weekly implementation calls. We will oversee and manage this process in consideration of LFUCG's needs. Please reference our proof of work materials as well responses to questions #18 and #23.

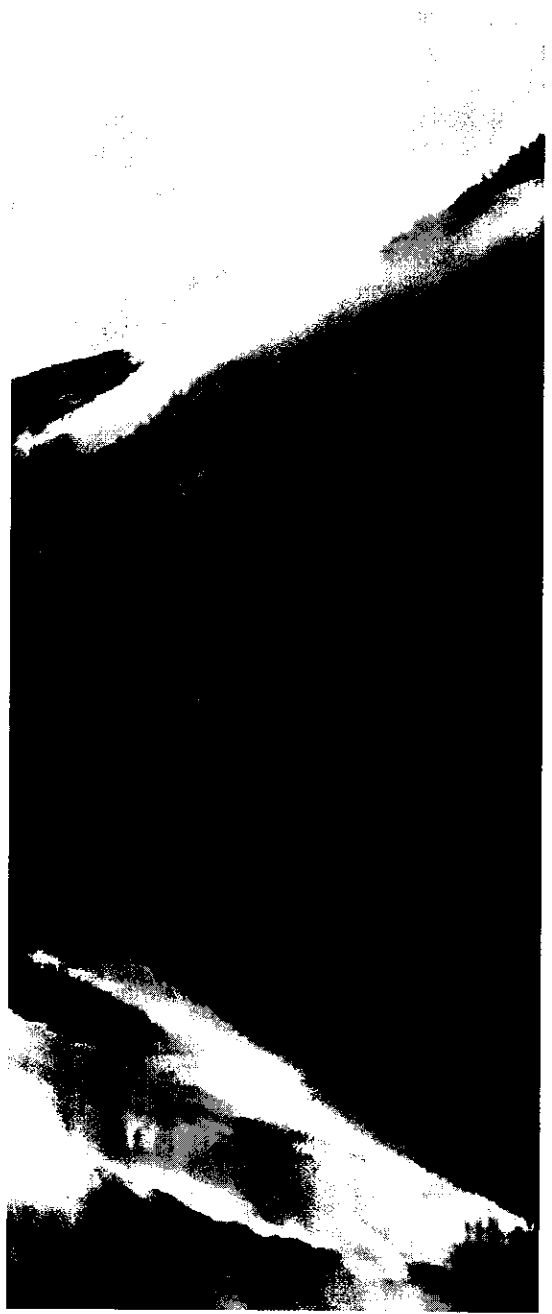
Benefit Insurance Marketing is a closely held private corporation and as such, our financial records are not a matter of public record. We are a corporation in good standing with the Secretary of State and are in compliance with the filing of all tax returns and fees. If needed, our certified public accountant, Michael S. Mills, CPA of Addington & Mills PSC, Lexington will be pleased to provide a certifying statement.

Financial Ratings of potential vendors will be disclosed during the RFP process.

LFUCG may terminate this Agreement upon sixty (60) days written notice to BIM with the understanding that all services being performed shall cease upon the date specified in such notice. BIM shall invoice for all services completed and shall be compensated in accordance with the terms of the contract executed for all such services performed by it prior to the date specified in such notice.

Benefit Insurance Marketing focuses exclusively on the practice of employee benefit planning and consulting. Occasionally we get asked from our clients about administration of 401K and workers comp plans which we do not administer.

Integrating Vendors with payroll vendors is problem we have encountered in the past. Often this occurs when a 3rd party payroll system is in place and enough time wasn't allotted for proper alignment of systems. While these types of problems can exist, they can often be eliminated with a longer implementation timeline to ensure successful enrollment.





Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE & ADMINISTRATION

Jim Gray
Mayor

Jane C. Driskell
Commissioner

ADDENDUM #1

RFP Number: **#21-2012**

Date: July 12, 2012

Subject: Employee Optional Benefit Broker Advisory Services

Address inquiries to:
Todd Slatin
(859) 258-3320

TO ALL PROSPECTIVE SUBMITTERS:

Please be advised of the following clarifications to the above referenced RFP:

1. Posting of evaluation scoring sheet and revised risk management provisions, see attached file "RFP #21-2012 Evaluation Scoring Sheet.xls" and "RFP No 21-2012 (00353652) Revised 7-12-13.DOC."

Todd Slatin, Acting Director
Division of Central Purchasing

All other terms and conditions of the RFP/RFI and specifications are unchanged.

This letter should be signed, attached to and become a part of your proposal.

PROPOSAL OF: *Benefit Insurance Marketing*

ADDRESS: *1151 Red Mile Road Lexington, KY 40504*

SIGNATURE OF SUBMITTER:

RFP Scoring Sheet

RFP #21-2012 - Employee Optional Benefit Broker Advisory Services					
Consultant/Vendor Name:					
Selection Criteria	Notes	Total Points	Score(1-5)	Weighted Score	Comment
Compliance with the specifications of the RFP and overall quality of the response.		5	0		Weighted Score= (Total Points/5)xScore
Ability to provide and receive electronic data feeds to our Peoplesoft System.		5	0		Weighted Score= (Total Points/5)xScore
Cost to LFUCG and its employees		10	0		Weighted Score= (Total Points/5)xScore
Quality and effectiveness of proposed approach and plan.		5	0		Weighted Score= (Total Points/5)xScore
Capacity to respond to numerous employee inquiries		5	0		Weighted Score= (Total Points/5)xScore
Employment of full time legal counsel for consultation with LFUCG legal staff		5	0		Weighted Score= (Total Points/5)xScore
Quality of services staff		5	0		Weighted Score= (Total Points/5)xScore
Comprehensiveness of services offered		5	0		Weighted Score= (Total Points/5)xScore
Effectiveness of quality assurance programs.		5	0		Weighted Score= (Total Points/5)xScore
Ability to provide LFUCG with meaningful financial experience reports on a timely basis.		5	0		Weighted Score= (Total Points/5)xScore
References of broker/consultant and company		5	0		Weighted Score= (Total Points/5)xScore
Commitment to provide 120 days advance notice of renewal rates for the plan year beginning January 1, 2014 and subsequent plan years.		5	0		Weighted Score= (Total Points/5)xScore
Specialized experience and technical competence of the person or firm with the type of service required.		10	0		Weighted Score= (Total Points/5)xScore
Character, integrity, reputation, judgment, experience and efficiency of the person or firm.		5	0		Weighted Score= (Total Points/5)xScore
Past record and performance on contracts with the LFUCG or other governmental agencies and private industry with respect to such factors as control of cost, quality of work and ability to meet scheduling.		5	0		Weighted Score= (Total Points/5)xScore

RFP Scoring Sheet

RFP #21-2012 - Employee Optional Benefit Broker Advisory Services				
Familiarity with the details of the project.		5	0	Weighted Score= (Total Points/5)xScore
Degree of local employment to be provided by the person or firm.		5	0	Weighted Score= (Total Points/5)xScore
Multi-year rate and fee guarantees		5	0	Weighted Score= (Total Points/5)xScore
Final Technical Score		100	0	0

Evaluator: _____

- DBE Participation (Name) _____
- DBE Portion (Percentage) _____
- Affidavit _____
- Affirmative Action Plan _____
- EEO Agreement _____
- Workforce Analysis _____
- Insurance _____

Comments:

Description	Adjective	Numeric Rating
Fails to meet minimum requirements; major deficiencies which are not correctable	Unacceptable	1
Fails to meet requirements, significant deficiencies that may be correctable	Poor	2
Meets requirements; only minor deficiencies which can be clarified	Acceptable	3
Meets requirements and exceeds some requirements; no deficiencies	Good	4
Exceeds most, if not all requirements; no deficiencies	Excellent	5

**RISK MANAGEMENT PROVISIONS
INSURANCE AND INDEMNIFICATION**

INDEMNIFICATION AND HOLD HARMLESS PROVISION

- (1) It is understood and agreed by the parties that Consultant hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Consultant or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier (hereinafter "Consultant") under or in connection with this agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (2) Consultant shall indemnify, save, hold harmless and defend the Lexington-Fayette Urban County Government and its elected and appointed officials, employees, agents, volunteers, and successors in interest (hereinafter "LFUCG") from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Consultant's performance or breach of the agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the Consultant; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (3) Notwithstanding, the foregoing, with respect to any professional services performed by Consultant hereunder (and to the fullest extent permitted by law), Consultant shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of Consultant in the performance of this agreement.
- (4) In the event LFUCG is alleged to be liable based upon the above, Consultant shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.
- (5) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.

FINANCIAL RESPONSIBILITY

CONSULTANT understands and agrees that it shall, prior to final acceptance of its bid and the commencement of any work, demonstrate the ability to assure compliance with the above Indemnity provisions and these other risk management provisions.

INSURANCE REQUIREMENTS

YOUR ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW, AND YOU MAY NEED TO CONFER WITH YOUR INSURANCE AGENTS, BROKERS, OR

CARRIERS TO DETERMINE IN ADVANCE OF SUBMISSION OF A RESPONSE THE AVAILABILITY OF THE INSURANCE COVERAGES AND ENDORSEMENTS REQUIRED HEREIN. IF YOU FAIL TO COMPLY WITH THE INSURANCE REQUIREMENTS BELOW, YOU MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

Required Insurance Coverage

CONSULTANT shall procure and maintain for the duration of this contract the following or equivalent insurance policies at no less than the limits shown below and cause its subcontractors to maintain similar insurance with limits acceptable to LFUCG in order to protect LFUCG against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT. The cost of such insurance shall be included in any bid:

<u>Coverage</u>	<u>Limits</u>
General Liability (Insurance Services Office Form CG 00 01)	\$1 million per occurrence, \$2 million aggregate or \$2 million combined single limit
Commercial Automobile Liability (Insurance Services Office Form CA 0001)	combined single, \$1 million per occurrence
Professional Liability aggregate	\$1 million per occurrence, \$3 million aggregate
Worker's Compensation	Statutory
Employer's Liability	\$500,000.00

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky. LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. The General Liability Policy shall have a Professional Liability endorsement (including Errors and Omissions) for any services performed pursuant to the contract, and/or a separate Professional Liability Policy shall be obtained unless it is deemed not to apply by LFUCG.
- d. The Professional Liability policy shall be maintained for a minimum of three years beyond the completion date of the project, to the extent commercially available. If not commercially available, CONSULTANT shall notify LFUCG and obtain similar insurance that is commercially available and acceptable to LFUCG.
- e. LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.
- f. Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

Renewals

After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

Deductibles and Self-Insured Programs

IF YOU INTEND TO SUBMIT A SELF-INSURANCE PLAN IT MUST BE FORWARDED TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, DIVISION OF RISK MANAGEMENT, 200 EAST MAIN STREET, LEXINGTON, KENTUCKY 40507 NO LATER THAN A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE RESPONSE DATE. Self-insurance programs, deductibles, and self-insured retentions in insurance policies are subject to separate approval by Lexington-Fayette Urban County Government's Division of Risk Management, upon review of evidence of CONSULTANT's financial capacity to respond to claims. Any such programs or retentions must provide LFUCG with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance coverage. If CONSULTANT satisfies any portion of the insurance requirements through deductibles, self-insurance programs, or self-insured retentions, CONSULTANT agrees to provide Lexington-Fayette Urban County Government, Division of Risk Management, the following data prior to the final acceptance of bid and the commencement of any work:

- a. Latest audited financial statement, including auditor's notes.
- b. Any records of any self-insured trust fund plan or policy and related accounting statements.
- c. Actuarial funding reports or retained losses.
- d. Risk Management Manual or a description of the self-insurance and risk management program.
- e. A claim loss run summary for the previous five (5) years.
- f. Self-Insured Associations will be considered.

Verification of Coverage

CONSULTANT agrees to furnish LFUCG with all applicable Certificates of Insurance signed by a person authorized by the insurer to bind coverage on its behalf prior to final award, and if requested, shall provide LFUCG copies of all insurance policies, including all endorsements.

Right to Review, Audit and Inspect

CONSULTANT understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

DEFAULT

CONSULTANT understands and agrees that the failure to comply with any of these insurance, safety, or loss control provisions shall constitute default and that LFUCG may elect at its option any single remedy or penalty or any combination of remedies and penalties, as available,

including but not limited to purchasing insurance and charging CONSULTANT for any such insurance premiums purchased, or suspending or terminating the work.

00353652



Insurance
Marketing

July 31, 2012

To: LFUCG

Re: Affirmative Action Plan and MBE/WBE

Please be advised that Benefit Insurance Marketing does not qualify as a MBE or a WBE. However, we are aware of LFUCG's related goals of 10% for procurement costs from MBE and WBE subcontractors or suppliers. As we conduct the LFUCG RFP process for vendor services, we will agree to make a good faith effort to achieve the participation goals for MBE/WBE subcontractor/suppliers. Because no subcontractors or vendors have been selected yet for the services outlined in the RFP, we did not complete the MBE/WBE forms attached.

Benefit Insurance Marketing would like to highlight that we currently sub-contract with Corby Burus, Worksite/Voluntary Benefits Specialist to assist us in with a number of voluntary / worksite benefits projects. She will assist us in response to this RFP and we will retain her services throughout the RFP process if selected by LFUCG. Corby Burus is owner of Benefit SOS, LLC, a woman owned business. As stated previously, we will also be mindful of LFUCG's goals as we pursue vendors on behalf of LFUCG.

As a privately owned business and because we have no federal contracts, Benefit Insurance Marketing is not required to have a formal affirmative action plan. However, Benefit Insurance Marketing does provide equal opportunity in employment for all qualified persons and prohibits discrimination in employment because of race, color, creed, national origin, sex or age. It should also be noted that Benefit Insurance Marketing is a 2010 Alfred P Sloan award winner for workplace flexibility.

Should additional documentation or affidavits be needed we will be happy to comply.

Sincerely,

Benji Marrs
Senior Vice President

1151 Red Mile Rd. Lexington, KY 40504
tel 859.255.9455 fax 859.255.9457

teambim.com

Affirmative Action Plan

All vendors must submit as a part of the proposal package the following items to the Urban County Government:

1. Affirmative Action Plan for his/her firm;
2. Current Work Force Analysis Form;

Failure to submit these items as required may result in disqualification of the submitter from award of the contract. All submissions should be directed to:

Director, Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street, 3rd Floor
Lexington, Kentucky 40507

All questions regarding this proposal must be directed to the Division of Central Purchasing, (859)-258-3320.

AFFIDAVIT

Comes the Affiant, _____ Benji Marrs _____, and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is _____ Benji Marrs _____ and he/she is the individual submitting the proposal or is the authorized representative of _____ Benefit Insurance Marketing _____, the entity submitting the proposal (hereinafter referred to as "Proposer").

2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.

3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.

4. Proposer has authorized the Division of Central Purchasing to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.

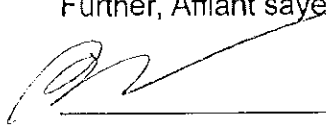
5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.

6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

Continued on next page

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth-naught.

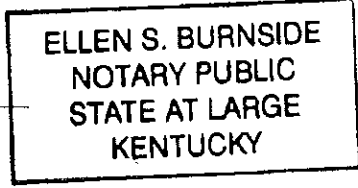


STATE OF Kentucky

COUNTY OF Fayette

The foregoing instrument was subscribed, sworn to and acknowledged before me by Benji Marrs on this the 30 day of July, 2012.

My Commission expires: 7/6/2015



Ellen S. Burnside
NOTARY PUBLIC, STATE AT LARGE

EQUAL OPPORTUNITY AGREEMENT

The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap.

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

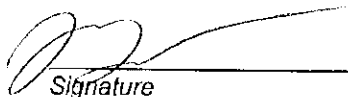
The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.

The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

Bidders

We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.



Signature

Benefit Insurance Marketing

Name of Business

WORKFORCE ANALYSIS FORM

Name of Organization: **Benefit Insurance Marketing**

Date: **7/30/12**

Categories	Total	White		Latino		Black		Other		Total	
		M	F	M	F	M	F	M	F	M	F
Administrators	1	1									
Professionals	7	7									
Superintendents											
Supervisors											
Foremen											
Technicians											
Protective Service											
Para-Professionals	16	2	14								
Office/Clerical	2		2								
Skilled Craft											
Service/Maintenance											
Total:	26	10	16								

Prepared by: _____ **Benji Marrs Senior Vice President** _____
 Name & Title

DIRECTOR, DIVISION OF CENTRAL PURCHASING
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
200 EAST MAIN STREET
LEXINGTON, KENTUCKY 40507

**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE
EQUAL EMPLOYMENT OPPORTUNITIES AND DBE CONTRACT
PARTICIPATION**

The Lexington-Fayette Urban County Government has set a goal that not less than ten percent (10%) of the total value of this contract be subcontracted to MBE/WBE's. The goal for the utilization of certified MBE/WBE's as subcontractors are recommended goals. Contractors who fail to meet such goals will be expected to provide written explanations to the Director of the Division of Central Purchasing of efforts they have made to accomplish the recommended goals and the extent to which they are successful in accomplishing the recommended goals will be a consideration in the procurement process.

For assistance in locating MBE/WBE Subcontractors contact Marilyn Clark at 859/258-3320 or by writing the address listed below:

Marilyn Clark, Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street – Room 338
Lexington, Kentucky 40507

**Lexington-Fayette Urban County Government
MBE/WBE Participation Goals**

PART 1 - GENERAL

- 1.1 The LFUCG request all potential contractors to make a concerted effort to include Minority-Owned (MBE) and Woman-Owned (WBE) Business Enterprises as subcontractors or suppliers in their proposals.
- 1.2 Toward that end, the LFUCG has established 10% of total procurement costs as a Goal for participation of Minority-Owned and Woman-Owned Businesses on this contract.
- 1.3 **It is therefore a request of each Submitter to include in its proposal, the same goal (10%) or for MBE/WBE participation and other requirements as outlined in this section.**

PART 2 - PROCEDURES

- 2.1 The successful proposer will be required to report to the LFUCG, the dollar amounts of all purchase orders submitted to Minority-Owned or Woman-Owned subcontractors and suppliers for work done or materials purchased for this contract. (See Subcontractor Monthly Payment Report)
- 2.2 Replacement of a Minority-Owned or Woman-Owned subcontractor or supplier listed in the original submittal must be requested in writing and must be accompanied by documentation of Good Faith Efforts to replace the subcontractor / supplier with another MBE/WBE Firm; this is subject to approval by the LFUCG. (See LFUCG MBE/WBE Substitution Form)
- 2.3 For assistance in identifying qualified, certified businesses to solicit for potential contracting opportunities, submitters may contact:
 - A. The Lexington-Fayette Urban County Government, Division of Central Purchasing (859-258-3320)
- 2.4 The LFUCG will make every effort to notify interested MBE/WBE subcontractors and suppliers of each RFP, including information on the scope of work, the pre-proposal meeting time and location, the proposal date, and all other pertinent information regarding the project.

PART 3 - DEFINITIONS

- 3.1 A Minority-Owned Business Enterprise (MBE) is defined as a business which is certified as being at least 51% owned and operated by persons of African American, Hispanic, Asian, Pacific Islander, American Indian or Alaskan Native Heritage.

- 3.2 A Woman-Owned Business Enterprise (WBE) is defined as a business which is certified as being at least 51% owned and operated by one or more Non-Minority Females.

PART 4 - OBLIGATION OF PROPOSER

- 4.1 **The bidder shall make a Good Faith Effort to achieve the Participation Goal for MBE/WBE subcontractors/suppliers. The failure to meet the goal shall not necessarily be cause for disqualification of the bidder; however, bidders not meeting the goal are required to furnish with their bids written documentation of their Good Faith Efforts to do so.**
- 4.2 Award of Contract shall be conditioned upon satisfaction of the requirements set forth herein.
- 4.3 The Form of Proposal includes a section entitled "MBE/WBE Participation Form". The applicable information must be completed and submitted as outlined below.
- 4.4 **Failure to submit this information as requested may be cause for rejection of the proposal.**

PART 5 - DOCUMENTATION REQUIRED

- 5.1 Proposers reaching the Goal are required to submit only the "MBE/WBE Participation Form." The form must be fully completed including names and telephone number of participating MBE/WBE firm(s); type of work to be performed; estimated value of the contract and value expressed as a percentage of the total Lump Sum Proposal Price. The form must be signed and dated, and is to be submitted with the proposal.
- 5.2 Proposers not reaching the Goal must submit the "MBE/WBE Participation Form", the "MBE Quote Summary Form" and a written statement documenting their Good Faith Effort to do so (if proposal includes no MBE/WBE participation, proposer shall enter "None" on the subcontractor / supplier form). In addition, the proposer may submit the following as proof of Good Faith Efforts to meet the Participation Goal:
- A. Advertisement by the proposer of MBE/WBE Contracting opportunities associated with this proposal in at least two (2) of the following:
 - 1. A periodical in general circulation throughout the region
 - 2. A Minority-Focused periodical in general circulation throughout the region
 - 3. A Trade periodical aimed at the MBE/WBE community in general circulation throughout the region
 - 4. Proposer shall include copies of dated advertisement with his submittal
 - B. Evidence of written notice of contracting opportunities to at least five (5) MBE/WBE firms serving the construction industry at least seven (7) days prior to the proposal opening date.
 - C. Copies of quotations submitted by MBE/WBE firms which were not used due to uncompetitive pricing or other factors and/or copies of responses from

firms that were contacted indicating that they would not be submitting a proposal.

- D. Documentation of Proposer's utilization of the agencies identified to help locate potential MBE/WBE firms for inclusion on the contract including responses from agencies.
- E. Failure to submit any of the documentation requested in this section may be cause for rejection of the proposal. Proposers may include any other documentation deemed relevant to this requirement. "Record of MBE/WBE Solicitation" and other required documentation of Good Faith Efforts are to be submitted with the proposal, if participation Goal is not met.



MINORITY BUSINESS ENTERPRISE PROGRAM

Marilyn Clark
Minority Business Enterprise Liaison
Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507
mclark@lexingtonky.gov
859-258-3323

OUR MISSION: The mission of the Minority Business Enterprise Program is to facilitate the full participation of minority and women owned businesses in the procurement process and to promote economic inclusion as a business imperative essential to the long term economic viability of Lexington-Fayette Urban County Government.

To that end the city council adopted and implemented resolution 167-91—Disadvantaged Business Enterprise (DBE) 10% Goal Plan in July of 1991. The resolution states in part (a full copy is available in Central Purchasing):

“A Resolution supporting adoption of the administrative plan for a ten percent (10%) Minimum goal for disadvantaged business enterprise participation in Lexington-Fayette Urban County Government construction and professional services contracts; Providing that as part of their bids on LFUCG construction contracts, general Contractors shall make a good faith effort to award at least ten percent (10%) of All subcontracts to disadvantaged business enterprises; providing that divisions of LFUCG shall make a good faith effort to award at least ten percent of their Professional services and other contracts to disadvantaged business enterprises...”

A Disadvantaged Business Enterprise is defined as a business at least 51% owned, operated and managed by a U.S. Citizen of the following groups:

- African-American
- Hispanic-American
- Asian/Pacific Islander
- Native American/Native Alaskan
- Non-Minority Female

We are very happy that you have decided to bid for a contract, request for proposal, submitted a quote or are interested in learning more about how to do business with Lexington-Fayette Urban County Government. We have compiled the list below to help you locate certified minority vendors.

IFUCG—Economic Engine Listings
Marilyn Clark
mclark@lexingtonky.gov
859-258-3323

Commerce Lexington—
Tyrone Tyra, Minority Business Development
tyra@commercelexington.com
859-226-1625

Tri-State Minority Supplier Diversity Council
Sonya Brown
sbrown@tsmsdc.com
502-625-0137

Small Business Development Council
Dee Dee Harbut /UK SBDC
ddharbut@uky.edu

Shawn Rogers, UK SBDC
Shawn.rogers@uky.edu

Shiree Mack
smack@uky.edu

Community Ventures Corporation
James Coles
jcoles@cveky.org
859-231-0054

Kentucky Department of Transportation
Shella Jarvis
Shella.Jarvis@ky.gov
502-564-3601

KPAP
Debbie McKnight
Debbie.McKnight@ky.gov
800-838-3266 or 502-564-4252

Bobbie Carlton
Bobbie.Carlton@ky.gov

Ohio River Valley Women's Business Council
Rea Waldon
rwaldon@orcwbc.org
513-487-6534

Kentucky Small Business Connect
Tom Back
800-626-2250 or 502-564-2064
<https://secure.kentucky.gov/sbc>

**National Minority Supplier Development Council, Inc.
(NMSDC)**
www.nmsdc.org

LFUCG MBE/WBE PARTICIPATION FORM

Bid/RFP/Quote Reference # _____

The MBE/WBE subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Central Purchasing for approval immediately.

MBE/WBE Company, Name, Address, Phone, Email	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1.			
2.			
3.			
4.			

The undersigned company representative submits the above list of MBE/WBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Company

By

Date

Title

LFUCG MBE/WBE SUBSTITUTION FORM

Bid/RFP/Quote Reference # _____

The substituted MBE/WBE subcontractors listed below have agreed to participate on this Bid/RFP/Quote. These substitutions were made prior to or after the job was in progress. These substitutions were made for reasons stated below and are now being submitted to Central Purchasing for approval. By the authorized signature of a representative of our company, we understand that this information will be entered into our file for this project.

SUBSTITUTED MBE/WBE Company Name, Address, Phone, Email	MBE/WBE Formally Contracted/ Name, Address, Phone, Email	Work to Be Performed	Reason for the Substitution	Total Dollar Value of the Work	% Value of Total Contract
1.					
2.					
3.					
4.					

The undersigned acknowledges that any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Company

Date

Company Representative

Title



MBE QUOTE SUMMARY FORM

Bid/RFP/Quote Reference # _____

The undersigned acknowledges that the minority subcontractors listed on this form did submit a quote to participate on this project.

Company Name	Contact Person
Address/Phone/Email	RFP Package / RFP Date

MBE/WBE Company Address	Contact Person	Contact Information (work phone, Email, cell)	Date Contacted	Services to be performed	Method of Communication (email, phone meeting, ad, event etc)	Total dollars \$\$ Do Not Leave Blank (Attach Documentation)	MBE * AA HA AS NA Female

(MBE designation / AA=African American / HA= Hispanic American/AS = Asian American/Pacific Islander/ NA= Native American)

The undersigned acknowledges that all information is accurate. Any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Company

Company Representative

Date

Title



LFUCG SUBCONTRACTOR MONTHLY PAYMENT REPORT

The LFUCG has a 10% goal plan adopted by city council to increase the participation of minority and women owned businesses in the procurement process. In order to measure that goal LFUCG will track spending with MBE/WBE vendors on a monthly basis. By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentation may result in termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims. Please submit this form monthly to the Division of Central Purchasing/ 200 East Main Street / Room 338 / Lexington, KY 40507.

Bid/RFP/Quote # _____
 Total Contract Amount Awarded to Prime Contractor for this Project _____

Project Name/ Contract #	Work Period/ From: _____ To: _____
Company Name:	Address: _____
Federal Tax ID:	Contact Person: _____

Subcontractor Vendor ID (name, address, phone, email)	Description of Work	Total Subcontract Amount	% of Total Contract Awarded to Prime for this Project	Total Amount Paid for this Period	Purchase Order number for subcontractor work (please attach PO)	Scheduled Project Start Date	Scheduled Project End Date

By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentations may result in the termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims.

 Company Company Representative

 Date Title

LFUCG STATEMENT OF GOOD FAITH EFFORTS

Bid/RFP/Quote # _____

By the signature below of an authorized company representative, we certify that we have utilized the following methods to obtain the maximum practicable participation by minority and women owned business enterprises on the project. Please indicate which methods you used by placing an X in the appropriate place.

- ____ Attended LFUCG Central Purchasing Economic Inclusion Outreach Event
- ____ Sponsored Economic Inclusion event to provide networking opportunities
- ____ Requested a list of MBE/WBE subcontractors or suppliers from LFUCG Economic Engine
- ____ Advertised for MBE/WBE subcontractors or suppliers in local or regional newspapers
- ____ Showed evidence of written notice of contracting and/or supplier opportunities to MBE/WBE firms at least seven days prior to the proposal opening date
- ____ Provided copies of quotations submitted by MBE/WBE firms which were not used and/or responses from firms indicating they would not be submitting a quote
- ____ Provided plans, specifications, and requirements to interested MBE/WBE subcontractors
- ____ Other
Please list any other methods utilized that aren't covered above.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Company

Company Representative

Date

Title

Firm Submitting Proposal: Benefit Insurance Marketing

Complete Address: 1151 Red Mile Road Lexington, KY 40504
Street City Zip

Contact Name: Benji Marrs Title: Senior Vice President

Telephone Number: 859-255-9455 Fax Number: 859-255-9457

Email address: Benji@teambim.com

GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, 29 U.S.C. 650 *et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or

attempted to bribe an officer or employee of the LFUCG.

9. Additional Information: While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. Ambiguity, Conflict or other Errors in RFP: If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. Agreement to Bid Terms: In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. Cancellation: If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.

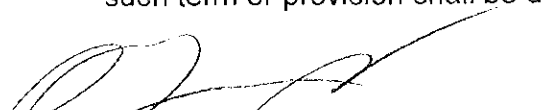
- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:
- (a) Failure to perform the contract according to its terms, conditions and specifications;
 - (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
 - (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
 - (d) Failure to diligently advance the work under a contract for construction services;
 - (e) The filing of a bankruptcy petition by or against the contractor; or
 - (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent, Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. **Assignment of Contract:** The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. **No Waiver:** No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.

15. Authority to do Business: The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must be signed by a duly authorized officer, agent or employee of the Respondent.
16. Governing Law: This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. Ability to Meet Obligations: Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.


Signature

7/31/12
Date

**RISK MANAGEMENT PROVISIONS
INSURANCE AND INDEMNIFICATION**

INDEMNIFICATION AND HOLD HARMLESS PROVISION

- (1) It is understood and agreed by the parties that Consultant hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Consultant or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier (hereinafter "Consultant") under or in connection with this agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (2) Consultant shall indemnify, save, hold harmless and defend the Lexington-Fayette Urban County Government and its elected and appointed officials, employees, agents, volunteers, and successors in interest (hereinafter "LFUCG") from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Consultant's performance or breach of the agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the Consultant; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (3) Notwithstanding, the foregoing, with respect to any professional services performed by Consultant hereunder (and to the fullest extent permitted by law), Consultant shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of Consultant in the performance of this agreement.
- (4) In the event LFUCG is alleged to be liable based upon the above, Consultant shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.

- (5) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.

FINANCIAL RESPONSIBILITY

CONSULTANT understands and agrees that it shall, prior to final acceptance of its bid and the commencement of any work, demonstrate the ability to assure compliance with the above Indemnity provisions and these other risk management provisions.

INSURANCE REQUIREMENTS

YOUR ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW, AND YOU MAY NEED TO CONFER WITH YOUR INSURANCE AGENTS, BROKERS, OR CARRIERS TO DETERMINE IN ADVANCE OF SUBMISSION OF A RESPONSE THE AVAILABILITY OF THE INSURANCE COVERAGES AND ENDORSEMENTS REQUIRED HEREIN. IF YOU FAIL TO COMPLY WITH THE INSURANCE REQUIREMENTS BELOW, YOU MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

Required Insurance Coverage

CONSULTANT shall procure and maintain for the duration of this contract the following or equivalent insurance policies at no less than the limits shown below and cause its subcontractors to maintain similar insurance with limits acceptable to LFUCG in order to protect LFUCG against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT. The cost of such insurance shall be included in any bid:

<u>Coverage</u>	<u>Limits</u>
General Liability million aggregate (Insurance Services Office Form CG 00 01) limit	\$1 million per occurrence, \$2 or \$2 million combined single limit
Commercial Automobile Liability per occurrence (Insurance Services Office Form CA 0001)	combined single, \$1 million
Professional Liability million aggregate	\$1 million per occurrence, \$3
Worker's Compensation	Statutory
Employer's Liability	\$500,000.00

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky. LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. The General Liability Policy shall include a Products and Completed Operations endorsement or Premises and Operations Liability endorsement unless it is deemed not to apply by LFUCG.
- d. The General Liability Policy shall have a Professional Liability endorsement (including Errors and Omissions) for any services performed pursuant to the contract, and/or a separate Professional Liability Policy shall be obtained unless it is deemed not to apply by LFUCG.
- e. The Professional Liability policy shall be maintained for a minimum of three years beyond the completion date of the project, to the extent commercially available. If not commercially available, CONSULTANT shall notify LFUCG and obtain similar insurance that is commercially available and acceptable to LFUCG.
- f. LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.
- g. Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

Renewals

After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

Deductibles and Self-Insured Programs

IF YOU INTEND TO SUBMIT A SELF-INSURANCE PLAN IT MUST BE FORWARDED TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, DIVISION OF RISK MANAGEMENT, 200 EAST MAIN STREET, LEXINGTON, KENTUCKY 40507 NO LATER THAN A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE RESPONSE DATE. Self-insurance programs, deductibles, and self-insured retentions in insurance policies are subject to separate approval by Lexington-Fayette Urban County Government's Division of Risk Management, upon

review of evidence of CONSULTANT's financial capacity to respond to claims. Any such programs or retentions must provide LFUCG with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance coverage. If CONSULTANT satisfies any portion of the insurance requirements through deductibles, self-insurance programs, or self-insured retentions, CONSULTANT agrees to provide Lexington-Fayette Urban County Government, Division of Risk Management, the following data prior to the final acceptance of bid and the commencement of any work:

- a. Latest audited financial statement, including auditor's notes.
- b. Any records of any self-insured trust fund plan or policy and related accounting statements.
- c. Actuarial funding reports or retained losses.
- d. Risk Management Manual or a description of the self-insurance and risk management program.
- e. A claim loss run summary for the previous five (5) years.
- f. Self-Insured Associations will be considered.

Verification of Coverage

CONSULTANT agrees to furnish LFUCG with all applicable Certificates of Insurance signed by a person authorized by the insurer to bind coverage on its behalf prior to final award, and if requested, shall provide LFUCG copies of all insurance policies, including all endorsements.

Right to Review, Audit and Inspect

CONSULTANT understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

DEFAULT

CONSULTANT understands and agrees that the failure to comply with any of these insurance, safety, or loss control provisions shall constitute default and that LFUCG may elect at its option any single remedy or penalty or any combination of remedies and penalties, as available, including but not limited to purchasing insurance and charging CONSULTANT for any such insurance premiums purchased, or suspending or terminating the work.

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