

City of Traverse City

Office of the City Manager

GOVERNMENTAL CENTER
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4440
(231) 922-4476 fax
tcmanage@traversecitymi.gov



January 10, 2024

Vendor:

The City of Traverse City will receive sealed bids in the Office of the City Manager, Second floor, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, 49684, until **Thursday, February 1, 2024, at 2:00 p.m.**, for the following:

**Insurance Broker Representative for
Employee Wellness and Health Insurance Benefits Management**

Full details of this bid are available on the City's website at: [Traverse City Bids](#). It is the sole responsibility of the Vendor to refer to the website for updates and addenda prior to the bid being submitted. Vendors may also send a request to receive notifications when bids and Requests For Proposals are posted by the City by sending an e-mail requesting same to ksheridan@traversecitymi.gov

The City of Traverse City reserves the right to accept or reject any or all bids, waive irregularities, and to accept the bids either on an entire or individual basis that is in the best interest of the City. The City accepts no responsibility for any expense incurred by the Vendor in the preparation and presentation of a bid. Such expenses shall be borne exclusively by the Vendor. Only the successful Vendor will be notified.

You must indicate on the outside of the sealed envelope that the bid is for the "Insurance Broker Representative for Employee Wellness and Health Insurance Benefits Management." You must submit **TWO (2) SEALED COPIES** of the bid to the City Manager's Office prior to the above-indicated time and date or the bid will not be accepted. Alternatively, emailed bids **will be** accepted. Please indicate in the subject line of your email that you are submitting a "Sealed Bid" together with the project description, and submit your e-mailed bid to tcmanage@traversecitymi.gov **before Thursday, February 1, 2024, at 2:00 p.m.**

Please note that if you have previously submitted an informal quote, you will still need to submit a sealed bid prior to the date and time specified above in order to be considered. Please ensure that all requirements listed in the specifications are met. If you have any questions, please contact Kristine Bosley, Human Resource Director, at 231/922-4481, or via email to kbosley@traversecitymi.gov, before the bid is submitted.

PLEASE SUBMIT BID TO:

Kim Sheridan, Executive Assistant
City of Traverse City / City Manager's Office
400 Boardman Avenue, 2nd floor
Traverse City, MI 49684
tcmanage@traversecitymi.gov

INTRODUCTION

The City of Traverse City (the City) is requesting proposals from qualified Independent Insurance Broker Service firms licensed to practice in the State of Michigan for the purpose of providing a full range of services including design, implementation, analysis, compliance, maintenance, improvement and communication of a health and benefit and consulting services program for the City of Traverse City and its employees and retirees.

It is the intent of the City to award the contract to a single proposer who is deemed to be in the best interest of the City. Therefore, each proposer must disclose additional costs outside compensation earned through standard carrier premiums.

INFORMATION / CLARIFICATION: For information concerning this RFP contact Kristine Bosley (City Human Resource Director) at (231) 922-4481 or by email kbosley@traversecitymi.gov.

PURPOSE

The purpose of this Request for Proposals ("RFP") is to solicit and select an independent Insurance Broker to act as the representative of the City for employee wellness and health insurance benefits management. As this is an Agent / Broker RFP, insurance / risk management consultants and carriers will not be considered. The selected firm is expected to provide the qualified and expert professional services, including but not limited to, those outlined in the Scope of Services section.

SCOPE OF SERVICES TO BE PERFORMED

The services detailed below are expected to be provided by the Broker pertaining to health and welfare benefits. Actual work will be directed by the City and may involve other consulting services that are not listed below.

1. Conduct strategic planning meetings to establish goals, priorities and identify areas of concern.
2. Provide an annual benefits plan performance review and analysis as compared to the prior year's data relative to claims, plan enrollment, and any other key information to consider plan effectiveness, and to determine future strategies to control costs and maintain plan effectiveness and market competitiveness.
3. Negotiate renewal rates with current carriers and / or market group coverage to competing carriers.
4. Coordinate the City's employee open enrollment prior to the beginning of a new policy year and assist with monthly new employee orientation, employee education and communicating benefit changes. Prepare annual Employee Benefit Summaries and provide consulting and technical support to implement online benefit open enrollment services to employees.
5. Generate materials, job aids, videos for open enrollment, life event change, and onboarding new hires.
6. Inform the City of current issues in the area of benefit law and administration including but limited to, advice regarding HIPAA, COBRA, Medicare, Public Acts, Healthcare Reform and other similar state and federal laws that govern group insurance programs. The successful proposer shall have access to qualified staff and/or outside employee benefits legal counsel at no cost to the City.

7. Keep the City abreast of changes in statutory and regulatory changes. Review pending legislation and report to the City of any impact it may have on existing or future benefits to include bearing the cost and expense for the reproduction of any copyrighted materials necessary for such performance.
8. Represent the City as requested in communications with all underwriters, claims adjusters and claimants.
9. Assist the Insurance Committee in reviewing group health insurance program costs to include the preparation of routine group health program management reports which detail the performance of the plan; develop rates for budget; identify and prepare a critical factors analysis to identify cost drivers; monitor the sufficiency of rates; review of group health plan design to determine the propriety of plan wording and to determine areas whereby plan design might be adjusted to enhance the economy and efficiency of the program. Prepare a medical and pharmacy plan design analysis that identifies the potential cost savings of increased deductibles, co-payments, out-of-pocket and other structural changes.
10. Drafting, publishing and distribution of quarterly newsletters relating to insurance benefits to employees.
11. Act as liaison between benefit providers and the City.
12. Assist the Human Resource Department with the COBRA Administration for the City during the term of the contract.
13. Perform settling and mitigation of claims for the City and for individual employees.
14. Review each insurance policy, binder, certificate or other insuring document and all endorsement effecting coverage and / or price, to ensure they are complete, correct and in compliance.
15. Be available to Elected Officials, Employees, and Retirees for consultation as needed for applicable group plans.
16. Monitor performance of all plans and give quarterly reports to the Insurance Committee and Human Resource Department. Proactively suggest products and services that would better serve the needs of the City and its employees. Develop and assist in the implementation of new insurance plans and employee benefit programs.
17. Attend City Commission meetings as requested.
18. Attend and facilitate City staff insurance committee meetings, or upon request.
19. Work with the Human Resource Department on the development of the City's wellness initiatives.
20. Assist with budget projections on future costs of benefit programs to include the determination of contribution structures for the City and for active and retired employees; assisting in plan / claim projections or forecasts for all health or wellness related costs; and plan and develop or create cost savings measures or recommendations necessary for future plan performance.
21. Assist with union negotiation with projections on requested changes to benefit programs and the cost associated with those requests.

22. Provide technical assistance during the course of labor negotiations.
23. Provide expert testimony with P.A. 312 arbitration and fact-finding if requested.
24. Provide responsive customer service in answering questions about coverage, assisting with securing coverage and completion of paperwork required by the City's Human Resource Department and the employees insured and their insured dependents. It is expected that when contacted by the City, the assigned Broker makes contact via email or telephone the same day when possible or within 24 hours of a call/email to acknowledge receipt and schedule time to discuss or resolve the issue/question at hand.
25. Prepare marketing strategies for procuring insurance for review by the City.
26. Process all necessary paperwork for employees' benefit changes to include but not limited to additions, drops and deletions.
27. Assist plan participants with claims, care management, general benefits questions. If there is no local office, explain within the proposal the customer service plan in detail.
28. Assist the Human Resource Department with the dispute, changes, and reconciliation of billing invoices.

BACKGROUND INFORMATION

Traverse City is a progressive diverse city with a population of 15,000 people. Traverse City is located in portions of both Grand Traverse County and Leelanau County within Northern Lower Michigan. The City of Traverse City currently has 209 Full-Time Employees, and offers benefits to employees with the Downtown Development Authority and the Housing Commission, as well as provides retiree benefits.

The Fiscal Year 2023/2024 adopted operating budget for all funds is \$22,851,900. More detailed information on the government and its finances can be found in the City's Budget Information on the City website at [Traverse City Budget](#)

BENEFIT STRUCTURE

The City offers a comprehensive benefits package for all eligible employees and retirees. The City's current group insurance plan year is July 1st through June 30th.

Any Employee portion of premiums for medical insurance, and certain supplemental plans are deducted through a Cafeteria Plan established under Section 125 of the Internal Revenue Code (IRC) and are pre-tax to the extent permitted.

Employees are eligible to participate in the City's group insurance plans if they are full-time employees (working 30 hours or more). Health, Dental, Vision and other coverage have varied benefit windows. The current number of eligible employees is 209, and the current number of retirees is 143, and may be increased or decreased. The City of Traverse City uses the following carriers:

Benefit Type	Current Carrier
MEDICAL HMO COPAY PLAN	PRIORITY HEALTH (fully insured)
MEDICAL HMO HDHP/HSA	PRIORITY HEALTH (fully insured)
MEDICARE ADVANTAGE PLANS	PRIORITY HEALTH (fully insured)
RETIREE HEALTH TCLP & SELECT FIRE	AMWINS (fully insured)
DENTAL	DELTA DENTAL
VISION	THE STANDARD
BASIC LIFE AND AD&D INSURANCE	THE STANDARD
VOLUNTARY LIFE	THE STANDARD
SHORT TERM DISABILITY	THE STANDARD
LONG TERM DISABILITY	THE STANDARD
SUPPLEMENTAL INSURANCE	AFLAC
COBRA ADMINISTRATION	ISOLVED BENEFIT SERVICES
FSA ADMINISTRATION	INTERNAL
EMPLOYEE ASSISTANCE PROGRAM	ENCOMPASS

Availability of Current and Prior Summary of Benefits and Coverage (SBCs)

Interested Proposers who wish to review current and prior years' Summary of Benefits and Coverage (SBCs) should contact Kristine Bosley, 400 Boardman Ave, Traverse City, MI 49684, (231) 922-4481. The City will use its best efforts to make prior SBCs and supporting working papers available to Proposer to aid their response to this Request for Proposal.

PROPOSAL REQUIREMENTS

Proposal Format

Proposers should prepare their proposals using the following format. Proposers are encouraged to label/tab their submittal. In preparing proposals, Proposers should assume that the City has had no previous knowledge of their products, services, or capabilities. Emphasis should be placed on clear, complete presentation of factual information. All sections of the proposal should be prepared and submitted in a straightforward, economical manner.

Proposers are not to make any reference to information they submitted in previous Proposals/RFPs or quotes submitted to the City.

SUBMITTAL INSTRUCTIONS

Proposer:

All questions should be directed in writing to the Human Resource Director at least seven (7) calendar days before the submission due date. Questions will be answered in an addendum, with the supplemental information resulting from such questions provided to all known potential responders.

The purpose of the Proposal is to demonstrate the qualification, competence and capacity of the firms seeking to undertake the benefit insurance Agent of Record duties for the City in conformity with the requirement of this Request for Proposals. As such, the substance of proposals will be evaluated based on what is deemed to be in the best interests of the City, including such factors as proposer experience and expertise in providing Insurance Advisory and Brokerage services for municipalities, the clear and creative approach of the proposal, local representation, recommendations of entities for which the proposer has previously provided services, the persons

assigned to the project by the proposer, and total cost. Cost will not be the sole factor in evaluating proposals.

The proposal **must** be presented in the order as described below. To be considered substantive, the proposal must respond to all requirements of this part of the RFP. Any other information thought to be relevant, but applicable to the enumerated categories, should be provided as an appendix to the proposal.

Proposals must include:

1. A statement of the firm's general qualifications and experience performing similar analysis and recommendations.
2. A list of the proposed staff members who will perform the services and description of their individual qualifications and experience.
3. A list of references from at least three governmental agencies for whom the firm has provided similar services within the past 3 years. Include name of client organization, date of service and the contact name, phone number and email address for the client's project manager.
4. The Proposal should outline in detail the scope of services, outline your ability to provide expertise and experience in the areas of health benefit plan analysis and design, and how your firm would satisfy the requirements of this Request for Proposal.
5. If applicable, a description of services and respective fees which require additional compensation outside standard carrier premiums.
6. A cost sheet showing any and all charges for performing the services, including hourly billing rates, any other costs, and the total hours and total cost estimated to complete the work up to the point of developing an implementation plan. Indicate separately, the cost of preparing an implementation plan for the recommended action(s).
7. An explanation of what distinguishes the services the submitting firm can provide from other Agents or firms.
8. A detailed implementation plan from existing processes.
9. Proposals shall be signed and dated by an authorized officer of the firm with a guarantee that the proposal will be valid for a minimum of 120 days.

INDEPENDENCE

The firm should provide an affirmative statement that confirms that they serve as a consultant or broker, independently, and are not affiliated with any insurance company, third party administrative agency or provider network. Statement must include whether or not there are any existing or potential relationships between your firm and insurance carriers and/or vendors who may be considered or perceived as a conflict of interest to the City. In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

By submission of a proposal, the proposer certifies that in connection with this proposal:

- A. The fees in the proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such fees with any other proposer or with any competitor; and,

- B. Unless otherwise required by law, the fees which have been quoted in the proposal have not been knowingly disclosed by the proposer directly or indirectly to any other proposer or to any competitor; and,
- C. No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

LICENSE TO PRACTICE IN MICHIGAN

Responding firms must be capable of performing Agent of Record duties in full compliance with all federal and state statutes and regulations. Responding firms will provide the following information: An affirmative statement indicating that the firm and all assigned key professional staff are properly registered and licensed to practice in the State of Michigan.

FIRM QUALIFICATIONS AND EXPERIENCE

The proposal should state the size of the firm, the size of the firm's governmental support staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the Proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal Agent of Record should be noted, if applicable.

Other requirements:

- Five years' continuous operation in the State of Michigan
- Three years' experience with public entities
- Experience with public entities with an annual health insurance premium in excess of \$100,000.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, specialists, and staff who would be assigned to the engagement and indicate whether each such person is (registered / licensed) to practice in Michigan. The firm also should provide information on the government benefits support experience of each person including information on relevant continuing professional education for the past three (3) years, the number of years of local government experience, and membership in professional organizations relevant to the performance of this RFP. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, manager, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. Those personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements. Other personnel may be changed at the discretion of the Proposer provided that replacements have substantially the same or better qualifications or experience.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

List three (3) current clients for whom you provide coordinated services related to health plan and

ancillary benefits, analysis and design. For each client, the list must specify the type of work performed by your firm, the size of the client's group and the period of time retained as a client. For each client, include the name, title, address, fax number, and phone number of a contact person who the City may contact as a reference.

FEE PROPOSAL

COMPENSATION

Provide a description of the compensation structure proposed by the brokerage firm. The description shall include all bases for remuneration proposed by the firm, i.e., commission, fee, and all other elements of compensation for a total compensation proposal.

FEE STRUCTURE

Describe all available fee structures offered by your firm; including travel charges and any other cost that may be passed on to the City.

INITIAL CONTRACT PERIOD AND CONTRACT RENEWAL (SAMPLE CONTRACT ATTACHED):

A response to any Request for Proposal is an offer to contract with the City based upon the terms, conditions, and specifications contained in the City's Request for Proposal. Proposals do not become contracts unless and until the City executes them. A contract has its inception in the award, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a contract amendment, a Best and Final Offer, or by mutually agreed terms and conditions.

The transfer of agent of record will begin immediately following the award, if applicable. The initial contract term shall be for three (3) fiscal years beginning with the fiscal year March 1, 2024. The City reserves the right to extend the contract for two (2) additional one (1) fiscal year periods providing all terms, conditions, and specifications remain the same, both parties agree to the extension, and such extensions is approved by the City. Successful Proposer shall give written notice to the City not less than ninety (90) days prior to renewal date of any adjustment in the initial Contract amount. Contract renewal shall be based on satisfactory performance, mutual acceptance, and determination that the Contract is in the best interest of the City.

In the event services are scheduled to end because of the expiration of this contract, the Proposer shall continue the service upon the request of the Director of Human Resources. The extension period shall not extend for more than ninety (90) days beyond the expiration date of the existing contract. The Proposer shall be compensated for the service at the rate in effect when the City invokes this extension clause.

GENERAL TERMS & CONDITIONS REQUESTS FOR PROPOSALS

THIS INVITATION TO SUBMIT A REQUEST FOR QUALIFICATIONS IS NOT AN AUTHORIZATION TO APPROACH THE INSURANCE MARKERTPLACE OR SERVICE AGENCIES ON BEHALF OF THE CITY. THE CITY SPECIFICALLY DIRECTS THAT NO CONTACT OR SOLICATION OF INSURANCE MARKETS, OR MARKET RESERVATION. BE MADE ON BEHALF OF THE CITY. FAILURE TO COMPLY WITH THIS CONDITION WILL BE GROUNDS FOR DISQUALIFICATIONS.

- **Submission**
Each Proposer must submit its Proposal in strict accordance with all requirements of this RFP and compliance must be stated in the Proposal. Deviations, clarifications, and/or exceptions must be clearly identified and listed separately as alternative items for the City's consideration.
- **Insurance**
Each Proposer shall demonstrate the willingness and ability to provide the required insurance coverage within ten calendar days of notification of selection for award of this Agreement.
- **Confidentiality**
Proposals must not be marked as confidential or proprietary. The City may refuse to consider a Proposal so marked. Information in proposals shall become property of the City of Traverse City and subject to disclosure laws. The City of Traverse City reserve the right to make use of any information or ideas in the proposals.
- **Expenses**
The City shall not, in any event, be liable for any pre-contractual expenses incurred by Proposers in the preparation of their proposal.
- **Changes to RFP**
In the event the City deems it necessary to clarify or make any changes to this RFP, these changes shall be made in the form of a written addendum authorized and issued only by the City Human Resource Director.
- **Execution of Agreement**
The Successful Proposer(s) will be required to execute an agreement and comply with all requirements of said Agreement. In case of failure of successful Proposer to execute and return the contract and all required documents within the time allowed, the City may, at their option, consider the Proposer having abandoned the proposal. Accepted proposals shall become a part of any resultant agreement for services.
- **Rights of the City**

The City of Traverse City reserve the right to:

1. Waive any defect, irregularity or informality in the proposal or proposal procedures;
2. Reject any and all proposals, or portions thereof;
3. Request additional information for clarification;
4. Cancel, revise and/or reissue this Request for Proposal or any portions thereof;
5. Negotiate any conditions with Successful Proposer.
6. Modify deadlines;
7. Select any proposal or combination of proposals deemed to be in the best interest as determined by the City of Traverse City.

Proposer understands that the City reserves the right to accept any or all proposals in whole or part and to waive irregularities in any proposal deemed to be in the best interest of the City. The proposal will be evaluated and awarded on the basis of the best value to the City. The criteria used by the City may include, but will not be limited to: ability, qualifications, services, experience, price, other pertinent factors and overall capability to meet the needs of the City. The City is sales tax exempt – Government.

Proposer agrees that the proposal may not be withdrawn for a period of sixty (60) days from the actual date of the opening of the proposal.

Bidder - Please complete and return

BID SUMMARY

TITLE: **Insurance Broker Representative for Employee Wellness and Health Insurance Benefits Management**

DUE DATE: **Thursday, February 1, 2024 at 2 p.m.**

Having carefully examined the attached specifications and any other applicable information, the undersigned proposes to furnish all items necessary for and reasonably incidental to the proper completion of this bid. Bidder submits this bid and agrees to meet or exceed all requirements and specifications unless otherwise indicated in writing and attached hereto.

Bidder certifies that as of the date of this bid the Company or he/she is not in arrears to the City of Traverse City for debt or contract and is in no way a defaulter as provided in Section 152, Chapter XVI of the Charter of the City of Traverse City.

Bidder understands and agrees, if selected as the successful Bidder, to accept the City's standard Purchase Order / Service Order / Contract, the terms of which are not negotiable, and to provide proof of the required insurance.

Bidder submits this bid and agrees to meet or exceed all the City of Traverse City's requirements and specifications unless otherwise indicated in writing and attached hereto. Bidder shall comply with all applicable federal, state, local and building codes, laws, rules and regulations and obtain any required permits for this work.

The Bidder certifies that it is in compliance with the City's Nondiscrimination Policy as set forth in Administrative Order No. 47 and Chapter 605 of the City's Codified Ordinances.

The Bidder certifies that none of the following circumstances have occurred with respect to the Bidder, an officer of the Bidder, or an owner of a 25% or more share in the Bidder's business, within 3 years prior to the bid:

- (a) conviction of a criminal offense incident to the application for or performance of a contract;
- (b) conviction of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense which currently, seriously and directly reflects on the Bidder's business integrity;
- (c) conviction under state or federal antitrust statutes;
- (d) attempting to influence a public employee to breach ethical conduct standards; or
- (e) conviction of a criminal offense or other violation of other state, local, or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which in the opinion of the City indicates that the bidder is unable to perform responsibility or which reflects a lack of integrity that could negatively impact or reflect upon the City of Traverse City, including but not limited to, any of the following offenses or violations of:

- i. The Natural Resources and Environmental Protection Act.
- ii. A persistent and knowing violation of the Michigan Consumer Protection Act.
- iii. Willful or persistent violations of the Michigan Occupational Health and Safety Act.
- iv. A violation of federal, local, or state civil rights, equal rights, or non-discrimination laws, rules, or regulations.
- v. Repeated or flagrant violations of laws related to the payment of wages and fringe benefits.

(f) the loss of a license or the right to do business or practice a profession, the loss or suspension of which indicates dishonesty, a lack of integrity, or a failure or refusal to perform in accordance with the ethical standards of the business or profession in question.

Bidder understands that the City reserves the right to accept any or all bids in whole or part and to waive irregularities in any bid in the best interest of the City. The bid will be evaluated and awarded on the basis of the best value to the City. The criteria used by the City may include, but will not be limited to: ability, qualifications, timeframe, experience, price, type and amount of equipment, accessories, options, insurance, permits, licenses, other pertinent factors and overall capability to meet the needs of the City. The City is sales tax exempt – Government.

Bidder agrees that the bid may not be withdrawn for a period of sixty (60) days from the actual date of the opening of the bid.

TOTAL COST DETAILS SUMMARY: IF ANY

Submitted by:

Signature

Company Name

Name and Title (Print)

Company Address

Phone Fax

City, State, Zip

EMAIL ADDRESS:

Sole proprietorship/partnership/corporation

If corporation, state of corporation

MUNICIPAL REFERENCES: (include name of organization, contact person, and daytime phone number).

1. _____
Contact Person: _____ Telephone: _____

2. _____
Contact Person: _____ Telephone: _____

3. _____
Contact Person: _____ Telephone: _____

SAMPLE / DRAFT

CITY OF TRAVERSE CITY VENDOR AGREEMENT

THIS AGREEMENT made this _____ day of _____, 2024, by and between the CITY OF TRAVERSE CITY, a Michigan municipal corporation, of 400 Boardman, Traverse City, Michigan, 49684, (the "City"), and _____, a (sole proprietorship/partnership/corporation) of _____, (if a corporation, state of incorporation) (the "Vendor");

WHEREAS, the City desires to engage the services of the Vendor to furnish technical and professional assistance concerning the project which is described as:

[BRIEF DESCRIPTION OF PROJECT]

and the Vendor wishes to furnish such technical and professional service to the City and has represented that the Vendor has the education, expertise, capability and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Agreement Documents. The following shall be deemed to be a part of this Agreement and incorporated herein.

- A. Notice
- B. Request for Proposals/Bids
- C. Vendor's Proposal/Bid
- D. Schedule of Payments
- E. Timetable for Activities

2. Scope of Services. The Vendor shall provide services in accordance with and as set forth in the Agreement documents.

3. Compensation and Method of Payment. The City shall pay to the Vendor and the Vendor agrees to accept as full compensation for services under this Agreement the total sum of \$_____ in accordance with the Schedule of Payments.

4. Period of Performance. The services to be rendered under this Agreement shall commence within _____ working days of execution hereof. Performance shall be in accordance with the Timetable for Activities.

5. Independent Contractor. The relationship of the Vendor to the City is that of an independent contractor and in accordance therewith, the Vendor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of the City or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the services provided by the Vendor to be a joint venture.

6. The Vendor's Responsibility. The Vendor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. The Vendor shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property.

7. Recovery of Money. Whenever, under this Agreement, any sum of money shall be recoverable from or payable by the Vendor to the City, the same amount may be deducted from any sum due to the Vendor under this Agreement or under any other contract between the Vendor and the City. The rights of the City are in addition and without prejudice to any other right the City may have to claim the amount of any loss or damage suffered by the City on account of the acts or omissions of the Vendor.

8. Disclosure by City Commissioner. Pursuant to 1968 Public Act 317, a City Commissioner with a pecuniary interest in a business submitting a bid for which the City may enter into a contract or issue a service/purchase order is required to publicly disclose their pecuniary interest prior to awarding the contract or issuing the service/purchase order. A form is provided and should be included with the bid.

9. Indemnity. The Vendor shall indemnify and save harmless the City, its officers, agents and employees from and against any and all claims, liabilities, losses, damages, actual attorney fees and settlement expenses arising from bodily injury or death of any persons and damage or loss of any property resulting or arising out of or in connection with the willful or negligent acts, omissions, or errors of the Vendor or its employees, agents, servants and subcontractors. Losses include damages the City may sustain as a result of the failure of the Vendor to comply with the provisions of this Agreement. The Vendor shall not be obligated to indemnify the City for the City's own negligence. This indemnification provision shall not be limited by reason of insurance coverage of any type. This provision is not intended to waive the defense of governmental immunity that may be asserted by the City in an action against them.

The City hereby reserves the right to select its own counsel, in defense of any matter arising hereunder, and no payment or acknowledgment of liability, loss, fine, penalty or charge shall be made against the City without its express written consent. This indemnity shall survive the expiration and termination of this Agreement. However, this survival shall be no longer than the expiration of the applicable statute of limitation.

The Vendor expressly acknowledges and agrees that this indemnification provision is intended to be as broad and inclusive as is permitted by law and that if any portion thereof is held invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect. This provision shall survive the termination of this Agreement.

USED WHEN CITY IS NAMED AS ADDITIONAL INSURED:

10. Insurance. The Vendor agrees not to change and agrees to maintain the following insurance throughout the period of performance of this Agreement. The Vendor will upon execution of this Agreement provide a certificate of insurance to the City Clerk. The policy shall contain endorsements stating that at least a 10-day notice will be given to the City prior to termination or any change in the policy; and in the case where Vendor is required to name the City as additional insured, and shall provide an endorsement stating that the City has been named as an additional insured onto such policy for all claims arising out of the Vendor's work. Should any required insurance be cancelled, materially reduced or expired, all activities under this Agreement shall immediately cease until substitute insurance in compliance with all requirements hereof has been procured and evidence thereof presented to the City. Upon request by the City Clerk, Vendor shall provide a full copy of any insurance policy for insurance coverage required under this agreement within ten (10) days of request. This time frame may be extended by the City Clerk in cases where the policy has not been issued.

USED WHEN CITY IS NOT NAMED AS ADDITIONAL INSURED:

10. Insurance. The Vendor agrees not to change and agrees to maintain the following insurance throughout the period of performance of this Agreement. The Vendor will upon execution of this Agreement provide a certificate of insurance to the City Clerk. The policy shall contain endorsements stating that at least a 10-day notice will be given to the City prior to termination or any change in the policy. Should any required insurance be cancelled, materially reduced or expired, all activities under this Agreement shall immediately cease until substitute insurance in compliance with all requirements hereof has been procured and evidence thereof presented to the City. Upon request by the City Clerk, Vendor shall provide a full copy of any insurance policy for insurance coverage required under this agreement within ten (10) days of request. This time frame may be extended by the City Clerk in cases where the policy has not been issued.

A. Commercial General Liability. The Vendor shall acquire and maintain commercial general liability insurance coverage in the amount of \$1,000,000 per occurrence with the City being named as additional insured for all claims arising out of the Vendor's work, including completed operations coverage (if required in the Request for Proposals/Bids). For contracts in excess of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000), the Vendor shall provide ISO general aggregate endorsement CG 25 03 which provides a project specific aggregate of \$2 million for general liability.

B. Workers Compensation. The parties shall maintain suitable workers compensation insurance pursuant to Michigan law and the Vendor shall provide a certificate of insurance or copy of state approval for self insurance to the City Clerk upon execution of this Agreement.

11. Compliance with Regulations. The Vendor shall comply with all applicable statutes, rules and regulations of all federal, state and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

12. Standard of Conduct. The Vendor shall render all services under this Agreement according to generally accepted professional practices for the intended use of the work or project.

13. The City's Obligation. The City shall provide the Vendor with all information currently available to the City upon request of the Vendor. The City Manager shall designate a City employee to be the City's representative for purposes of this Agreement.

14. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of their actual or perceived race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement.

15. Prohibition Against Assignment. This Agreement is intended to secure the service of the Vendor because of its ability and reputation and none of the Vendor's duties under this Agreement shall be assigned, subcontracted, or transferred without the prior written consent of the City Manager. Any assignment, subcontract or transfer of the Vendor's duties under this Agreement must be in writing.

16. Third Party Participation. The Vendor agrees that despite any subcontract entered into by the Vendor for execution of activities or provision of services related to the completion of this project, the Vendor shall be solely responsible for carrying out the project pursuant to this Agreement. The Vendor shall specify in

any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Vendor in the conduct of the project unless the City Manager and the Vendor agree to modification in a particular case. The Vendor shall not subcontract unless agreed upon in writing by the City.

17. Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

18. Interest of the Vendor. The Vendor represents that its officers and employees have no interest and covenant that they will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of the Vendor's services and duties hereunder. The Vendor further covenants that in the performance of this Agreement, no person having any such interest shall be employed. The Vendor further covenants that neither it nor any of its principals are in default to the City.

19. Covenant Against Contingent Fees. The Vendor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, the City shall have the right to annul this Agreement without liability, or in its discretion, to deduct from this Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

20. Qualifications of the Vendor. The Vendor specifically represents and agrees that its officers, employees, agents and contractors have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

21. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in this Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

22. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

23. Termination.

A. For Fault. If the City Manager determines that the Vendor has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, the City Manager may terminate or suspend this Agreement in whole or in part upon written notice to the Vendor specifying the portions of this Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Vendor shall correct the violations referred to in the notice. If the Vendor does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Vendor at time of termination may be adjusted to cover any additional costs occasioned the City by reason of the termination. This provision for termination shall not limit or modify any other right to the City to proceed against the Vendor at law or under the terms of this Agreement.

B. Not for Fault. Whenever the City Manager determines that termination of this Agreement in whole or in part is in the best interest of the City or in the event that termination is required by any state or federal agency, the City Manager may terminate this Agreement by written notice to the Vendor specifying the services terminated and the effective date of such termination. Upon termination, the Vendor shall be entitled to and the City shall pay the costs actually incurred in

compliance with this Agreement until the date of such termination.

24. Force Majeure. If because of force majeure, either party is unable to carry out any of its obligations under this Agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the federal government, acts of another party to this Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, charter amendments or referendum, orders or acts of civil or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, the City may terminate this Agreement.

25. Delay. If the Vendor is delayed in the completion of the work due to force majeure or otherwise, the time for completion may be extended for a period determined by the City in its sole discretion to be equivalent to the time of such delay. The City may terminate this Agreement if the delay lasts for more than 30 days. Upon termination by the City, the Vendor shall be entitled to the costs actually incurred in compliance with this Agreement less any costs incurred by the City as a result of the delay until the date of such termination, but not more than the maximum Agreement amount.

26. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of the Vendor, or if a person of masculine or feminine gender joins in this Agreement on behalf of the Vendor, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires. In the event that any term, clause or provision of this Agreement conflicts with any term, clause, or provision contained in any attachments to this Agreement, this Agreement's terms shall prevail.

27. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.

28. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

A. Mediation. If they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.

B. Arbitration. If they are unable to resolve the dispute through mediation, it shall be decided by final and binding arbitration according to the rules and procedures of Michigan's Uniform Arbitration Act being PA 371 of 2012, MCL 691.1681 et seq or as otherwise agreed to by the parties. The parties shall mutually agree to the selection of an arbitrator and if they are unable to agree, the arbitrator shall be appointed by the chief judge of the 13th Circuit Court. Judgment upon the arbitrator's award may be entered in Grand Traverse County Circuit Court.

C. Venue. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse

County.

D. Notice. Written notice of a claim shall be given to the other party not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice. Unless a longer time is agreed upon, arbitration must be demanded within 120 days after such notice and, if not, the claim is deemed waived. Arbitration must be demanded within this time limit even if negotiation or mediation has not occurred, but the arbitrator must require the parties to participate in at least one mediation session before issuing an award.

29. Reuse of Documents. All documents and electronic files delivered to the City are instruments of service in respect of the project. Nevertheless, all documents and electronic files delivered to the City shall become property of the City upon completion of the work and payment in full of all monies due the Vendor. Copies of the City-furnished data that may be relied upon by the Vendor are limited to the printed copies (also known as hard copies) that are delivered to the Vendor. Files on electronic media of text, data or graphics or of other types that are furnished by the City to the Vendor are only for convenience of the Vendor. Any conclusion of information obtained or derived from such electronic files will be at the user's sole risk. Economic benefit to the City for having these files is predicated on the files being media form, software release number and hardware operating system number as utilized by the Vendor. Copies of documents that may be relied upon by the City are limited to the printed copies (also known as hard copies) that are signed or sealed by the Vendor. Files on electronic media of text, data or graphics or of other types that are furnished by the Vendor to the City shall be in a compatible software format for use by the City. Any conclusions or information obtained or derived from such electronic files will be at the user's sole risk. Electronic file copies of drawings will not contain the Vendor's seal or the identification of the Vendor in the title block.

30. Freedom of Information Act. The Vendor acknowledges that the City may be required from time to time to release records in its possession by law. The Vendor hereby gives permission to the City to release any records or materials received by the City as it may be requested to do so as permitted by the Freedom of Information Act, MCL 15.231 *et seq.* Provided, however, that the Vendor shall not be held liable for any reuse of the documents prepared by the Vendor under this Agreement for purposes other than anticipated herein.

31. Digital Signatures. The parties hereto acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, *et seq.* that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the parties hereto.

32. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

33. No Waiver. No waiver by any party of any default by another party in the performance of any portion of this Agreement shall operate or be construed as a waiver of any future default, whether like or different in character.

34. Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein. It is understood that should the Vendor recommend further work concerning the project, the City is under no obligation to engage the Vendor in such work.

35. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to this Agreement.

36. Iran Economic Sanctions Act. The Vendor certifies that it is not an Iran linked business as defined

under the Iran Economic Sanctions Act (MCL 129.311 et seq) and will not, during the performance of this Contract, violate the provisions of the Iran Economic Sanctions Act, as amended.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF TRAVERSE CITY

By _____
Amy Shamroe, Mayor

By _____
Benjamin C. Marentette, City Clerk

VENDOR

APPROVED AS TO SUBSTANCE:

Elizabeth Vogel, City Manager

APPROVED AS TO FORM:

Lauren Tribble-Laucht, City Attorney

By _____
Signature

Name and Title (print or type)

SCOPE OF SERVICES

[Request for Proposals/Bids and the Vendor's Proposal/Bid inserted here]

SCHEDULE OF PAYMENTS

Payments may be made to the Vendor after satisfactory service and upon receipt of a valid invoice approved by the City.

Final payment shall be made upon completion of all the Vendor's services. Total payment including expenses shall be \$_____.

TIMETABLE FOR ACTIVITIES

The Vendor's services shall commence within _____ working days after execution of this Agreement. The schedule of activities shall follow the City's Request for Proposals/Bids and the Vendor's Proposal/Bid attached hereto and incorporated herein by reference.

Services shall be completed not later than _____.