

CITY COUNCIL REPORT



Meeting Date: **February 24, 2026**
Charter Provision: ***Provide for the orderly government and administration of the affairs of the City***
Objective: ***Adopt Resolution 13605***

ACTION

Employee health care benefit consultant contract. Adopt Resolution 13605 to:

1. authorize, approve and direct the Mayor to execute, on behalf of the city, Contract No. 2026-029-COS with Brown & Brown Insurance of Arizona to extend the term of Contract No. 21RP007 until March 23, 2027, with the option to extend for one additional year.
2. authorize the City Manager or designee to execute any other documents and take such other actions as are necessary to carry out the intent of this Resolution.

BACKGROUND

The City administratively contracted with Brown & Brown (formerly Hayes Companies) for benefit consulting services for the medical, pharmacy, dental, stoploss, disability, life insurance and employee assistance plans on March 8, 2021, through City Services Contract No. 21RP007 (the "Contract") for a five-year term. The City desires to extend the term of the Contract until March 23, 2027, with the option to extend for one additional year. The contract extension will allow consistency for the upcoming request for proposal process for medical, pharmacy, dental, stoploss, and employee assistance plans, which will be effective July 1, 2027.

Pursuant to Sec. 2-197 of the Procurement Code, any contract with a term of greater than five years must be approved by City Council.

ANALYSIS & ASSESSMENT

The contract's current annual cost of \$62,240 will remain the same for the two year extension.

FISCAL IMPACTS

The cost of the benefit consultant contract is built in to the fixed costs of the medical plan premiums.

STAFF RECOMMENDATION

Staff recommends the following:

1. authorize, approve and direct the Mayor to execute, on behalf of the city, Contract No. 2026-029-COS with Brown & Brown Insurance of Arizona to extend the term of Contract No. 21RP007 until March 23, 2027, with the option to extend for one additional year.

Action Taken _____

City Council Report | Stoploss Coverage

2. authorize the City Manager or designee to execute any other documents and take such other actions as are necessary to carry out the intent of this Resolution.

STAFF CONTACT

Lynna Soller, Human Resources Manager, lsoller@ScottsdaleAZ.gov, 480-312-1930

APPROVED BY

Monica Boyd

Monica Boyd, Director of Human Resources
480-312-2615, mboyd@ScottsdaleAZ.gov

2/10/26 09:29 MST

Date

Jeff Walther

Jeff Walther, Assistant City Manager
480-312-7954; jwalther@scottsdaleAZ.gov

2/10/26 09:45 MST

Date

Sonia Andrews

Sonia Andrews, City Treasurer
480-312-2364, sandrews@ScottsdaleAZ.gov

2/10/26 16:56 MST

Date

Greg Caton

Greg Caton, City Manager
480-312-7759, gcaton@ScottsdaleAZ.gov

2/9/26 16:10 MST

Date

ATTACHMENTS

1. Resolution No. 13506
2. Contract No. 2026-029-COS
3. Contract No. 21 RP007

RESOLUTION NO. 13605

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, APPROVING CONTRACT NO. 2026-029-COS, AN AMENDMENT TO AN EXISTING CONTRACT WITH BROWN & BROWN INSURANCE OF ARIZONA TO AUTHORIZE AN EXTENSION OF THE TERM OF THE CONTRACT.

WHEREAS, the city has a need for healthcare benefit consulting services; and

WHEREAS, Hays Companies, Inc. was selected by the city to provide this service under Contract No. 21RP007 (the "Contract"), which was awarded administratively, for the term of March 24, 2021, through March 23, 2026; and

WHEREAS, Hays Companies, Inc. assigned the Contract to Brown & Brown Insurance of Arizona, with the City's consent, because Hays Companies, Inc. had been acquired by Brown & Brown Insurance of Arizona; and

WHEREAS, the city desires to extend the term of the Contract until March 23, 2027, with the option to extend for one additional year.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The City Council hereby authorizes, approves and directs the Mayor to execute, on behalf of the city, Contract No. 2026-029-COS with Brown & Brown Insurance of Arizona, to extend the term of Contract No. 21RP007 until March 23, 2027, with the option to extend for one additional year.

Section 2. The City Council hereby authorizes the City Manager or designee to execute any other documents and take such other actions as are necessary to carry out the intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of _____, 2026.

CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Ben Lane, City Clerk

Lisa Borowsky, Mayor

APPROVED AS TO FORM:

Luis E. Santaella
Luis E. Santaella, Interim City Attorney
By: Lindsay Hampshire, Assistant City Attorney

**CITY OF SCOTTSDALE
CITY SERVICES CONTRACT
CONTRACT AMENDMENT #3**

Contract No. 2026-029-COS

Healthcare Benefit Consulting Services

THIS CONTRACT AMENDMENT ("Amendment") is entered into this 24th day of February, 2026, by and between the City of Scottsdale, an Arizona municipal corporation ("City"), and Brown & Brown Insurance of Arizona ("Contractor"), to amend Contract No. 21RP007, dated March 24, 2021, between City and Contractor (the "Contract").

RECITALS

- A. The Mayor of the City of Scottsdale is authorized by provisions of the City Charter to execute contracts and contract amendments.
- B. On March 24, 2021, the City and Hays Companies, Inc. administratively executed City of Scottsdale City Services Contract No. 21RP007, for healthcare benefit consulting services.
- C. On January 10, 2023, Hays Companies, Inc. assigned the Contract to Brown & Brown Insurance of Arizona ("Brown & Brown"), with the City's consent, because Hays Companies, Inc. had been acquired by Brown & Brown.
- D. The City and Brown & Brown amended the Contract on September 16, 2025, and on December 3, 2025, to add details about the consulting services desired by the City under the Contract's scope of work.
- E. The term of the Contract is set to expire on March 23, 2026, and the City desires to extend the term until March 23, 2027, with the option to extend for one additional year.
- F. The City and the Contractor mutually agree to amend the Contract.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1.0 MODIFICATIONS

- 1.1 The language in Section 3.1 TERM AND EXTENSION is hereby modified to add the following language:

The current renewal term shall be extended from March 24, 2026, to March 23, 2027. The Parties may mutually agree to extend the Contract for an additional one-year term from March 24, 2027, to March 23, 2028, upon recommendation of the Contract Administrator and concurrence of the Purchasing Director.

1.2 The language in Section 2.2 FEE SCHEDULE is hereby modified to add the following language:

In Year 6, Pricing for Item 1 will be \$62,240. If the Contract is extended for Year 7, Pricing for Item 1 will be \$62,240. All other pricing will remain the same.

2.0 CONTINUED EFFECT.

Except to the extent amended hereby, all terms, provisions, and conditions of the Contract are hereby ratified and shall continue in full force and effect, and the Contract shall remain enforceable and binding in accordance with its terms.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

CITY OF SCOTTSDALE, an
Arizona municipal corporation

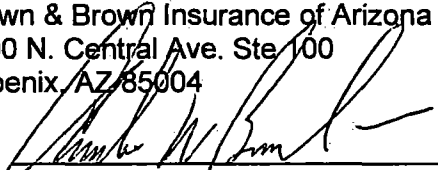
ATTEST:

Lisa Borowsky, Mayor

Ben Lane, City Clerk

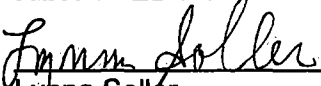
CONTRACTOR

Brown & Brown Insurance of Arizona
2800 N. Central Ave. Ste 100
Phoenix, AZ 85004

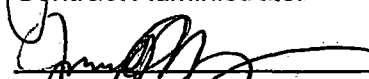
By: 

Charlie Broucek
Senior Vice President

REVIEWED BY:



Lynna Soller
Contract Administrator

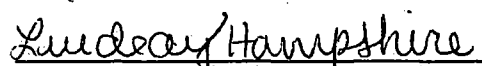


Jenn Myers, MPA, CPPO, NIGP, CPP, CPPB
Purchasing Director



George Woods
Safety and Risk Management Director

APPROVED AS TO FORM:



Luis E. Santaella, Interim City Attorney
By: Lindsay Hampshire, Asst. City Attorney



**CITY OF SCOTTSDALE
CITY SERVICES CONTRACT**

THIS CONTRACT entered into this 8th day of March, 2021, by and between the City of Scottsdale, an Arizona Municipal Corporation, the "City", and Hays Companies, Inc., the "Contractor".

WITNESSETH

The City desires to contract for healthcare benefit consultant services;

The Contractor is duly qualified to perform the requested non-professional services;

In consideration of the mutual promises and obligations, the parties agree as follows:

1.0 DESCRIPTION, ACCEPTANCE, DOCUMENTATION

Contractor will act under the authority and approval of the Contract Administrator for the City, named below, to provide the services required by this Contract.

1.1 SERVICE DESCRIPTION

The entire Request for Proposal No. 21RP007 identified as healthcare benefit consultant services is incorporated herein by this reference as fully as if written out below. Contractor's proposal submitted in response to Request for Proposal No. 21RP007 and dated February 2, 2021 is incorporated herein by this reference as fully as if written out below. If any provision incorporated by reference from the Request for Proposal conflicts with any provision of the Contractor's proposal, the provision of the Request for Proposal will control. If any provision of the Contractor's proposal, including but not limited to any limitation of liability or disclaimer of warranty language, conflicts or is in any way inconsistent with any provision of this Contract, this Contract will control.

1.2 ACCEPTANCE AND DOCUMENTATION

- A. Each task will be reviewed and approved by the Contract Administrator to determine acceptable completion.
- B. The City will provide all necessary information to the Contractor for timely completion of the tasks specified in Section 1.1 above.
- C. All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of this Contract are to be and will remain the property of the City and must be delivered to the Contract Administrator before final payment is made to the Contractor.

2.0 BILLING RECORDS, AUDIT, FEES

2.1 BILLING RECORDS, AUDIT

The time spent for each task must be recorded and submitted to the Contract Administrator. Contractor must maintain all books, papers, documents, accounting records and other evidence pertaining to time billed and to costs incurred and make these materials available for audit by the City in accordance with Section 4.7 of this Contract.

2.2 FEE SCHEDULE

Contractor will be paid according to the Pricing Proposal forms submitted in the Contractor's proposal dated February 2, 2021 and attached as "Exhibit A" for reference.

Amounts indicated in this Section 2.2 represent the entire amounts payable under this Contract. Additional expenses will not be authorized.

2.3 PAYMENT APPROVAL

All charges must be approved by the Contract Administrator before payment.

2.3.1 PAYMENT TERMS

The City of Scottsdale's payment terms are payment within thirty (30) days after approval by Contract Administrator. In no event will payment be made prior to receipt of an original invoice containing invoice and proper reference numbers. The City is not liable for delays in-payment caused by failure of the vendor or contractor to send invoice to the address specified below:

City of Scottsdale
Accounts Payable
7447 E. Indian School Road, Ste 210
Scottsdale, Arizona 85251-4468

2.4 PRICE ESCALATION

Not applicable.

3.0 TERM, EXTENSION, TERMINATION

3.1 TERM AND EXTENSION

The term of this Contract shall be for a one (1) year period from the effective date of the contract award. The City and Contractor may mutually agree to extend this Contract for four (4) additional one (1) year periods; upon the recommendation of the Contract Administrator, and concurrence of the Purchasing Director.

3.2 TERMINATION

Termination for Convenience: City reserves the right to terminate this contract or any part of this contract for its sole convenience with 30 days' written notice. In the event of any termination, Contractor must immediately stop all work, and must immediately cause any of its suppliers and Subcontractors to cease all work. As compensation in full for services performed to the date of any termination, the Contractor will receive a fee for the percentage of services actually completed. This fee will be in the amount to be mutually agreed upon by the Contractor and the City, based on the agreed Scope of Work. If there is no mutual agreement, the Contract Administrator will determine the percentage of completion of each task detailed in the Scope of Work and the Contractor's compensation will be based upon this determination. The City will make this final payment within 60 days after the Contractor has delivered the last of the partially completed items. Contractor will not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Contractor's suppliers or Subcontractors, which Contractor could reasonably have avoided.

Cancellation for Cause: City may also cancel this contract or any part of this contract with 7 days' notice for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any of the terms and conditions of this contract. Unsatisfactory performance as judged by the Contract Administrator or failure to provide City, upon request, with adequate assurances of future performance are all causes allowing City to cancel this contract for cause. In the event of cancellation for cause, City will not be liable to Contractor for any amount, and Contractor will be liable to City for any and all damages sustained by reason of the default which gave rise to the cancellation.

In the event Contractor is in violation of any Federal, State, County or City law, regulation or ordinance, the City may terminate this contract immediately upon giving notice to the Contractor.

If the City improperly cancels the Contract for cause; the cancellation for cause will be converted to a termination for convenience in accordance with the provisions of this Section.3.2.

3.3 FUNDS APPROPRIATION

If the City Council does not appropriate funds to continue this Contract and pay for charges under this contract, the City may terminate this Contract at the end of the current fiscal period. The City agrees to give written notice of termination to the Contractor at least 30 days prior to the end of its current fiscal period and will pay to the Contractor all approved charges incurred through the end of this period.

4.0 GENERAL TERMS**4.1 ENTIRE AGREEMENT**

This Contract constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

4.2 ARIZONA LAW

This Contract is governed and interpreted according to the laws of the State of Arizona.

4.3 MODIFICATIONS

Any amendment, modification or variation from the terms of this Contract must be in writing and will be effective only after approval of all parties signing the original Contract.

4.4 ASSIGNMENT

Services covered by this Contract may not be assigned or sublet in whole or in part without first obtaining the written consent of the Purchasing Director and Contract Administrator.

4.5 SUCCESSORS AND ASSIGNS

This Contract extends to and is binding upon Contractor, its successors and assigns, including any individual, company, partnership or other entity with or into which Contractor merges, consolidates or is liquidated, or any person, corporation, partnership or other entity to which Contractor sells its assets.

4.6 CONTRACT ADMINISTRATOR

The Contract Administrator for the City is the Benefits Human Resources Manager or designee. The Contract Administrator will oversee the execution of this Contract, assist the Contractor in accessing the organization, audit billings, approve payments, establish delivery schedules, approve addenda, and assure Certificates of Insurance are in City's possession and are current and conform to the contract requirements. The Contractor will channel reports and special requests through the Contract Administrator.

4.7 RECORDS AND AUDIT RIGHTS

Contractor's records (hard copy, as well as computer readable data), and any other supporting evidence considered necessary by the City to substantiate charges and claims related to this contract are open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to adequately permit evaluation and verification of the cost of the work, and any invoices, change orders, payments or claims submitted by the Contractor or any of his payees in accordance with the terms of the contract. The City's authorized representative must be given access, at reasonable times and places, to all of the Contractor's records and personnel in accordance with the provisions of this article throughout the term of this contract and for a period of 3 years after last or final payment.

Contractor must require all Subcontractors, insurance agents, and material suppliers (payees) to comply with the provisions of this Section by insertion of these contract requirements in a written contract agreement between Contractor and payee. These requirements will also apply to any and all Subcontractors.

If an audit in accordance with this Section, discloses overcharges, of any nature, by the Contractor to the City in excess of 1% of the total contract billings, the actual cost of the City's audit will be reimbursed to the City by the Contractor. Any adjustments and/or payments which must be made as a result of any audit or inspection of the Contractor's invoices and/or records will be made within a reasonable amount of time (not to exceed 90 days) from presentation of City's findings to Contractor.

4.8 ATTORNEY'S FEES

In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which will be considered to have accrued on the commencement of the action and will be enforceable whether or not the action is prosecuted to judgment.

4.9 INELIGIBLE BIDDER

The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which they prepared the specification, nor is the preparer eligible to supply any product to a bidder or offeror on the solicitation for which they prepared the specification.

4.10 INDEPENDENT CONTRACTOR

The services Contractor provides under the terms of this Contract to the City are that of an Independent Contractor, not an employee, or agent of the City. The City may report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

City will not withhold income tax as a deduction from contractual payments unless required under federal or state law. As a result of this, Contractor may be subject to I.R.S. provisions for payment of estimated income tax. Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

4.11 CONFLICT OF INTEREST

The City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City's departments or agencies is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a Contractor to any other party to the contract with respect to the subject matter of the contract. The cancellation will be effective when written notice from the City is received by all other parties to the contract, unless the notice specifies a later time (A.R.S. §38-511).

4.12 NOTICES

All notices or demands required to be given in accordance with the terms of this Contract must be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses stated below, or to any other address the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Contractor:

Attn: Charles W. Broucek III, SVP
Hays Companies, Inc.
2800 N. Central Avenue, #1100
Phoenix, AZ 85004

In the case of City:

Attn: Lauran Beebe, Human Resources Manager
City of Scottsdale, CYHR
9191 E. San Salvador Drive
Scottsdale, AZ 85258

Notices will be considered received on the date delivered, if delivered by hand, and on the delivery date indicated on receipt if delivered by certified or registered mail.

4.13 FORCE MAJEURE

Neither party will be responsible for delays or failures in performance resulting from acts beyond their control. These acts include, but are not limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

4.14 TAXES

Contractor will be solely responsible for any and all tax obligations which may result from the Contractor's performance of this contract. The City will have no obligation to pay any amounts for taxes, of any type, incurred by the Contractor.

4.15 ADVERTISING

No advertising or publicity concerning the City using the Contractor's services shall be undertaken without prior written approval of such advertising or publicity by the City of Scottsdale Contract Administrator and by the City Attorney.

4.16 COUNTERPARTS

This contract may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Contract will be considered to possess the full force and effect of the original.

4.17 CAPTIONS

The captions used in this Contract are solely for the convenience of the parties, do not constitute a part of this Contract and are not to be used to construe or interpret this Contract.

4.18 SUBCONTRACTORS

During the performance of the Contract, the Contractor may engage any additional Subcontractors as may be required for the timely completion of this Contract. The approval of the City must be obtained before the addition of any Subcontractors.

In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Contractor.

4.19 CHANGES IN THE WORK

The City may at any time, as the need arises, order changes within the scope of the work without invalidating the contract. If any changes increase or decrease the amount due under the contract documents, or in the time required for performance of the work, an equitable adjustment will be authorized by written Change Order.

The City will execute a formal Change Order based on detailed written quotations from the Contractor for work related changes and/or a time of completion variance. All Change Orders are subject to approval by the City.

Contract Change Orders are subject to the Rules and Procedures within the City's Procurement Code.

4.20 CO-OP USE OF CONTRACT

In addition to the City of Scottsdale, this Contract may be extended for use by other municipalities, government agencies and governing bodies, including the Arizona Board of Regents, and political subdivisions of the State. Any usage by other entities must be in accord with the ordinances, charter and/or rules and regulations of the respective entity and the approval of the Contractor.

4.21 COMPLIANCE WITH FEDERAL AND STATE LAWS

The Contractor understands and acknowledges the applicability of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 to it.

4.22 IMMIGRATION LAW COMPLIANCE

Under the provisions of A.R.S. §41-4401, the Contractor warrants to the City that the Contractor and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Contractor and all its subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the Contractor or any of its subcontractors will be considered a material breach of this Contract and may subject the Contractor or Subcontractor to penalties up to and including termination of this Contract or any subcontract. The Contractor will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The Contractor's failure to assure compliance by all its' subcontractors with the E-Verify Program may be considered a material breach of this Contract by the City.

The City retains the legal right to inspect the papers of any employee of the Contractor or any subcontractor who works on this Contract to ensure that the Contractor or any subcontractor is complying with the warranty given above.

The City may conduct random verification of the employment records of the Contractor and any of its subcontractors to ensure compliance with this warranty. The Contractor agrees to indemnify, defend and hold the City harmless for, from and against all losses and liabilities arising from any and all violations of these statutes.

4.23 LAWFUL PRESENCE IN THE UNITED STATES FOR PERSONS

Arizona State law A.R.S. §1-502 (H.B. 2008) requires that all PERSONS who will be awarded a contract and apply for public benefit must demonstrate through a signed affidavit and the presentation of a copy of documentation that they are lawfully present in the United States.

PERSONS is defined as all-NATURAL PERSONS / INDIVIDUALS / SOLE PROPRIETORSHIPS as indicated by your W9 Filing. *(This law does not apply to LLP's, LLC's, PLLC's, Corporations Limited Partnerships or General Partnerships)*

By submitting your quote, bid, proposal and/or indicating your desire to enter in a contract with the City you are agreeing that if you are selected as the awardee and meet the criteria as a PERSON you will abide by this law and sign and submit an AFFIDAVIT DEMONSTRATING LAWFUL PRESENCE IN THE UNITED STATES and attach the appropriate copy of your documentation in proof of that statement. Types of acceptable documentation copies are an Arizona Driver's License issued after 1996, Arizona nonoperating identification license, U.S. birth certificate, U.S. Passport, I-94 Form with photograph and several others that are all listed on the Affidavit form that the City will send to you for your completion before issuing any contract.

If you have previously done business with the City and already have filed the above Affidavit with copies of an acceptable documentation, please indicate date of submittal. If your acceptable Affidavit is already on file with the City, that filing satisfies this requirement.

If you fail to complete and provide a completed Affidavit and accompanying acceptable copy of your documentation, or not advise us of your prior filing within 10 calendar days of being requested by then you may be considered non-responsive and disqualified from that award consideration. You can obtain the complete Affidavit form from the Purchasing Department at (480) 312-5700 or the Purchasing web site at <http://www.scottsdaleaz.gov/Purchasing> on the lower right side of the page under Forms.

4.24 ISRAEL BOYCOTT PROHIBITION

By executing this contract, [Contractor] certifies that it is not currently engaged in and will not for the duration of this contract engage in boycott activity proscribed by A.R.S. § 35-393 et seq.

4.25 NO PREFERENTIAL TREATMENT OR DISCRIMINATION

In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the City will not grant preferential treatment to or discriminate against any individual or group on the basis of race, sex, color, ethnicity or national origin.

4.26 INDEMNIFICATION

To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, must defend, indemnify and hold harmless City of Scottsdale, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any act or omission, negligence, recklessness, or intentional wrongful conduct by Contractor in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.

Insurance provisions in this Contract are separate and independent from the indemnity provisions of this section and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this section shall not be construed in any way to limit the scope and magnitude and applicability of the Insurance provisions.

4.27 CONTRACTOR ON SITE SAFETY REPORTING REQUIREMENTS

For any non-construction City supplier whose service contract(s) (either singular or in aggregate) results in the contractor working 500 or more hours on site at a City of Scottsdale location(s) in any one calendar quarter, the following documentation must be provided by the contractor to the Contract Administrator (CA):

- the contractor's most recent OSHA 300A (if applicable);
- all accident reports for injuries that occurred in the city under the contract during the most recent review period;
- the contractor's current worker's compensation experience modifier;
- the above information is to be provided to the CA initially and every February thereafter as long as the contract is in force;
- the CA will provide this information to Risk Management when requested.

5.0 INSURANCE

A current standard Acord Certificate is acceptable.

Failure to provide an appropriate Certificate of Insurance will result in rejection of your certificate and delay in Contract execution.

Additionally, Certificates of Insurance submitted without referencing an RFP and Contract number may be subject to rejection and returned or discarded.

5.1 Insurance Representations and Requirements**5.1.1 General**: Contractor agrees to comply with all applicable City ordinances and state and federal laws and regulations.

Without limiting any obligations or liabilities of Contractor, Contractor must purchase and maintain, at its own expense, this Contract's stipulated minimum insurance with insurance companies properly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City of Scottsdale. Failure to maintain insurance as specified may result in termination of this Contract at City of Scottsdale's option.

5.1.2 No Representation of Coverage Adequacy: By requiring the insurance stated in this Contract, the City of Scottsdale does not represent that coverage and limits will be adequate to protect Contractor. City of Scottsdale reserves the right to review any and all of the insurance policies and/or endorsements required by in this Contract but has no obligation to do so. Failure to demand any evidence of full compliance with the insurance requirements stated in this Contract or failure to identify any insurance deficiency does not relieve Contractor from, nor may it be construed or considered a waiver of Contractor's obligation to maintain the required insurance at all times during the performance of this Contract.**5.1.3 Coverage Term**: All insurance required by this Contract must be maintained in full force and effect until all work or services required to be performed under the terms of this contract are satisfactorily performed, completed and formally accepted by the City of Scottsdale, unless specified otherwise in this Contract.**5.1.4 Claims Made**: In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall continue uninterrupted throughout the term of this Contract by keeping coverage in force using the effective date of this Contract as the retroactive date on all "claims made" policies. The retroactive date for exclusion of claims must be on or before the effective date of this Contract and can never be after the effective date of this Contract. Upon completion or termination of this Contract, the "claims made" coverage shall be extended for an additional three (3) years using the original retroactive date, either through purchasing an extended reporting option; or by continued renewal of the original insurance policies. Submission of annual Certificates of Insurance, citing the applicable coverages and provisions specified herein, shall continue for three (3) years past the completion or termination of this Contract.

5.0 INSURANCE – CONT'D**5.1 Insurance Representations and Requirements – Cont'd**

- 5.1.5 Policy Deductibles and or Self-Insured Retentions:** The policies stated in these requirements may provide coverage which contain deductibles or self-insured retention amounts. Any deductibles or self-insured retention are not applicable to the policy limits provided to City of Scottsdale. Contractor is solely responsible for any deductible or self-insured retention amount. City of Scottsdale, at its option, may require Contractor to secure payment of any deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.
- 5.1.6 Use of Subcontractors:** If any work under this agreement is subcontracted in any way, Contractor must execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements stated in this Contract protecting City of Scottsdale and Contractor. Contractor will be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.
- 5.1.7 Evidence of Insurance and Required Endorsements:** Before beginning any work or services under this Contract, Contractor must furnish City of Scottsdale with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified in this Contract and provide the required coverage, conditions, and limits of coverage and that any coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City of Scottsdale will reasonably rely upon the Certificate of Insurance as evidence of coverage, but any acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this agreement.

If any of the above cited policies expire during the life of this Contract, it will be Contractor's responsibility to forward renewal Certificates within 10 days after the renewal date containing all the aforementioned insurance provisions. Certificates will specifically cite the following provisions endorsed to the Contractor's policy:

1. City of Scottsdale, its agents, representatives, officers, directors, officials and employees must be named an Additional Insured under the following policies:
 - a) Commercial General Liability
 - b) Auto Liability
 - c) Excess Liability - Follow Form to underlying insurance as required.
2. Contractor's Insurance must be primary insurance as respects performance of subject contract.
3. All policies, except Professional Liability insurance, if applicable, waive rights of recovery (subrogation) against City of Scottsdale, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Contractor under this Contract.
4. If the Contractor receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be Contractor's responsibility to provide prompt notice of same to the City, unless such coverage is immediately replaced with similar policies.

5.0 INSURANCE – CONT'D**5.2 Required Coverage**

5.2.1 Commercial General Liability: Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy must cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying.

5.2.2 Vehicle Liability: If any vehicle is used in the performance of the Scope of Work that is the subject of this Contract, the Contractor must maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Contract. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying. If any hazardous material, as defined by any local, state or federal authority, is the subject, or transported, in the performance of this contract, an MCS 90 endorsement is required providing \$5,000,000 per occurrence limits of liability for bodily injury and property damage.

5.2.3 Workers Compensation Insurance: Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes applicable to Contractor's employees engaged in the performance of work or services under this Contract and must also maintain Employers' Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit. If the Contractor is a sole proprietor or a single member limited liability company with no employees and has elected not to purchase Workers' Compensation Insurance; a completed and signed Workers' Compensation Waiver Form will substitute for the insurance requirement.

5.2.4 Professional Liability: If the Contract is the subject of any professional services or work, or if Contractor engages in any professional services or work adjunct or residual to performing the work under this Contract, Contractor must maintain Professional Liability Insurance covering errors and omissions arising out of the work or services performed by Contractor or anyone employed by Contractor or anyone for whose acts, mistakes, errors and omissions Contractor is legally liable, with a liability insurance limit of \$1,000,000 each claim and \$2,000,000 all claims.

6.0 SEVERABILITY AND AUTHORITY**6.1 SEVERABILITY**

If any term or provision of this Contract is found to be illegal or unenforceable, then despite this illegality or unenforceability, this Contract will remain in full force and effect and that term or provision will be considered deleted.

6.2 AUTHORITY

Each party warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each has been properly authorized and empowered to enter this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

7.0 REQUEST FOR TAXPAYER I.D. NUMBER & CERTIFICATION I.R.S. W-9 FORM

Upon request, the Contractor shall provide the required I.R.S. W-9 Form which is available from the IRS website at www.irs.gov under their forms section.

8.0 DONATIONS

No donations allowed. To avoid the appearance of impropriety, Contractor shall not make any donation to the City, of any goods or services during the term of this Agreement, unless it has specifically been approved by the City Manager or designee.

CITY OF SCOTTSDALE

CONTRACTOR:

Hays Companies, Inc.
Company Name

By: [Signature]
Signature

Charles W Broucek III
Printed Name

SVP
Title

2800 N Central Ave # 1100
Company Address
Phoenix, AZ 85004

CITY CONTRACT ADMINISTRATOR:

By: [Signature]
Lauren Baebé
Human Resources Manager

CITY OF SCOTTSDALE REVIEW:

By: _____
Robert Schoepe, CPM
Purchasing Director

By: [Signature]
George Woods
Acting Risk Management Director

APPROVED AS TO FORM:

By: [Signature]
Sherry R. Scott, City Attorney
Eric C. Anderson
Senior Assistant City Attorney

PRICING PROPOSAL FORM – PAGE 1 of 1



HEALTHCARE BENEFIT CONSULTANT
RFP #21RP007

Indicate the annual cost on the pricing proposal form, cost shall be all inclusive and include all pertinent additional fees normally associated with this type of service. The proposed costs shall include all services as outlined in the Scope of Work section for all activity related to the City's Healthcare Benefits including but not limited to self-insured medical and dental plan services, as well as wellness program services. No additional charges beyond the listed price shall be allowed, unless authorized by the Contract Administrator before final invoicing.

ITEM 1) – TOTAL ANNUAL COST FOR HEALTHCARE BENEFIT CONSULTANT SERVICES

YEARS 1 THROUGH 5	ANNUAL COST PER YEAR
YEAR 1	\$57,500
YEAR 2	\$58,650
YEAR 3	\$59,825
YEAR 4	\$61,020
YEAR 5	\$62,240
TOTAL (Sum of Years 1-5)	\$299,235

ITEM 2) – ADDITIONAL SERVICES

DESCRIPTION	CITY'S ANNUAL ESTIMATED HOURS	HOURLY RATE	EXTENDED TOTAL
On-going consulting as directed by the City. Consulting services may include but are not limited to the areas listed in the Statement of Need (A) Clause 1.8.	30 HOURS	\$200 Per Hour	\$6,000
TOTAL			\$6,000

GRAND TOTAL (Sum of 1 + 2)	\$ 305,235
-----------------------------------	-------------------

****TAXES**

- Do not include any use, or federal excise tax in your bid. The City is exempt from the payment of federal excise tax and will add use tax as applicable.

ADDENDA

The Bidder hereby acknowledges that his bid/proposal pricing is based on all of the addenda that were issued by the City prior to the opening of this bid/proposal.

NO BID: If no bid please state reason:
 NA

COMPANY NAME: Hays Companies, Inc. *CB*

Contract #21RP007 – Exhibit B

BUSINESS ASSOCIATE AGREEMENT

This agreement ("Agreement") made and entered into this 8th day of March 2021, by and between the City of Scottsdale, an Arizona municipal corporation ("City") and Hays Companies, Inc., ("Contractor,") collectively referred to in this Agreement as the "Parties."

RECITALS

1. The City and Contractor are parties to a contract ("Contract"), Contract #21RP007 dated March 8, 2021, pursuant to which Contractor provides certain services to the City.

2. In the performance of the Contract, the City has and will come into possession of certain protected health information that will be necessary and appropriate to disclose to Contractor in order to perform the terms of the Contract.

3. The City's health plan is a covered entity ("Covered Entity") and Contractor is a business associate ("Business Associate"), as defined by 45 CFR § 160.103 and the Parties enter into this Agreement for the Business Associate to provide satisfactory assurances of safeguarding the information as required by 45 CFR § 164.504.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the Parties agree as follows:

TERMS

1.0. Recitals. The forgoing recitals are incorporated in this Agreement by this reference.

2.0. Definitions. When used in this Agreement the following terms shall have the meanings ascribed to them below, unless the context requires otherwise.

a. "Business Associate" shall mean Contractor.

b. "Breach" shall mean the access, acquisition, use or disclosure of PHI in a manner not permitted under the Privacy Rule that compromises the security or privacy of PHI in accordance with 45 CFR § 164.402.

c. "Covered Entity" shall mean the City of Scottsdale's health plan.

d. "Designated Record Set" means:

(1) A group of records maintained by or for a covered entity, that is:

(i) The medical records and billing records about individuals that are maintained by or for a covered health care provider;

(ii) The enrollment, payment, claims adjudication, and case or medical management record systems that are maintained by or for a health plan; or

(iii) Used, in whole or in part, by or for the covered entity to make decisions about individuals.

(2) For purposes of this paragraph, the term "record" means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a covered entity.

e. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

f. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

g. "Protected Health Information" ("PHI") shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from, or on behalf of, Covered Entity.

h. "Required By Law" shall have the same meaning as the term "required by law" in 5 CFR § 164.103.

i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

3.0. Obligations and Activities of Business Associate.

a. Business Associate agrees to not use or further disclose Protected Health Information ("PHI") other than as permitted or required by the Agreement, or as Required By Law.

b. Recognize that HITECH (the Health Information Technology for Economic and Clinical Health Act of 2009) and the regulations thereunder (including 45 CFR Sections 164.308, 164.310, 164.312, and 164.316), apply to the Business Associate in the same manner that such sections apply to the City, a covered entity.

c. Not use or further disclose the PHI, except as permitted by law;

d. Not use or further disclose the PHI in a manner that had the City done so, would violate the requirements of HIPPA.

e. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information, other than as provided for by this Agreement.

f. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

g. Business Associate agrees to report promptly to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement.

h. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

i. Business Associate agrees to provide access, at the request of Covered Entity, and in the time and manner designated by the Covered Entity, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.

j. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by the Covered Entity.

k. Business Associate agrees to make internal practices, books and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity or, at the request of the Covered Entity, to the Secretary in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with Privacy Rule.

l. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

m. Business Associate agrees to provide to Covered Entity or an Individual, if requested by Covered Entity, information collected in accordance with this section of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

n. Business Associate agrees to comply with the Privacy Rule and the Security Standards for the Protection of Electronic Protected Health Information (the "Security Rule") under the Health Insurance Portability and Accountability Act of 1996 ("HIPPA") and Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and all applicable provisions of the American Recovery and Reinvestment Act of 2009 and all implementing regulations (collectively "ARRA").

o. Following the discovery of a breach of unsecured protected health information, Business Associate agrees to notify the Covered Entity of such breach. A breach shall be treated as discovered by the Business Associate as of the first day on which such breach is known to the Business Associate or by exercising reasonable diligence would have been known to the Business Associate. A Business Associate shall be deemed to have knowledge of a breach if the breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach, who is an employee, officer or other agent of the Business Associate. The Business Associate will follow the timeliness and content of notice requirements in accordance with 45 CFR § 164.410.

4.0. Permitted Uses and Disclosures by Business Associate: General Use and Disclosure Provisions.

Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract between the Parties, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

5.0. Specific Use and Disclosure Provisions:

a. Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate's business or to carry out the legal responsibilities of the Business Associate.

b. Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will not be used or further disclosed except as Required By Law or for the purpose for which it was disclosed to the person, and obtains reasonable assurances that the person/ will notify the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

c. Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 CFR § 164.504(e)(2)(i)(B).

6.0. Obligations of Covered Entity.

6.1. Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions.

a. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces, in accordance with 45 CFR § 164.520, as well as any changes to such notice.

b. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect business Associate's permitted or required uses and disclosures.

c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522.

6.2. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

7.0. Term and Termination.

a. Term. This Agreement will be effective when it is executed by both Parties and will terminate when the Contract is terminated or as otherwise set forth herein, with the exception that the Business Associate remains under the obligation to comply with this agreement until all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

b. **Termination for Cause.** Upon knowledge of a material breach of the agreement by either party, non-breaching party will provide written notice of breach or violation to the other party specifying the nature of the breach or violation. Non-breaching party will provide an opportunity for the breaching party to cure the breach or end the violation within a reasonable time frame. If the breaching party does not cure the breach or end the violation within a time frame specified by the non-breaching party, the non-breaching party may immediately terminate the agreement.

c. **Effect of Termination.**

(1) Except as provided in paragraph (2) of this subsection, upon termination of this Agreement for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(2) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

8.0. **Security Requirements**

a. The Business Associate agrees to implement safeguards in accordance with 45 CFR § 164.308 (administrative), 45 CFR § 164.310 (physical) and 45 CFR § 164.312 (technical) that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic protected health information that the business associate creates, receives, maintains or transmits on behalf of the Covered Entity. Business Associate, in accordance with 45 CFR § 164.316, agrees to document aforementioned administrative, physical and technical safeguards.

b. The Business Associate will ensure that any agent, including a subcontractor that creates, receives, maintains or transmits electronic protected health information on behalf of the Business Associate agrees to comply with same safeguards listed in subsection (a) above and enters into a contract or other arrangement with agent or subcontractor that is substantially similar to the contract or other arrangement between Covered Entity and Business Associate.

c. The Business Associate agrees to report to the Covered Entity any security incident of which it becomes aware including breaches of unsecured protected health information.

9.0. **Miscellaneous**

a. **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.

b. **Amendment.** The Parties agree to take such action, as is necessary, to amend this Agreement from time to time as is necessary, for Covered Entity or Business Associate to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191 and the Health Information Technology for Economic and Clinical Health Act (HITECH).

c. Survival. The respective rights and obligations of Business Associate under this Agreement shall survive the termination of this Agreement as specified in section 7.0(c).

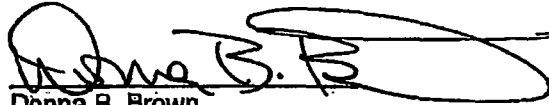
d. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with Privacy and Security Rule and HITECH.

e. No Third Party Beneficiaries. The parties agree that the terms of this Agreement shall apply only to themselves and are not for the benefit of any third party beneficiaries.

f. De-Identified Data. Notwithstanding the provisions of this Agreement, Business Associate and its subcontractors may disclose non-personally identifiable information provided that the disclosed information does not include a key or other mechanism that would enable the information to be identified.


IN WITNESS WHEREOF, the Parties have executed this Agreement by signing their names on the day and date first written above.

CITY OF SCOTTSDALE, an
Arizona municipal corporation



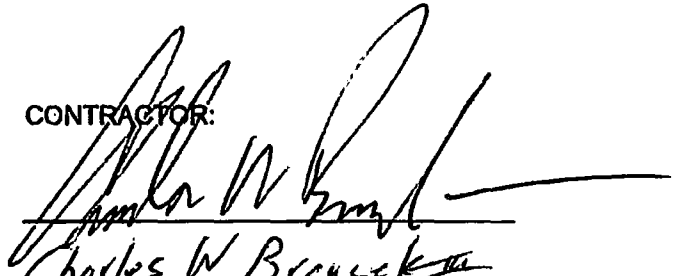
Donna B. Brown
Human Resources Director

APPROVED AS TO FORM
Sherry Scott, City Attorney



By: Bill Hylan
Senior Assistant City Attorney

CONTRACTOR:



By: