

**BOARD OF COUNTY COMMISSIONERS**

**DATE:** January 14, 2014

**AGENDA ITEM NO.** 34

**Consent Agenda** ☐

**Regular Agenda** ☒

**Public Hearing** ☐

**County Administrator's Signature**

**Subject:**

Approval of Ranking of Firms and Award of Contract – Employee Benefits Consulting Services – Human Resources  
Contract No.: 123-0360-P (SS)

**Department:**

Human Resources / Purchasing

**Staff Member Responsible:**

Peggy Rowe / Joe Lauro

**Recommended Action:**

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE RANKING OF FIRMS AND CONTRACT AWARD FOR EMPLOYEE BENEFITS CONSULTING SERVICES FOR HUMAN RESOURCES, WITH TOWERS WATSON PENNSYLVANIA INC. (TOWERS WATSON), PHILADELPHIA, PENNSYLVANIA.

IT IS FURTHER RECOMMENDED THE CHAIRMAN SIGN THE AGREEMENT AND THE CLERK ATTEST.

**Summary Explanation/Background:**

The purpose of this contract is to secure the services of a firm to provide for on-going health and welfare consulting services for the employee and retiree group medical plans. This contract also provides services for Medicare D retiree drug subsidy administrative requirements, actuarial evaluation of other post employment benefits liability calculation services and other optional services as requested.

On June 26, 2013, the Purchasing Department, on behalf of Human Resources (HR), let a Request for Proposal (RFP) for the purpose of hiring a firm to assist with the County's benefit programs.

An evaluation committee consisting of two (2) staff members from HR, one (1) staff member from the Clerk of Courts, one (1) staff member from Economic Development, one (1) staff member from Risk Management, along with a representative from the Purchasing Department acting as facilitator, met on August 16, 2013 to evaluate and score written submittals received from the following firms:

1. Gallagher Benefit Services
2. Towers Watson
3. Willis of Florida
4. Xerox Corporation d/b/a Buck Consultants, LLC

The two (2) highest ranking firms were then invited to an oral presentation, which was conducted on September 26, 2013. The final ranking of firms is as follows:

- |  |                 |
|--|-----------------|
| 1. Towers Watson                                 | 1,246.51 Points |
| 2. Xerox Corporation d/b/a Buck Consultants, LLC | 1,197.42 Points |

The contract term is for a period of thirty-six (36) months with provision for one twenty-four (24) month extension at the same prices, terms and conditions pending County Administrator approval.

Staff has determined that the proposal received was sufficiently competitive, detailed and comprehensive, with minor negotiations centering on cost and final scope of services.

**Medicare D services:**

- Towers Watson submittal: \$60,000/36-months.
- Negotiated cost: \$45,000/36-months
- Savings: \$15,000/36-months.

**Conducting group health and group pharmacy request for proposals**

- Towers Watson submittal: \$150,000/36-months
- Negotiated cost: \$129,000/36-months
- Savings: \$ 21,000/36-months.

**Remove OPEB Liability Actuarial evaluation from year 1 and move to year 3:**

- Towers Watson submittal: \$20,000
- Negotiated cost: \$18,000
- Savings: \$ 2,000

Total 36-month negotiated savings from Towers Watson RFP submittal: \$38,000

**Fiscal Impact/Cost/Revenue Summary:**

Estimated 36-month cost - \$1,218,000.00 as follows:

Year 1: \$360,000

Year 2: \$362,000

Year 3: \$496,000

Funding will be provided through the Employee Health Fund budget.

**Exhibits/Attachments:**

1. Contract Review
2. Evaluation Criteria Tabulation
3. Final Agreement



**PURCHASING DEPARTMENT  
CONTRACT REVIEW TRANSMITTAL**

CATS  
NO.: 42367

**PROJECT:** Employee Benefits Consulting Services

**RFP NUMBER:** 123-0360-P (SS)

**REQ. NUMBER:**

**TYPE:** ☐ Purchase Contract ☐ Other: ☐ Construction-Less than \$100,000 ☐ One Time

In accordance with the policy guide for Contract Administration, the attached documents are submitted for review and comment.

Upon completion of review, complete Contract Review Transmittal and forward to next Review Authority listed. Please indicate suggested changes by revising, in RED, the appropriate section of the document reflecting the exact wording of the change.

**RISK MANAGEMENT:** Please enter required liability coverage on pages: 14-17  
This is a 24-month contract.

**PRODUCT ONLY** ☐  
Estimated Expenditure: \$ 600,000

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATED
1.	Purchasing Dept. J. Lauro, Director C. Mancuso, Ass't. Director S. Steele, P.A.	5/17/13	[Signature]		
2.	Human Resource Peggy Rowe, Director Dave Blasewitz	5/21/13	[Signature]		✓

Using Dept please provide below information:

☐ Yes, funding for this requisition is using grant Funding. ☐ No, funding for this requisition is not using grant Funding.  
If grant funding is being used you must provide Purchasing with the exact clauses that need to be on attached document.

**Please check attached vendor list. Circle vendors you want RFPs mailed to. Add additional vendors with complete information (Name, Address, Phone and Fax)**

3.	Risk Management Director Attn: Virginia E. Holscher (Check applicable box at right)	5/21/13	[Signature]	Pls see changes p.15-17	HIGH RISK
4.	BCC Finance Attn: Cassandra Williams	5/22/13	[Signature]		NOT HIGH RISK
5.	Legal Attn: Miles Belknap Carole Sanzeri	6/3/13 5/31/13	[Signature]	Agreement will follow notes p.20, and 31 & 4 question p.11; recommend advising that a HIPAA BAA is required	
6.	Asst. County Administrator Attn: M. Woodard	6/4/13	[Signature]	See comments on pgs 11 & 19. Scope should be limited to health plan / benefits.	

**RETURN ALL DOCUMENTS TO PURCHASING**

Make all inquiries to: Sue Steele at Extension 44776  
In order to meet the following schedule, please return your requirements to Purchasing by: 05/23/13

**TENTATIVE DATES**

RFP Mail Out: 05/28/13  
RFP Opening: 06/27/13  
BCC Approval: TBD

**PINELLAS COUNTY EVALUATION CRITERIA TABULATION SHEET**

**RFP TITLE: Employee Benefits Consulting Services - Human Resources**  
**RFP #: 123-0360-P (SS)**

COMPANY NAME	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	TOTAL POINTS	TOTAL AVERAGE	RANK
	David Bateman	Dave Blasewitz	Suzanne Christman	Pam Grabo	Sue Keim			
Towers Watson & Co., d/b/a Towers Watson	1246.51	1261.51	1261.51	1201.51	1261.51	6232.56	1246.51	1
Xerox Corporation d/b/a Buck Consultants, LLC d/b/a	1218.42	1183.42	1183.42	1195.92	1205.92	5987.11	1197.42	2
Gallagher Benefit Services, Inc.	595.00	617.50	655.00	655.00	632.50	3155.00	631.00	3
Willis of Florida	499.85	537.35	514.85	514.85	522.35	2589.25	517.85	4

Date: August 14, 2013 and September 26, 2013

## AGREEMENT

**THIS AGREEMENT** is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”), by and between Pinellas County, a political subdivision of the State of Florida (“County”), and Towers Watson Pennsylvania Inc., (“Contractor”) (individually, “Party,” collectively, “Parties”).

### W I T N E S S E T H:

**WHEREAS**, the County requested proposals pursuant to RFP 123-0360-P (SS) (“RFP”) for Employee Benefits Consulting Services – Human Resources; and

**WHEREAS**, based upon the County's assessment of Contractor's proposal, the County selected the Contractor to provide the Services as defined herein; and

**WHEREAS**, Contractor represents that it has the experience and expertise to perform the Services as set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the above recitals, the mutual covenants, agreements, terms and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree as follows:

#### **1. Definitions.**

**A. “Agreement”** means this Agreement, including all Exhibits, which are expressly incorporated herein by reference, and any amendments thereto.

**B. “County Confidential Information”** means any County information deemed confidential and/or exempt from Section 119.07, Florida Statutes, and Section 24(a), Article 1 of the Florida Constitution, or other applicable law, including, but not limited to, data or information referenced in any Business Associates Agreement under HIPAA or the HITECH Act, and any other information designated in writing by the County as County Confidential Information. Except for individual identifiable information to the extent permitted by law and information that is subject to the applicable Florida Statutes, County Confidential Information does not include information that: (i) becomes public other than as a result of a disclosure by the Contractor in breach of the Agreement; (ii) becomes available to the Contractor on a non-confidential basis from a source other than County, which is not prohibited from disclosing such information by obligation to County; (iii) is known by the Contractor prior to its receipt from County without any obligation or confidentiality with respect thereto; or (iv) is developed by the County independently of any disclosures made by Contractor.

**C. “Contractor Confidential Information”** means any Contractor information that constitutes a trade secret pursuant to Chapter 688, Florida Statutes, and is designated in this Agreement or in writing as a trade secret by Contractor (unless otherwise determined to be a public record by applicable Florida law). Notwithstanding the foregoing, Contractor Confidential Information does not include information that: (i) becomes public other than as a result of a disclosure by the County in breach of the Agreement; (ii) becomes available to the County on a non-confidential basis from a source other than Contractor, which is not prohibited from disclosing such information by obligation to Contractor; (iii) is known by the County prior to its receipt from Contractor without any obligation or confidentiality with respect thereto; or (iv) is developed by the County independently of any disclosures made by Contractor.

**D. “Contractor Personnel”** means all employees of Contractor, and all employees of subcontractors of Contractor, who are providing the Services at any time during the project term.

**E. “Services”** means the work, duties and obligations to be carried out and performed by Contractor under this Agreement, as described throughout this Agreement and as specifically described in Exhibit A, Scope of Work, attached hereto and incorporated herein by reference. As used in this Agreement, Services shall include any component task, subtask, service, or function inherent, necessary, or a customary part of the Services, but not specifically described in this Agreement, and shall include the provision of all standard day-to-day

administrative, overhead, and internal expenses, including labor, materials, equipment, products, office supplies, consumables, tools, postage, computer hardware/software, telephone charges, copier usage, fax charges, travel, lodging, and per diem and all other costs required to perform Services except as otherwise specifically provided in this Agreement.

## **2. Services.**

**A. Services.** The County retains Contractor, and Contractor agrees to provide the Services. All Services shall be performed to the satisfaction of the County, and shall be subject to the provisions and terms contained herein and the Exhibits attached hereto.

**B. Services Requiring Prior Approval.** Work on Services requiring prior County approval as provided in Exhibit A, or any Additional Services, shall not be commenced until Contractor submits a written proposal describing the scope of the work, the cost, if applicable, and the completion schedule, if applicable, and the Director of Human Resources or designee approves the proposal in writing.

**C. Additional Services.** From the Effective Date and for the duration of the project, the County may elect to have Contractor perform Services that are not specifically described in Exhibit A attached hereto but are related to the Services ("Additional Services"), if mutually agreed upon, Contractor shall perform such Additional Services on a time and materials basis, at an hourly rate as provided in Exhibit A attached hereto or such other hourly rate as agreed to by the parties. Contractor shall commence performing the applicable Additional Services promptly upon receipt of written approval as provided herein.

**D. De-scoping of Services.** The County reserves the right, in its sole discretion, to de-scope Services upon written notification to the Contractor by the County. Upon issuance and receipt of the notification, the Contractor and the County shall enter into a written amendment reducing the appropriate Services Fee for the impacted Services by a sum equal to the amount associated with the de-scoped Services as defined in the payment schedule in this Agreement, if applicable, or as determined by mutual written consent of both Parties based upon the scope of work performed prior to issuance of notification.

**E. Independent Contractor Status and Compliance with the Immigration Reform and Control Act.** Contractor is and shall remain an independent contractor and is neither agent, employee, partner, nor joint venturer of County. If applicable, Contractor acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986 located at 8 U.S.C. 1324, et seq, and regulations relating thereto, as either may be amended from time to time. Failure to comply with the above provisions shall be considered a material breach of the Agreement.

**F. Project Monitoring.** During the term of the Agreement, Contractor shall cooperate with the County, either directly or through its representatives, in reporting Contractor's progress and performance of this Agreement.

## **3. Personnel.**

**A. Qualified Personnel.** Contractor agrees that each person performing Services in connection with this Agreement shall have the qualifications and shall fulfill the requirements set forth in this Agreement.

**B. Approval and Replacement of Personnel.** The County shall have the right to approve all Contractor Personnel assigned to provide the Services, which approval shall not be unreasonably withheld. Prior to commencing the Services, the Contractor shall provide at least ten (10) days (or shorter time if agreed by the parties) written notice of the names and qualifications of the Contractor Personnel assigned to perform Services pursuant to the Agreement. Thereafter, during the term of this Agreement, the Contractor shall promptly and as required by the County provide written notice of the names and qualifications of any additional Contractor Personnel assigned to perform Services. The County, on a reasonable basis, shall have the right to require the removal and replacement of any of the Contractor Personnel performing Services, at any time during the term of the Agreement. The County will notify Contractor in writing in the event the County requires such action. Contractor shall accomplish any such removal within forty-eight (48) hours after receipt of notice from the County and shall promptly and within a timeframe agreed by both parties replace such person with another

person, acceptable to the County, with sufficient knowledge and expertise to perform the Services assigned to such individual in accordance with this Agreement.

**4. Compensation of and Method of Payment.**

**A. Services Fee.** The County agrees to pay the Contractor the annual sum of not-to-exceed \$\_\_\_\_\_, payable based on the options selected below ("Services Fee") pursuant to the terms and conditions as provided in this Agreement. It is acknowledged and agreed by Contractor that this amount constitutes a limitation upon County's obligation to compensate Contractor for such Services required by this Agreement, but does not constitute a limitation upon Contractor's obligation to perform all of the Services required by this Agreement. In no event will the Services Fee paid pursuant to one of the options selected below exceed the not-to-exceed sum set out in this subsection A, unless the Parties agree to increase this sum by written amendment as authorized in Section 20 of the Agreement (select appropriate box).

☐ For the term commencing on \_\_\_\_\_, 201\_\_\_\_, and ending on \_\_\_\_\_, 201\_\_\_\_, County agrees to pay the Contractor the annual Services Fee of not-to-exceed \$\_\_\_\_\_ for Services completed and accepted as provided in Section \_\_\_\_\_ herein, payable in equal monthly payments of \$\_\_\_\_\_ on the first day of the month commencing on \_\_\_\_\_, 201\_\_\_\_, upon submittal of an invoice as required herein.

☒ County shall pay the Services Fee to the Contractor on a fixed-fee basis for all Services completed and accepted as provided in Section 14 herein. The deliverables and the fixed fees payable are set out in Exhibit B, and are payable upon completion, and acceptance of the deliverables if applicable, and submittal of an invoice as required herein.

☐ County shall pay the Services Fee to the Contractor at (select appropriate box):

☐ the hourly rate of \$\_\_\_\_\_; or

☐ the hourly rates set out in Exhibit \_\_\_\_\_ attached hereto.

Payment of the hourly rate Services Fee shall be due upon completion and acceptance of the Services and submittal of an invoice as required herein.

☐ Other \_\_\_\_\_  
\_\_\_\_\_

**B. Travel Expenses.** (Select appropriate box.)

☒ The Services Fee includes all travel, lodging and per diem expenses incurred by Contractor in performing the Services.

☐ The County shall reimburse the Contractor the sum of not-to-exceed \$\_\_\_\_\_ for the travel expenses incurred in accordance with Section 112.061, Florida Statutes, and County Travel Policy, and as approved in writing in advance by \_\_\_\_\_.

**C. Tax Exempt Status.** Contractor acknowledges that the County is a tax exempt entity.

**D. Payments.** Contractor shall submit invoices for payments due as provided herein and authorized reimbursable expenses incurred with such documentation as required by County, (select appropriate box):

☐ the County Project Manager as set out in Section 17 herein; or

☒ as provided in Exhibit B attached hereto.

All payments shall be made in accordance with the requirements of Section 218.70 et seq., Florida Statutes, "The Local Government Prompt Payment Act." The County may dispute any payments invoiced by Contractor in accordance with the County's Invoice Payments Dispute Resolution Process established in accordance with Section 218.76, Florida Statutes, and any such disputes shall be resolved in accordance with the County's Dispute Resolution Process.

## **5. Term of Agreement.**

**A. Initial Term.** This Agreement shall take effect on the Effective Date and shall remain in full force and effect until expiration of the term of the Agreement or termination of the Agreement as provided herein, whichever occurs first, and except as provided in Section 16. The initial term of this Agreement shall begin (select appropriate box):

- ☒ on the Effective Date
- ☐ on \_\_\_\_\_

and shall continue (select appropriate box):

- ☒ for a period of thirty-six (36) months
- ☐ through \_\_\_\_\_.

unless terminated or extended in accordance with the provisions of this Agreement.

**B. Term Extension.** (Select appropriate box.)

- ☐ The term of this Agreement may not be extended. All Services shall be completed by the expiration of the initial term as defined in 5(A).
- ☒ The Parties may extend the term of this Agreement for one (1) additional twenty-four (24) month period pursuant to the same terms, conditions, and pricing (unless amended as provided for herein) set forth in the Agreement by mutually executing an amendment to this Agreement, as provided herein.

## **6. Termination.**

**A. Contractor Default Provisions and Remedies of County.**

1. Events of Default. Any of the following shall constitute a "Contractor Event of Default" hereunder: (i) Contractor fails to maintain the staffing necessary to perform the Services as required in the Agreement, fails to perform the Services as specified in the Agreement, or fails to complete the Services within the completion dates as specified in the Agreement; (ii) Contractor breaches Section 8 (Confidential Information); (iii) Contractor fails to gain acceptance of a deliverable per Section 14, if applicable, for two (2) consecutive iterations; or (iv) Contractor fails to perform or observe any of the other material provisions of this Agreement.
2. Cure Provisions. Upon the occurrence of a Contractor Event of Default as set out above, the County shall provide written notice of such Contractor Event of Default to Contractor ("Notice to Cure"), and Contractor shall have thirty (30) calendar days after the date of a Notice to Cure to correct, cure, and/or remedy the Contractor Event of Default described in the written notice.
3. Termination for Cause by the County. In the event that Contractor fails to cure a Contractor Event of Default as authorized herein, or upon the occurrence of a Contractor Event of Default as specified in Section 6.A.1.(iii), the County may terminate this Agreement in whole or in part, effective upon receipt by

Contractor of written notice of termination pursuant to this provision, and may pursue such remedies at law or in equity as may be available to the County.

**B. County Default Provisions and Remedies of Contractor.**

1. Events of Default. Any of the following shall constitute a "County Event of Default" hereunder: (i) the County fails to make timely undisputed payments as described in this Agreement; (ii) the County breaches Section 8 (Confidential Information); or (iii) the County fails to perform any of the other material provisions of this Agreement.

2. Cure Provisions. Upon the occurrence of a County Event of Default as set out above, Contractor shall provide written notice of such County Event of Default to the County ("Notice to Cure"), and the County shall have thirty (30) calendar days after the date of a Notice to Cure to correct, cure, and/or remedy the County Event of Default described in the written notice.

3. Termination for Cause by Contractor. In the event the County fails to cure a County Event of Default as authorized herein, Contractor may terminate this Agreement in whole or in part effective on receipt by the County of written notice of termination pursuant to this provision, and may pursue such remedies at law or in equity as may be available to the Contractor.

**C. Termination for Convenience.** Notwithstanding any other provision herein, the County may terminate this Agreement, without cause, by giving thirty (30) days advance written notice to the Contractor of its election to terminate this Agreement pursuant to this provision. Upon termination of this Agreement for any reason, County shall pay Contractor for Services as provided in this Agreement up to the date of termination.

**7. Time is of the Essence.** Time is of the essence with respect to all provisions of this Agreement that specify a time for performance, including the Services as described in Exhibits attached hereto; provided, however, that the foregoing shall not be construed to limit a Party's cure period allowed in the Agreement.

**8. Confidential Information and Public Records.**

**A. County Confidential Information.** Contractor shall not disclose to any third party County Confidential Information that Contractor, through its Contractor Personnel, has access to or has received from the County pursuant to its performance of Services pursuant to the Agreement, unless approved in writing by the County Contract Manager. All such County Confidential Information will be held in trust and confidence using reasonable and appropriate measures from the date of disclosure by the County, and discussions involving such County Confidential Information shall be limited to Contractor Personnel as is necessary to complete the Services.

**B. Contractor Confidential Information.** All Contractor Confidential Information received by the County from Contractor will be held in trust and confidence using reasonable and appropriate measures from the date of disclosure by Contractor and discussions involving such Contractor Confidential Information shall be limited to the members of the County's staff and the County's subcontractors who require such information in the performance of this Agreement. The County acknowledges and agrees to respect the copyrights, registrations, trade secrets and other proprietary rights of Contractor in the Contractor Confidential Information during and after the term of the Agreement and shall at all times maintain the confidentiality of the Contractor Confidential Information provided to the County, subject to federal law and the laws of the State of Florida related to public records disclosure. Contractor shall be solely responsible for taking any and all action it deems necessary to protect its Contractor Confidential Information, if such Contractor Confidential Information is requested under the applicable Florida Statute related to public record disclosure. Contractor acknowledges that the County is subject to public records legislation, including but not limited to Chapter 119, Florida Statutes, and the Florida Rules of Judicial Administration, and that any of the County's obligations under this Section may be superseded by its obligations under any requirements of said laws. County will notify Contractor if the County receives a public record request for Contractor Confidential Information, and Contractor shall be solely responsible for seeking a determination that information is exempt or otherwise protected from disclosure at its sole cost, which action shall be taken immediately, but no later than 10 calendar days from the date of notification or Contractor will be deemed to have waived the protected status of the materials.

C. Contractor is a global business and in performing the Services Contractor may pass Personal Data within its global network of offices and affiliates and to providers of IT outsourcing who will be subject to appropriate data protection standards. Irrespective of where Contractor receives or holds individually identifiable personal information ("Personal Data") on County's behalf, Contractor confirms that, acting as data processor Contractor will take appropriate technical, physical and organizational/administrative measures to protect that Personal Data against accidental or unlawful destruction or accidental loss or unauthorized alteration, disclosure or access. Contractor will only use that Personal Data for the purposes of providing Services to County or for other reasonable purposes which are related to the services Contractor provides, unless County instructs Contractor otherwise. County and Contractor shall each comply with the provisions and obligations imposed on each of us by applicable data privacy legislation and regulations.

**D. Public Records.** Contractor acknowledges that information and data it manages as part of the services may be public records in accordance with Chapter 119, Florida Statutes and Pinellas County public records policies. Contractor agrees that prior to providing services it will implement policies and procedures to maintain, produce, secure, and retain public records in accordance with applicable laws, and regulations, including but not limited to the Section 119.0701, Florida Statutes. Notwithstanding any other provision of this Agreement relating to compensation, the Contractor agrees to charge the County, and/or any third parties requesting public records only such fees allowed by Section 119.07, Florida Statutes, for locating and producing public records during the term of this Agreement

**9. Audit.** Contractor shall retain all records relating to this Agreement for a period of at least three (3) years after final payment is made. All records shall be kept in such a way as will permit their inspection pursuant to Chapter 119, Florida Statutes. In addition, County reserves the right to audit such records pursuant to Pinellas County Code, Section 2-176(j).

**10. Compliance with Laws.** Contractor shall comply with all applicable federal, state, county and local laws, ordinances, rules and regulations in the performance of its obligations under this Agreement, including the procurement of permits and certificates where required, and including, but not limited to, laws related to Workers' Compensation, occupational safety and health and the environment, equal employment opportunity, and privacy of medical records or information.

**11. Public Entities Crimes.** Contractor is directed to the Florida Public Entities Crime Act, Section 287.133, Florida Statutes, and represents to County that Contractor is qualified to transact business with public entities in Florida.

**12. Liability and Insurance.**

**A. Insurance.** Contractor shall comply with the insurance requirements set out in Exhibit C, attached hereto and incorporated herein by reference.

**B. Indemnification.** Contractor agrees to indemnify, defend, pay the cost of defense, including attorney's fees, and hold harmless the County, its officers, employees and agents from all damages, suits, actions or claims, including reasonable attorney's fees incurred by the County, of any character brought on account of any injuries or damages received or sustained by any person, persons, or property, or in any way relating to or arising from the Agreement; or on account of any negligent act or omission, neglect or misconduct of Contractor; or by, or on account of, any claim or amounts recovered under the Workers' Compensation Law or of any other laws, regulations, ordinance, order or decree; or arising from or by reason of any actual or claimed trademark, patent or copyright infringement or litigation based thereon; except only such injury or damage as shall have been occasioned by the sole negligence of the County, provided that County (i) provides Contractor with prompt notice of any potential loss, (ii) gives Contractor the right to control the response to and defense of any related claim, and (iii) gives full cooperation to Contractor for the defense of same. The foregoing infringement indemnity obligation only applies to the extent County used the work product without modification in accordance with this Agreement.

**C. Liability.** Neither the County nor Contractor shall make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the other Party. Neither the County nor Contractor shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder. The County shall have no liability or obligation for any damages to any person or property directly or indirectly arising out of the operation by Contractor of its business, whether caused by Contractor's negligence or willful action or failure to act.

Notwithstanding any other provision in this Agreement to the contrary and except for Contractor's indemnification obligations under this Section 12 B. with respect only to (i) property damage and (ii) infringement claims, the aggregate liability of Contractor and its employees, directors, officers, agents and subcontractors (the "related persons") to County whether in contract, tort (including negligence), breach of statutory duty or otherwise for any losses arising from or in any way connected with Contractor's services shall not exceed in aggregate the greater of (a) three (3) times the fees paid by County to Contractor under this Agreement during the calendar year during which the event(s) producing such liability occurred or One Million Dollars (\$1,000,000). Nothing in these terms shall exclude or limit the liability of Contractor or Contractor's related persons in the case of: (a) death or personal injury resulting from Contractor or Contractor's related person's negligence; (b) willful misconduct; (c) fraud; or (d) other liability to the extent that the same may not be excluded or limited as a matter of law. In no event shall Contractor or any of Contractor's related persons or affiliates be liable for any incidental, special, punitive, or consequential damages of any kind (including, without limitation, loss of income, loss of profits, or other pecuniary loss.

**D. Contractor's Taxes.** The County will have no liability for any sales, service, value added, use, excise, gross receipts, property, workers' compensation, unemployment compensation, withholding or other taxes, whether levied upon Contractor or Contractor's assets, or upon the County in connection with Services performed or business conducted by Contractor. Payment of all such taxes and liabilities shall be the responsibility of Contractor.

**13. County's Funding.** The Agreement is not a general obligation of the County. It is understood that neither this Agreement nor any representation by any County employee or officer creates any obligation to appropriate or make monies available for the purpose of the Agreement beyond the fiscal year in which this Agreement is executed. No liability shall be incurred by the County, or any department, beyond the monies budgeted and available for this purpose. If funds are not appropriated by the County for any or all of this Agreement, the County shall not be obligated to pay any sums provided pursuant to this Agreement beyond the portion for which funds are appropriated. The County agrees to promptly notify Contractor in writing of such failure of appropriation, and upon receipt of such notice, this Agreement, and all rights and obligations contained herein, shall terminate without liability or penalty to the County.

**14. Acceptance of Services.** For all Services deliverables that require County acceptance as provided in Exhibit A, the County, through the Director of Human Resources or designee, will have ten (10) calendar days to review the deliverable(s) after receipt or completion of same by Contractor, and either accept or reject the deliverable(s) by written notice to Contractor's Project Manager. If a deliverable is rejected, the written notice from the County will specify any required changes, deficiencies, and/or additions necessary. Contractor shall then have seven (7) calendar days to revise the deliverable(s) to resubmit and/or complete the deliverable(s) for review and approval by the County, who will then have seven (7) calendar days to review and approve, or reject the deliverable(s); provided however, that Contractor shall not be responsible for any delays in the overall project schedule that result from the County's failure to timely approve or reject deliverable(s) as provided herein. Upon final acceptance of the deliverable(s), the County will accept the deliverable(s) in writing.

**15. Subcontracting/Assignment.**

**A. Subcontracting.** Contractor is fully responsible for completion of the Services required by this Agreement and for completion of all subcontractor work, if authorized as provided herein. Contractor shall not subcontract any work under this Agreement to any subcontractor other than the subcontractors specified in the proposal and previously approved by the County, without the prior written consent of the County, which shall be determined by the County in its sole discretion.

**B. Assignment.** (Select appropriate box.)

☐ This Agreement, and any rights or obligations hereunder, shall not be assigned, transferred or delegated to any other person or entity. Any purported assignment in violation of this section shall be null and void.

☒ This Agreement, and all rights or obligations hereunder, shall not be assigned, transferred, or delegated in whole or in part, including by acquisition of assets, merger, consolidation, dissolution, operation of law, change in effective control of the Contractor, or any other assignment, transfer, or delegation of rights or obligations, without the prior written consent of the County which consent shall not be unreasonably withheld or delayed. The Contractor shall provide written notice to the County within fifteen (15) calendar days of any action or occurrence assigning the Agreement or any rights or obligations hereunder as described in this section. In the event the County does not consent to the assignment, as determined in its sole discretion, the purported assignment in violation of this section shall be null and void, and the County may elect to terminate this Agreement, without cause, by providing written notice of its election to terminate pursuant to this provision upon fifteen (15) days notice to Contractor.

**16. Survival.** The following provisions shall survive the expiration or termination of the Term of this Agreement: 6, 8, 9, 12, 19 and 22.

**17. Notices.** All notices, authorizations, and requests in connection with this Agreement shall be deemed given on the day they are: (1) deposited in the U.S. mail, postage prepaid, certified or registered, return receipt requested; or (2) sent by air express courier (e.g., Federal Express, Airborne, etc.), charges prepaid, return receipt requested; or (iii) sent via email and addressed as set forth below, which designated person(s) may be amended by either Party by giving written notice to the other Party:

For County:

Attn: Employee Benefits Manager

Pinellas County Human Resources  
400 S. Fort Harrison Avenue 4<sup>th</sup> Floor  
Clearwater, FL 33756

For Contractor:

Attn: Michelle LeVecque

Towers Watson  
4301 W. Boy Scout Blvd.  
Suite 570  
Tampa, FL 33607

with a copy to:  
Purchasing Director  
Pinellas County Purchasing Department  
400 South Fort Harrison Avenue  
Clearwater, FL 33756  
cc: Purchasing Director

**18. Conflict of Interest.**

**A.** The Contractor represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of the Services required hereunder, and that no person having any such interest shall influence, be responsible for, or provide Services for Contractor during the agreement term and any extensions.

**B.** The Contractor shall promptly notify the County in writing of any business association, interest, or other circumstance which constitutes a conflict of interest as provided herein. If the Contractor is in doubt as to whether a prospective business association, interest, or other circumstance constitutes a conflict of interest, the Contractor may identify the prospective business association, interest or circumstance, the nature of work that the Contractor may undertake and request an opinion as to whether the business association, interest or circumstance constitutes a conflict of interest if entered into by the Contractor. The County agrees to notify the Contractor of its opinion within (10) calendar days of receipt of notification by the Contractor, which shall be binding on the Contractor.

**19. Right to Ownership.** All work created, originated and/or prepared by Contractor in performing Services pursuant to the Agreement, to the extent that such work, products, documentation, materials or information are described in or required by the Services (collectively, the "Work Product") that Contractor delivers to County, are provided solely for the intended purpose, and may not be referenced or distributed to any other party without Contractor's prior written consent. You will have the right to use, reproduce and adapt the copies of the Work Product delivered to County for internal purposes within County's organization. Contractor shall retain the intellectual property rights in such Work Product and the ideas, concepts, know-how or techniques and methodologies used and/or developed during the course of this Agreement by the Contractor shall remain the sole property of Contractor. Any data, information or other materials furnished by the County for use by Contractor under this Agreement shall remain the sole property of the County. County may distribute Contractor's Work Product to County's affiliates, provided that County ensures that each such affiliate complies with these terms as if it were a party to them, and County remains responsible for such compliance.

**20. Amendment.** This Agreement may be amended by mutual written agreement of the Parties hereto.

**21. Severability.** The terms and conditions of this Agreement shall be deemed to be severable. Consequently, if any clause, term, or condition hereof shall be held to be illegal or void, such determination shall not affect the validity or legality of the remaining terms and conditions, and notwithstanding any such determination, this Agreement shall continue in full force and effect unless the particular clause, term, or condition held to be illegal or void renders the balance of the Agreement impossible to perform.

**22. Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without regard to principles of conflicts of laws). The Parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a Party elects to file an action in federal court) courts located in or for Pinellas County, Florida. This choice of venue is intended by the Parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the Parties with respect to, or arising out of, this Agreement in any jurisdiction other than that specified in this section. Each Party waives any right it may have to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section.

**23. Dispute Resolution.** With respect to any dispute arising from this Agreement, the Parties waive any right they may have to demand a jury trial.

**24. Waiver.** No waiver by either Party of any breach or violation of any covenant, term, condition, or provision of this Agreement or of the provisions of any ordinance or law, shall be construed to waive any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same.

**25. Entire Agreement.** This Agreement constitutes the entire Agreement between the Parties and supersedes all prior negotiations, representations or agreements either oral or written.

*(Signature Page Follows)*

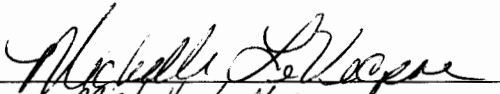
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first written.

**PINELLAS COUNTY, FLORIDA**

by and through its Board of County Commissioners

**TOWERS WATSON PENNSYLVANIA, INC.**

By: \_\_\_\_\_  
Chairman

By:   
Name: Michelle LeBeau  
Title: Senior Consultant

**ATTEST:**  
**KEN BURKE, CLERK OF COURT**

By: \_\_\_\_\_  
Deputy Clerk

**APPROVED AS TO FORM**

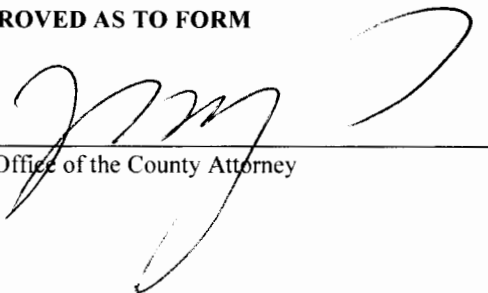
By:   
Office of the County Attorney

EXHIBIT A  
SCOPE OF WORK

**1. Basic Ongoing Services for Health and Welfare Consulting:**

- a. Lead consultant must be based in the Tampa Bay, FL metro region and have at least 5 years experience in that market place developing strategy for other clients with 1,000+ employees (Support consultants such as clinical, communication, actuarial, etc. can be outside the Tampa Bay market)
- b. Quarterly medical & dental plan review
- c. Plan design evaluation and benchmarking
- d. Renewal evaluations and (upon request) negotiations
- e. Plan funding and premium contribution strategies for annual budget cycle
- f. Assistance with any administrative issues with health plan vendors
- g. On-site meetings with HR and other senior management staff
- h. Weekly briefing by phone between account manager and County benefits manager
- i. Presentations to senior management groups including Appointing Authorities and Board of County Commissioners.
- j. Availability of services from licensed clinical specialists engaged by the consulting firm including but not limited to medical doctors, pharmacists, nurse case managers
- k. Ongoing services in selection, implementation and evaluation of health and wellness programming  
Specific programs as described below

**2. Medicare D Retiree Drug Subsidy (RDS) Administrative Services (Ongoing)**

- a. Assume 500 lives in the self funded Medicare supplement plan
- b. Advise County of RDS required activities, documentation, filing and application requirements
- c. Complete necessary documents and applications for County review and submission
- d. Conduct actuarial attestation
- e. Submit required eligibility, enrollment and claims data to RDS working in concert with the County and the pharmacy plan vendor
- f. Assist in responding to RDS inquiries, denials or other communication
- g. Other services as might be needed or required

**3. Actuarial Evaluation of OPEB Liability (Every two years or as requested)**

- a. Collect enrollment, contribution and plan design detail from County staff
- b. Perform actuarial calculation of Other Post Employment Benefits (OPEB) liability including Annual Required Contribution (ARC) in accordance with federal General Accounting Standards Board (GASB) requirements
- c. Issue actuarial valuation

**4. Optional Services (Upon Request)**

**a. Data Aggregation Services (If requested, will become ongoing services)**

- I. Assume 3000 active employees of which 200 opt out of medical plan, and 1,800 retirees.
- II. Collect and aggregate claims data from the medical, pharmacy, mental health and disability vendors.
- III. Perform analysis of aggregated data for use in identifying, quantifying and evaluating areas of significant short and long term cost impact.
- IV. Produce comprehensive reports, at least semi-annually, including cost trend components and their impact as well as areas of opportunity in controlling costs.

**b. Group Health Plan RFP**

Claims experience and enrollment data will come from United Healthcare (medical), Express Scripts (pharmacy), Eyemed (vision) and the County.

- I. Assist County staff with designing specifications and provide same for RFP's for self funded medical plan, pharmacy benefits management, vision care and specific stop loss coverage.
- II. Review and evaluate responses, prepare written analysis including a detailed discount analysis for our major service providers and recommendations for County's consideration.
- III. Assist, if requested, in contract negotiations and development/or review of any vendor performance guarantees.
- IV. Evaluate vendors implemented technology capabilities (e.g. claims payment systems, call centers, care coordination, etc.) for adherence to industry standards or norm. Comment on any proposed systems changes or "upgrades" that might affect the County's plan.
- V. Assistance with any implementation issues that might arise.

**c. Medical Claims Audit**

- I. Assume annual medical claim volume of 105,000 from an average of 6,500 members. (United Healthcare is the current medical vendor)
- II. Electronic audit of medical claims against contracted terms
- III. Ensure discounts and pricing accuracy
- IV. Identify discrepancies and errors, work in an active process with County staff and the vendor to validate and resolve them.
- V. Other forms of audit for County consideration.

**d. Pharmacy Claims Audit**

- I. Assume annual pharmacy claim volume of 95,000 from an average of 7800 members. (Express Scripts is the current pharmacy vendor)
- II. Electronic audit of pharmacy claims against contracted terms
- III. Ensure discounts and pricing accuracy
- IV. Identify discrepancies and errors, work in an active process with County staff and the vendor to validate and resolve them.
- V. Ensure the pharmacy vendors implementation of claim reimbursement changes necessitated by the First Data Bank decision produced no loss to the County plan.
- VI. Other forms of audit for County consideration.

**e. Dependent Eligibility Audit**

- I. Assume enrollment of 3,000 employees (7800 total members including dependents).
- II. Comprehensive physical audit of group health plan dependents against eligibility guidelines of the plan.
- III. Communication of the vendor directly with employees.
- IV. Request by vendor for supporting documentation.
- V. Review of documentation against guidelines.
- VI. Provide records of your activity and the documents submitted by members to the County
- VII. Report to County of results.

**f. Project Services that may be requested in the future**

- I. Assist with RFP process for dental, life insurance, short and long term disability programs.
- II. Develop plan design alternatives and recommendations as appropriate for future health care trends and/or regulatory changes for both active and retired employee populations.
- III. Provide comprehensive communication services upon request, assist in scripting primary and secondary messages, developing new or enhancing existing print and electronic communications for benefits and health/wellness.
- IV. Assist County in identifying any cost saving to outsourcing certain benefit functions.
- V. Perform GASB-OPEB liability analysis.

**EXHIBIT B  
COSTS**

SERVICE	YEAR 1	YEAR 2	YEAR 3	INITIAL CONTRACT PERIOD	Method of Invoicing and Payment
Basic Consulting Services	\$220,000.00	\$227,000.00	\$233,000.00	\$680,000.00	Monthly instalments equal to 1/12 of annual amount
Medicare D Subsidy Administrative Services	\$15,000.00	\$15,000.00	\$15,000.00	\$45,000.00	50% of fee due upon acceptance of attestation, remaining 50% to be invoiced in monthly instalments equal to 50% of 1/12 of annual amount
Evaluation of OPEB Liability Actuarial			\$18,000.00	\$18,000.00	Fixed fee upon acceptance of report
<b>OPTIONAL SERVICES:</b>					If approved in advance, travel expenses incurred, if applicable, will be charged for Optional Services and in accordance with Section 112.061, Florida Statutes.
Group Health Plan and Pharmacy RFP			\$129,000.00	\$129,000.00	Upon milestones of delivery of RFP draft specifications (50%) and acceptance of analysis of proposals (50%)
Medical Claims Audit			\$45,000.00	\$45,000.00	Upon milestones of claim sample selection (40%), completion of onsite audit (30%), acceptance of final report (30%)
Pharmacy Claims Audit		\$40,000.00		\$40,000.00	Upon milestones of 30 days after start of project (30%), upon completion of audit activities (40%) and upon acceptance of report (30%)
Data Aggregation Services	\$128,333.00	\$48,333.00	\$48,333.00	\$225,000.00	One-implementation fee of \$80,000 to set up new system and transfer data from prior vendor(s) payable upon start of work, annual fee of \$48,333 payable in equal monthly instalments of \$4,027.75 starting upon acceptance of database. Additional fee of \$0.90 per additional participant per month will be charged if participant count exceeds 3,800. Fees assume vendors and coverages as outlined in RFP. Changes in vendors and/or coverages may incur additional charges for implementation and data feed set up.
<b>TOTALS</b>	<b>\$363,333.00</b>	<b>\$330,333.00</b>	<b>\$488,333.00</b>	<b>\$1,182,000.00</b>	

EXHIBIT C  
INSURANCE REQUIREMENTS

Notice: The Contractor/Vendor must provide a certificate of insurance and endorsement in accordance with the insurance requirements listed below (Section C) prior to recommendation for award. Failure to provide the required insurance within a ten (10) day period following the determination or recommendation of the highest ranked firm may result in the County to vacate the original determination or recommendation and proceed with recommendation to the second highest ranked firm.

The Contracted vendor shall obtain and maintain, and require any sub-contractors to obtain and maintain, at all times during its performance of the Agreement, insurance of the types and in the amounts set forth. For projects with a Completed Operations exposure, Contractor shall maintain coverage and provide evidence of insurance for two (2) years beyond final acceptance. Except for Professional Liability, which Contractor has advised is written by a Captive, domiciled in Vermont, USA and is not rated by AM Best Company, all other insurance policies shall be from responsible companies duly authorized to do business in the State of Florida and have an AM Best rating of A-VIII or better. Within ten (10) calendar days after contractor's receipt of notice of award, the Contractor shall provide the County with properly executed and approved Certificates of Insurance to evidence compliance with the insurance requirements of the agreement. The Certificate(s) of Insurance shall be signed by authorized representatives of the insurance companies shown on the Certificate(s). **A copy of the endorsement(s) referenced in paragraph three (3) for Additional Insured shall be attached to the certificate(s).**

No work shall commence at any project site unless and until the required Certificate(s) of Insurance are received and approved by the County. Approval by the County of any Certificate of Insurance does not constitute verification by the County that the insurance requirements have been satisfied or that the insurance policy shown on the Certificate of Insurance is in compliance with the requirements of the Agreement. County reserves the right to request a copy of the entire insurance policy, including endorsements, concerning coverage applicable to any occurrence subject to insurance on which County is named as an additional insured.

All policies providing liability coverage(s), other than professional liability and worker's compensation policies obtained by the Contractor to meet the requirements of the Agreement shall be endorsed to include Pinellas County Board of County Commissioners as an Additional Insured.

If any insurance provided pursuant to the Agreement expires prior to the completion of the Work, renewal Certificates of Insurance shall be furnished by the Contractor to the County within five days of the expiration date.

Contracted vendor shall also notify County within twenty-four (24) hours after receipt, of any notices of expiration, cancellation, nonrenewal or adverse material change in coverage received by said Contractor from its insurer. Notice shall be given by certified mail to: Pinellas County Purchasing Department, 400 S. Ft. Harrison Avenue, 6th Floor, Clearwater, Florida 33756; and nothing contained herein shall absolve Contractor of this requirement to provide notice.

Should the Contractor, at any time, not maintain the insurance coverages required herein, the County may terminate the Agreement, or at its sole discretion may purchase such coverages necessary for the protection of the County and charge the Contractor for such purchase. The County shall be under no obligation to purchase such insurance, nor shall it be responsible for the coverages purchased or the insurance company or companies used. The decision of the County to purchase such insurance shall in no way be construed to be a waiver of any of its rights under the Agreement.

Each insurance policy shall include the following terms and/or conditions in the policy:

- (1) Companies issuing the insurance policy, or policies, shall have no recourse against County for payment of premiums or assessments for any deductibles which all are at the sole responsibility and risk of Contractor.
- (2) The term "County" or "Pinellas County" shall include all Authorities, Boards, Bureaus, Commissions, Divisions, Departments and Constitutional offices of County and individual members, employees thereof in their official capacities, and/or while acting on behalf of Pinellas County.

- (3) The policy clause "Other Insurance" shall not apply to any insurance coverage currently held by County or any such future coverage, or to County's Self-Insured Retentions of whatever nature.
- (4) All policies shall be written on a primary, non-contributory basis.
- (5) Insurance policies for Commercial General Liability, Automobile Liability and Workers Compensation policies, other than Professional Liability, shall include waivers of subrogation in favor of Pinellas County.

The insurance requirements for this Agreement, which shall remain in effect throughout its duration and for two (2) years beyond final acceptance for projects with a Completed Operations exposure, are as follows:

(A) Workers' Compensation Insurance

Limit	Florida Statutory
Employers' Liability Limits	
Per Employee	\$ 500,000
Per Employee Disease	\$ 500,000
Policy Limit Disease	\$ 500,000

(B) Commercial General Liability Insurance including, but not limited to, Independent Contractor, Contractual Liability Premises/Operations, Products/Completed Operation and Personal Injury.

Limits	
General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 1,000,000
Personal Injury and Advertising Injury	\$ 1,000,000
Each Occurrence	\$ 1,000,000

(C) Business Automobile or Trucker's/Garage Liability Insurance covering owned, hired and non-owned vehicles. Coverage shall be on an "occurrence" basis, such insurance to include coverage for loading and unloading hazards, unless Contractor can show that this coverage exists under the Commercial General Liability policy.

Limit Per Accident	\$ 1,000,000
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(D) Professional Liability Insurance (Errors and Omissions) with at least minimum limits as follows. If "claims made" coverage is provided, Contractor agrees to maintain coverage or purchase "tail coverage" extending three (3) years beyond completion and acceptance of the project. In lieu of "tail coverage", Contractor may submit annually to the County, for a three (3) year period, a current certificate of insurance providing "claims made" insurance with prior acts coverage in force.

Limits	
Limits General Aggregate	\$ 5,000,000
Each Occurrence or Claim	\$ 5,000,000

Notwithstanding the above, Contractor may maintain deductibles and self-insured retentions which Contractor determines to be appropriate under all insurance above without exception providing Contractor has sole financial responsibility of such deductibles and self-insured retentions.

For acceptance of Professional Liability coverage included within another policy required herein a statement notifying the certificate holder must be included on the certificate of insurance and the total amount of said coverage per occurrence must be greater than or equal to the amount of Professional Liability and other coverage combined.

(E) Property Insurance Contractor will be responsible for all damage to its own property, equipment and/or materials.