NOTICE OF AWARD OF CONTRACT

TO:
AON HEWITT
1120 20TH STREET NW, SUITE 600
WASHINGTON, DC 20036

DATE ISSUED:          FEBRUARY 22, 2013
CURRENT REFERENCE NO: 534-13
CONTRACT TITLE:       HEALTH PLAN CONSULTANT SERVICES

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract in accordance with the response submitted by you on NOVEMBER 1, 2012. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on JUNE 30, 2015.

This is the FIRST year award notice of a possible THREE year contract.

The contract documents consist of the terms, conditions, and specifications of Invitation to Bid No. 534-13 and the bid of the Contractor, incorporated herein by reference.

The contract documents consist of the terms and conditions of Agreement No. 534-13, including any exhibits, attached or amendments thereto.

ATTACHMENT:

1) REFER TO AGREEMENT 534-13

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: RANDALL THAMES
VENDOR EMAIL: randall.thames@aonhewitt.com
VENDOR PAYMENT TERMS: NET 30 DAYS
COUNTY CONTACT: SANDY DEGRAY
COUNTY EMAIL: sdegray@arlingtonva.us

VENDOR TEL. NO.: 202-429-8576
VENDOR FAX. NO.: 202-331-8409
COUNTY TEL. NO.: 703-228-3301

________________________________________  ______________________________________
CONTRACT AUTHORIZATION                         DISTRIBUTION
YVETTE GONZALEZ                                  FOLDER  1
PROCUREMENT OFFICER                              DATE: 2/22/13
ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
SUITE 500, 2100 CLARENDON BOULEVARD
ARLINGTON, VA 22201

AGREEMENT NO. 534-13

THIS AGREEMENT (hereinafter “Agreement”) is made, on the date of
execution by the County, between Aon Consulting, Inc., (branded as Aon
Hewitt) 100 Half Day Road, Lincolnshire, IL 60069 (together with its
affiliates, collectively “Contractor”) a New Jersey Corporation
authorized to do business in the Commonwealth of Virginia, and the
County Board of Arlington County, Virginia (“County”). The County and
the Contractor, for the consideration hereinafter specified, agree as
follows:

1. CONTRACT DOCUMENTS
   The Contract Documents consist of:
   • This Agreement;
   • Exhibit A - Scope of Work;
   • Exhibit B - Pricing.

   Where the terms and provisions of this Agreement vary from the terms
   and provisions of the other Contract Documents, the terms and
   provisions of this Agreement shall prevail over the other Contract
   Documents and the remaining Contract Documents shall be complementary
to each other and if there are any conflicts the most stringent terms
   or provisions shall prevail.

   The Contract Documents set forth the entire agreement between the
   County and the Contractor. The County and the Contractor agree that no
   representative or agent of either of them has made any representation
   or promise with respect to the parties’ agreement which is not
   contained in the Contract Documents. The Contract Documents may be
   referred to herein below as the “Contract” or the “Agreement.”

2. SCOPE OF WORK
   The Contractor agrees to perform the services described in the Contract
   Documents (hereinafter “the Work”). The primary purpose of the Work is
to provide the County with consulting services for the development of a
Request for Proposals (“RFP”) for the provision of the County’s Health
and Dental benefits to its employees and retirees. The Work is further
detailed in Exhibit A. The work is divided into two phases, pre-RFP
analysis and development, and then post RFP analysis, negotiation
assistance and contract award recommendation. The Contract Documents
set forth the minimum work estimated by the County and the Contractor
to be necessary to complete the Work. It shall be the Contractor’s
responsibility, at the Contractor’s sole cost, to provide the specific
services set forth in the Contract Documents and sufficient services to
fulfill the purposes of the Work. Nothing in the Contract Documents
shall be construed to limit the Contractor’s responsibility to manage
the details and execution of the Work.
3. **CONTRACT TERM**
The Work shall commence upon the execution of this Agreement by the County and shall be completed no later than June 30, 2015 (Contract Term), subject to any modifications as provided for in the Contract Documents regarding the Contract Term. No Work shall be deemed complete until it is accepted by the Project Officer.

4. **CONTRACT AMOUNT**
The County will pay the Contractor in accordance with the terms of the Payment paragraph below, and Exhibit B for the Contractor's completion of the Work described and required in the Contract Documents. The Contractor agrees that it shall complete the Work for the total amount specified in this section (“Contract Amount”) unless such amount is modified as provided in this Agreement.

5. **PAYMENT**
Payment will be made by the County to the Contractor within thirty (30) days after receipt by the County Project Officer of an invoice for work done which is reasonable and allocable to the Contract and which has been performed to the satisfaction of the Project Officer. Amounts on invoices shall not include amounts allocated to tasks (as shown in Exhibit A) on which no work has been done. The Project Officer will either approve the invoice or require corrections. The number of the County Purchase Order pursuant to which authority goods or services have been performed or delivered shall appear on all invoices.

6. **PROJECT OFFICER**
The performance of the Contractor is subject to the review and approval of the County Project Officer (“Project Officer”) who shall be appointed by the Director of the Arlington County department or agency requesting the work under this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its work pursuant to the Contract Documents.

7. **ADJUSTMENTS FOR CHANGE IN SCOPE**
The County may order changes in the Work within the general scope of the Work consisting of additions, deletions or otherwise revisions. No claim may be made by the Contractor that the scope of the work or that the Contractor's services have been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the Work or is a material change or otherwise will call for more compensation to the Contractor, the Contractor must immediately notify the Project Officer after the change or event occurs and within ten (10) calendar days thereafter must provide written notice to the Project Officer. The Contractor’s notice must provide to the Project Officer the amount of additional compensation claimed, together with the basis therefor and documentation supporting the claimed amount. The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written Contract amendment has been signed by the County and the Contractor and a County purchase order is issued covering the cost of the services to be provided pursuant to the amendment.

Agreement No. 534-13
8. **ADDITIONAL SERVICES**

The Contractor shall not be compensated for any goods or services provided except those included in Exhibit A and included in the Contract Amount unless those goods or services are covered by a written amendment to this Contract signed by the County and the Contractor, and a County Purchase Order is issued covering the expected cost of such services.

Additional services agreed upon by the parties will be billed at the rates set forth in Exhibit B unless otherwise agreed by the parties in writing.

9. **REIMBURSABLE EXPENSES**

No reimbursable expenses are allowed under this Contract. The Contract Amount includes all costs and expenses of providing to the County the services described in this Contract.

10. **PAYMENT OF SUBCONTRACTORS**

The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or

b. Notify the County and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to this section may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.
11. **NON-APPROPRIATION**

All funds for payments by the County to the Contractor pursuant to this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County’s written notice.

12. **COUNTY PURCHASE ORDER REQUIREMENT**

County purchases are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. If the Contractor provides goods or services without a signed County Purchase Order, it does so at its own risk and expense.

13. **PROJECT STAFF**

The County will, throughout Contract Term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors pursuant to this section, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor’s employees, and employees of any of its subcontractors, shall be the sole responsibility of the Contractor.

14. **REPLACEMENT OR AUGMENTATION OF KEY PERSONNEL AND SUBCONTRACTORS**

The key personnel and sub-contractors submitted by the Contractor in its Proposal and thereafter accepted by County are considered essential to the Contractor’s qualifications. The Contractor may not replace, substitute or augment any key personnel or sub-contractor without prior written approval of the County. A request to replace or substitute any key personnel or subcontractor for any reason, shall be provided to the County Project Officer no later than five (5) business days in advance of such proposed replacement or substitution and the request shall contain sufficient justification, including identification of the proposed replacement or substitute and their qualifications, in sufficient detail to permit evaluation by the County.

Additionally, the Contractor shall not remove or replace the approved Project Manager without written approval of County. In cases of the approved Project Manager’s prolonged illness or other extended leave of
absence, Contractor shall provide an interim Project Manager whose 
continued work on the project shall be subject to approval by County.

In the event of the Project Manager’s resignation or termination from 
the Contractor’s employment, the Contractor shall replace the Project 
Manager with an individual with similar qualifications and experience 
and only with the County’s prior written approval.

15. **SUPERVISION BY CONTRACTOR**
The Contractor shall at all times enforce strict discipline and good 
order among the workers performing under this Contract, and shall not 
employ on the work any person not reasonably proficient in the work 
assigned.

16. **EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED**
During the performance of this Contract, the Contractor agrees as 
follows:

A. The Contractor will not discriminate against any employee 
or applicant for employment because of race, religion, color, 
sex, national origin, age, disability or any other basis 
prohibited by state law related to discrimination in employment 
except where there is a bona fide occupational qualification 
reasonably necessary to the normal operation of the Contractor. 
The Contractor agrees to post in conspicuous places, available to 
employees and applicants for employment, notices setting forth 
the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for 
employees placed by or on behalf of the Contractor, will state 
that such Contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in 
accordance with federal law, rule or regulation shall be deemed 
sufficient for the purpose of meeting the requirements of this 
section.

D. The Contractor will comply with the provisions of the 
Americans with Disabilities Act of 1990 which prohibits 
discrimination against individuals with disabilities in 
employment and mandates their full participation in both publicly 
and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing 
paragraphs in every subcontract or purchase order of over 
$10,000, so that the provisions will be binding upon each 
subcontractor or vendor.

17. **EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED**
In accordance with §2.2-4311.1 of the Code of Virginia, as amended, the 
Contractor acknowledges that it does not, and shall not during the 
performance of this Contract for goods and/or services in the 
Commonwealth, knowingly employ an unauthorized alien as that term is 
18. **DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR**

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

19. **WARRANTY**

The Contractor warrants to furnish the services described herein at the times and places and in the manner and subject to the conditions set forth. The Contractor shall enter upon and complete the performance of services with all due diligence and dispatch and shall exercise the highest degree of skill and competence.

20. **UNSATISFACTORY WORK**

If any of the work done, or material or equipment provided, by the Contractor is unsatisfactory to the County, the Contractor shall, on being notified by the County, immediately remove at the Contractor's expense such unsatisfactory work or material or equipment and replace the same with work or material or equipment satisfactory to the County and, in the event the Contractor fails within fifteen (15) days after receipt of written notice to remove improper or unsuitable work or material or equipment and replace it with suitable and satisfactory work or material or equipment, the County shall have the right, but not the obligation, to remove the rejected work or material or equipment and replace it with proper work or material or equipment at the expense of the Contractor. This paragraph applies during Contract Term, and during any warranty or guarantee period. The County shall be entitled to offset such expense against any sums owed by the County to the Contractor under this Contract. If the Project Officer and the County deem it expedient not to require correction or replacement of the work which has not been done in accordance with the Contract, an appropriate adjustment to the Contract Amount may be made therefor.

21. **TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT; CURE**

The Contract shall remain in force for the Initial Contract Term or any Subsequent Contract Term(s) and until the County determines that all of the following requirements and conditions have been satisfactorily met: the County has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents, including warranty and guarantee periods. However,
the County shall have the right to terminate this Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the Work required, as determined by the County in its discretion.

If the County determines that the Contractor has failed to perform satisfactorily in accordance with the terms of this Contract, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) within at least fifteen (15) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract may be terminated for the Contractor’s failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services satisfactorily performed by the Contractor, allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). In order to be considered, such request for Termination Costs, with all supporting documentation, must be submitted to the County Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor beyond thirty (30) days after receipt of written notice from the County of such default or breach, and in the absence of curing such default or breach.

Upon any termination pursuant to this section, the Contractor shall be liable to the County for all costs incurred by the County after the effective date of termination, including costs required to be expended by the County to complete the Work covered by the Contract, including costs of delay in completing the Work or the cost of repairing or correcting any unsatisfactory or non-compliant work performed or provided by the Contractor or its subcontractors. Such costs shall be either deducted from any amount due the Contractor or shall be promptly paid by the Contractor to the County upon demand by the County. Additionally, and notwithstanding any provision in this Contract to the contrary, the Contractor is liable to the County, and the County shall be entitled to recover, all damages to which the County is entitled by this Contract or by law, including but not limited to any court costs and attorney’s fees incurred in enforcing this contract.

Except as otherwise directed by the County in the notice, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. Any purchases after the date of termination contained in the notice shall be the sole responsibility of the Contractor.

In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction.
then such termination shall be deemed to have been a termination for convenience.

Except as otherwise provided herein, if prior to payment in full, the County defaults in the payment of any undisputed sum due hereunder, or breaches any Contract provision or condition, and beyond thirty (30) days after receipt of written notice from the Contractor of such default or breach, and in the absence of curing such default or breach, then the Contractor shall have the right to terminate this Agreement.

22. TERMINATION FOR THE CONVENIENCE OF THE COUNTY

The performance of work under this Contract may be terminated by the County's Purchasing Agent in whole or in part whenever the Purchasing Agent shall determine that such termination is in the County's best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any other reasonable termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all designated work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; immediately transfer all documentation and paperwork for terminated work to the County; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

23. INDEMNIFICATION (NOTE: Virginia law does not permit the County to indemnify others; cross indemnity provisions are not acceptable to the County)

The Contractor covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the "County" for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, demands or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor's acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of the work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys' fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by
the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

Contractor's liability for any and all losses, damages, injuries, fines, penalties, costs (excluding court costs and attorneys' fees) (collectively, a "Loss" or "Losses") resulting from, arising out of, or in any way connected with the Contract or performance hereunder shall not exceed the amount of the fees paid to Contractor under this Contract, provided that, without regard to such limitation, Contractor shall be liable for Losses arising from (aa) Contractor's willful, fraudulent or criminal misconduct, (bb) bodily injury, including death, or damage to personal or real property, (cc) infringement under Section 24 of a presently issued U.S. patent or copyright, and (dd) Contractor's breach of its confidentiality obligations. In no event will either party be liable to the other party for incidental, consequential, special, or punitive damages (including loss of profits, data, business or goodwill, or government fines, penalties, taxes, or filing fees); regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.

24. INTELLECTUAL PROPERTY INDEMNIFICATION
The Contractor warrants and guarantees that no intellectual property rights (including, but not limited to, copyright, patent, mask rights and trademark) of third parties are infringed or in any manner involved in or related to the services provided hereunder.

The Contractor further covenants for itself, its employees, and subcontractors to save, defend, hold harmless, and indemnify the County, and all of its officers, officials, departments, agencies, agents, and employees from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County. If the Contractor, or any of its employees or subcontractors, uses any design, device, work, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract Amount includes all royalties, licensing fees, and any other costs arising from the use of such design, device, work, or materials in any way involved with the Work. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after Notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys' fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.
25. COPYRIGHT
The Contractor hereby irrevocably transfers, assigns, sets over and conveys to the County all right, title and interest in any and all Records created pursuant to this Contract. This section does not apply to intellectual property retained by the Contractor, and not created pursuant to this Contract, including all Contractor Information, which shall remain Contractor’s sole and exclusive property. The Contractor further agrees to execute such documents as the County may request to effect such transfer or assignment.

Further, the Contractor agrees that the rights granted to the County by this paragraph are irrevocable. Notwithstanding anything else in this Contract, the Contractor’s remedy in the event of termination of or dispute over the terms of this Contract shall not include any right to rescind, terminate or otherwise revoke or invalidate in any way the rights conferred pursuant to the provisions of this paragraph. Similarly, no termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating the rights acquired pursuant to the provisions of this "Copyright" paragraph.

The use of subcontractors or third parties in developing or creating input into any copyrightable materials produced as a part of this Contract is prohibited unless the County approves the use of such subcontractors or third parties in advance and such subcontractors or third parties agree to include the provisions of this paragraph as part of any contract they enter into with the Contractor for work related to work pursuant to this Contract.

26. OWNERSHIP AND RETURN OF RECORDS
This Contract confers no ownership rights to the Contractor nor any rights or interests to use or disclose the County’s data or inputs.

The Contractor agrees that all drawings, specifications, blueprints, data, information, findings, memoranda, correspondence, documents or records of any type, whether written or oral or electronic, and all documents generated by the Contractor or its subcontractors exclusively for the County as a result of the County's request for services under this Contract, are the exclusive property of the County ("Record" or "Records"), and all such Records shall be provided to and/or returned to County upon completion, termination, or cancellation of this Contract. The Contractor shall not use, willingly allow, or cause such Records to be used for any other purpose other than performance of all obligations under the Contract without the written consent of the County. Additionally, the Contractor agrees that the Records specific to the County are confidential records and neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or his or her designee or without express authorization from the County’s Project Officer. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or his or her designee for response. At the County's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records, and at the County's request, shall destroy all computer records created as a result of the County's request for services pursuant to this Contract. Contractor may retain
a copy of the Records and County confidential data information for archival purposes and to defend its Work, except that such confidential data must be in a de-identified and aggregate form, identified by a Client Number. No personally identifiable information on employees may be retained by the Contractor. County ownership of Records does not extend to Contractor’s proprietary information, generalized practices, techniques, business processes and know-how (including templates; software systems, user interfaces and screen designs; general purpose consulting and software tools; websites; benefit administration systems; and data and documentation) regardless of whether developed in connection with Work for this Agreement ("Contractor Information"). To the extent that any Contractor Information is contained in any Records, subject to the terms of this Contract, Contractor hereby grants to the County a paid-up, royalty-free, nonexclusive license to use such Contractor Information solely for the County’s internal use in connection with the Records.

The Contractor agrees to include the provisions of this section as part of any contract or agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Contract.

No termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating this section of the Contract.

27. **DATA SECURITY AND PROTECTION**

The Contractor shall hold County Information in the strictest confidence and comply with all applicable security and network industry standards such as ISO 27001 as well as all local, state and federal laws or regulatory requirements concerning data privacy and security. The Contractor shall develop, implement, maintain, continually monitor and use appropriate administrative, technical and physical security measures to preserve the confidentiality, privacy, integrity and availability of all electronically maintained or transmitted County Information received from, created or maintained on behalf of the County and control access to County Information according to AON Hewitt Data Classification Guidelines. For purposes of this provision, and as more fully described in this Contract “County Information” (also referred to as “County Data” or “data”) includes, but is not limited to, electronic information, documents, data, images, and records including, but not limited to, financial records, personally identifiable information, Personal Health Information (PHI), personnel, educational, voting, registration, tax or assessment records, information related to public safety, County networked resources, and County databases, software and security measures which is created, maintained, transmitted or accessed to perform the work under this Contract.

(a) **Non-Disclosure and Data Security.** The Contractor shall require that an authorized Contractor designee, and all key employees, agents or subcontractors working on-site at County facilities or otherwise performing non- incidental work under this Contract maintain confidentiality of data while performing any work or permitting access to County networked resources, application systems or databases under this Contract.
(b) **Use of Data.** The Contractor shall take measures in accordance with Contractor’s information security policies and standards and Data Classification Guidelines, which are at least as stringent as those in place as of the Effective Date of this Agreement, to ensure that the use, distribution, disclosure or access (“use”) to County Information and County networked resources shall not occur in an unauthorized manner. Use of County Information for other than as specifically outlined in this Contract is strictly prohibited, unless such other use is agreed to in writing by the parties. The Contractor will be solely responsible for any unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of County Information and any non-compliance with this DATA SECURITY AND PROTECTION provision which are attributable to the actions of the Contractor.

(c) **Data Protection.** The Contractor agrees that it will protect the County’s Information according to standards established by the National Institute of Standards and Technology, including 201 CMR 17.00, Standards for the Protection of Personal Information of Residents of the Commonwealth and the Payment Card Industry Data Security Standard (PCI DSS), as applicable, and no less rigorously than it protects its own data, proprietary and/or confidential information with certain exceptions that may apply to mobile devices. The Contractor shall provide to the County a copy of its data security policy and procedures for securing County Information and a copy of its disaster recovery plan/s.

(d) **Data Sharing.** Except as otherwise specifically provided for in this Contract, the Contractor agrees that it shall not share, disclose, sell or grant access to County Information to any third party for any purposes unrelated to the direct processing of this data in the performance of this Contract without the express written authorization of the County’s Chief Information Security Officer or designee.

(e) **Security Requirements.** The Contractor shall maintain anti-virus, industry accepted firewalls and/or other protections on its systems and networking equipment in compliance with ISO 27001. The Contractor certifies that all systems and networking equipment that support, interact or store County Information meet the above standards and industry best practices for physical, network and system security requirements. Printers, copiers, or fax machines that store County Data into hard drives must provide data at rest encryption or the drives must be removed and cleaned according to Contractor’s information security policies that are at least as stringent as those in effect as of the effective date of this contract. Significant deviation from these standards must be approved by the County’s Chief Information Security Officer or designee, and the downloading of County Information outside of Contractor’s secure network is prohibited without the express written authorization of the County’s Chief Information Security Officer or designee.

(f) **Data Protection Upon Conclusion of Contract.** Upon termination, cancellation, expiration or other conclusion of this Contract, the Contractor shall return all County Information to the County unless the Contractor elects to
destroy such data, and Contractor may also retain a copy of deidentified confidential County data if needed for archival purposes as long as it is not identified as Arlington County information. This provision shall also apply to all County Information that is in the possession of subcontractors or agents of the Contractor. The Contractor shall complete such return or destruction not less than thirty (30) days after the conclusion of this Agreement and shall certify completion of this task, in writing, to the County Project Officer.

(g) **Notification of Security Incidents.** The Contractor agrees to notify the County Chief Information Officer and County Project Officer within forty-eight (48) hours of the discovery of any unintended access to, use or disclosure of County Information that has a material likelihood of compromising County Information.

(h) **Subcontractors.** To the extent the use of subcontractors is permitted under this Contract, the Contractor shall require subcontractors to protect County information in accordance with the Contractor’s information security policies and standards which meet industry standards, such as ISO 27001 standards.

28. **ETHICS IN PUBLIC CONTRACTING**

This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

29. **COUNTY EMPLOYEES**

No employee of Arlington County, Virginia, shall be admitted to any share in any part of this Contract or to any benefit that may arise therefrom which is not available to the general public.

30. **FORCE MAJEURE**

The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor’s then current, by industry standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of
God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

31. **AUTHORITY TO TRANSACT BUSINESS**
The Contractor shall pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the Initial Term and any Subsequent Contract Term(s) of this Contract. A contract entered into by a Contractor in violation of this requirement is voidable, without any cost or expense, at the sole option of the County.

32. **RELATION TO COUNTY**
The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

33. **REPORT STANDARDS**
Reports or written material prepared by the Contractor in response to the requirements of this Contract or a request of the Project Officer shall, unless otherwise provided for in the Contract, meet standards of professional writing established for the type of report or written material provided, shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Project Officer, and shall be submitted for advance review and comment by the Project Officer. The cost of correcting grammatical errors, correcting report data, or other revisions required to bring the report or written material into compliance with these requirements shall be borne by the Contractor.

When submitting documents to the County, the Contractor shall comply with the following guidelines:

- All submittals and copies shall be printed on at least thirty percent (30%) recycled-content and/or tree-free paper;
- All copies shall be double-sided;
- Report covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of report pages (reports with glued bindings that meet all other requirements are acceptable);
- The use of plastic covers or dividers should be avoided; and
- Unnecessary attachments or documents not specifically asked for should not be submitted, and superfluous use of paper (e.g. separate title sheets or chapter dividers) should be avoided.
34. **Audit**
The Contractor agrees to retain all books, records and other documents related to this Contract for at least five (5) years after final payment. The County or its authorized agents shall have full access to and the right to examine any of the above documents during this period and during Contract Term. If the Contractor wishes to destroy or dispose of records (including confidential records to which the County does not have ready access) within five (5) years after final payment, the Contractor shall notify the County at least thirty (30) days prior to such disposal, and if the County objects, shall not dispose of the records.

35. **Assignment**
The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the County, provided that Contractor may assign its rights and obligations to an affiliate entity controlled by, controlling, or in common control with it.

36. **Amendments**
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

37. **Arlington County Purchasing Resolution and County Policies**
Notwithstanding any provision to the contrary herein, no provision of the Arlington County Purchasing Resolution or any applicable County policy is waived in whole or in part.

38. **Dispute Resolution**
All disputes arising under this Agreement, or its interpretation, whether involving law or fact, or extra work, or extra compensation or time, and all claims for alleged breach of Contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Any such claims shall state the facts surrounding it in sufficient detail to identify it together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than sixty (60) days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Purchasing Resolution, which is incorporated herein by reference. A copy of the Arlington County Purchasing Resolution is available upon request from the Office of the Purchasing Agent. The Contractor shall not cause a delay in the Work pending a decision of the Project Officer, County Manager, County Board, or a court.
39. **APPLICABLE LAW, FORUM, VENUE AND JURISDICTION**
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

40. **ARBITRATION**
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

41. **NONEXCLUSIVITY OF REMEDIES**
All remedies available to the County under this Contract are cumulative, and no such remedy shall be exclusive of any other remedy available to the County at law or in equity.

42. **NO WAIVER**
The failure of either party to exercise in any respect a right provided for in this Contract shall not be deemed to be a subsequent waiver of the right or any other right.

43. **SEVERABILITY**
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

44. **NO WAIVER OF SOVEREIGN IMMUNITY**
Notwithstanding any other provision of this Contract, nothing in this Contract or any action taken by the County pursuant to this Contract shall constitute or be construed as a waiver of either the sovereign or governmental immunity of the County. The parties intend for this provision to be read as broadly as possible.

45. **SURVIVAL OF TERMS**
In addition to any numbered section in this Agreement which specifically state that the term or paragraph survives the expiration of termination of this Contract, the following sections if included in this Contract also survive: INDEMNIFICATION; RELATION TO COUNTY; OWNERSHIP AND RETURN OF RECORDS; AUDIT; COPYRIGHT; INTELLECTUAL PROPERTY INDEMNIFICATION; WARRANTY; CONFIDENTIAL INFORMATION; AND DATA SECURITY.

46. **HEADINGS**
The section headings in this Contract are inserted only for convenience and are not to be construed as part of this Contract or a limitation on the scope of the particular section to which the heading precedes.

47. **AMBIGUITIES**
Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not
apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

48. NOTICES
Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

TO THE CONTRACTOR:

Aon Hewitt
100 Half Day Road
Lincolnshire, IL 60069
Attn: General Counsel
Facsimile: 847-554-1462

TO THE COUNTY:

Amy Rozier, Project Officer
2100 Clarendon Blvd, Suite 511
Arlington, VA 22201

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

49. NON-DISCRIMINATION NOTICE
Arlington County does not discriminate against faith-based organizations.

50. INSURANCE REQUIREMENTS
Prior to the execution of this Contract and upon any Contract extension thereafter, the Contractor shall provide to the County Purchasing Agent evidence indicating that the Contractor has in force the coverage and endorsements (collectively referred to hereinafter "coverage", "coverages" or "insurance") required below. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated below or in the Contract Documents.

All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with an A.M. Best rating of "A-VII", and as acceptable to the County. The insurance requirements herein shall not operate as a limitation of the Contractor’s liability or as a limitation of the Contractor’s duty of indemnification, as set forth in this solicitation and any resulting contract. The Contractor is responsible for determining whether the minimum coverage below are adequate to protect its interest.
The Contractor shall secure and maintain (and ensure that its subcontractors, if any, secure and maintain) all insurance required by law or this Contract, including without limitation:

a. Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.

b. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply on a per-location basis. Coverage shall be maintained on ISO form CG 00 01 12 07 or its equivalent.

c. Business Automobile Liability - $1,000,000 Combined Single Limit (Owned, non-owned and hired).

d. The Contractor shall carry Errors and Omissions or Professional Liability insurance which will pay for claims arising out of errors or omissions in the rendering, or failure to render services or perform Work under the contract, in the amount of $1,000,000.

e. Umbrella\Excess Liability - $1,000,000 Bodily Injury, Property Damage and Personal Injury

f. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as additional insureds on all policies, except Workers Compensation and Auto and Professional Liability. A copy of the Additional Insured endorsement must be provided by the Contractor to the County Purchasing Agent prior to the execution of this Contract and any Contract extension. Failure to provide such documentation shall result in cancellation of the award or of the Contract.

g. Cancellation - If there is a material change or reduction in coverage the Contractor shall notify the Purchasing Agent immediately upon Contractor's notification from the insurer. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be replaced with another policy consistent with the terms of this Contract, and the County notified of the replacement, in such a manner that there is no lapse in coverage. Not having the required insurance throughout the Contract Term is grounds for termination of the Contract.

h. Any insurance coverage that is placed as a "claims made" policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor's receipt of final payment.
i. Contract Identification - The insurance certificate shall state this Contract's number and title.

The Contractor must disclose the amount of any deductible or self-insurance component applicable to the General Liability, Automobile Liability, Professional Liability or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible.

The Contractor must disclose the amount of any deductible or self-insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of self-insurance, collateral, or other mechanism in the amount of the deductible to ensure additional protection for the County.

The Contractor shall require all subcontractors to maintain during the term of this contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' documentation of coverage and endorsements specified herein to the County Purchasing Agent immediately upon request by the County and/or prior to a subcontractor performing work related to this Contract.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the Work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self-insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity, the alternative coverage(s) are submitted to and acceptable to the County and the terms additional
endorsements required hereunder are met to the satisfaction of the County Purchasing Agent or Risk Manager. The Contractor must provide its most recent actuarial report and provide a copy of its self-insurance resolution to determine the adequacy and security of the insurance funding.

51. ACCESSIBILITY OF WEB SITE

If any work performed under this Contract results in design, development, maintenance or responsibility for content and/or format of any County websites, or County’s presence on other third party websites, the Contractor shall perform such work in compliance with the requirements set forth in the U.S. Department of Justice document entitled “Accessibility of State and Local Government Websites to People with Disabilities.” The document is located at: http://www.ada.gov/websites2.htm

52. ADA COMPLIANCE

Compliance with the Americans with Disabilities Act (ADA) shall be the sole responsibility of the Contractor. The Contractor shall defend and hold the County harmless from any expense or liability arising from the Contractor’s non-compliance therewith. The Contractor’s responsibilities related to ADA compliance shall include, but not be limited to, the following:

a. Access to Programs, Services and/or Facilities: The Contractor shall ensure its programs; services and facilities are accessible to persons with disabilities. If a particular facility or program is not accessible, the Contractor shall provide equivalent services in an accessible alternate location or manner to ensure that persons with disabilities are not denied access to services.

b. Effective Communication: The Contractor, upon request, shall provide appropriate aids and services leading to effective communication for qualified persons with disabilities so they can participate equally in the Contractor’s programs, services, and activities, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, or vision impairments, as required by the ADA.

c. Modifications to Policies and Procedures: The Contractor shall make the necessary modifications to its policies and procedures to ensure that people with disabilities have an equal opportunity to enjoy the Contractor’s programs, services, and activities, as may be required by the ADA. For example, individuals with service animals are welcomed in the Contractor’s offices or facilities, even where pets are generally prohibited.

d. The Contractor shall not place a surcharge on a person with a disability or any group of individuals with disabilities to cover the cost of providing auxiliary aids/services or reasonable modifications of policy.

e. Employment: The Contractor shall not discriminate on the basis of disability in its hiring or employment practices.
f. Responding to inquiries from the U.S. Department of Labor.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

AUTHORIZED
SIGNATURE:

NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 2/22/13

AON CONSULTING, INC.

AUTHORIZED
SIGNATURE:

NAME AND
TITLE: SRAE FEIN, VP-LEGAL
DATE: 2-12-13
AGREEMENT NO. 534-13  
EXHIBIT A  
SCOPE OF WORK  

1. OVERVIEW  
The primary purpose of this Agreement is for the Contractor to use their employee benefit expertise to: analyze and provide recommendations for improvement of the County’s current health, prescription and dental plans and contracts, develop a Request for Proposal for health, prescription and dental plan services, analyze proposals received, and assist with negotiation of competitive contracts with selected vendors. Included in the evaluation of the County’s current state and analysis of proposals from vendors, the Contractor will evaluate and recommend a funding approach for the Medicare supplemental plan and assist with developing premiums for fiscal year 2015. Below is a detailed description of these specific tasks and the deliverables.  

2. Task 1: Pre-Solicitation Analysis  
The Contractor shall:  

a. Schedule a joint County/APS kickoff meeting to establish objectives and goals for all tasks in the Scope of Work to discuss detailed project timing for each task, confirmation of current plan designs, confirmation of benchmark employers, discuss goals and objectives for plan designs going forward, and discuss measures for evaluating offerors including current issues that need to be included in RFPs for medical, prescription and dental.  

b. Send data requests to current health and dental plan providers to capture active and retiree census, rating methods used and calculations to develop FY2014 rates, claims experience, utilization data, enrollment by contracts and members, current contracts and pricing, and other data appropriate for an analysis of current state.  

c. Prepare current state analysis, benchmark analysis and market assessment, inclusive of competitiveness in public and private sector markets in regard to premiums, fees, design; identification of additional services and/or cost savings programs; cost savings strategies; and vendor performance metrics and guarantees. Contractor will present findings in a written report accepted by the County Project Officer.  

d. Meet with County to present results of analysis and assessment, discuss Consumer Driven Health Plan (“CDHP”) designs and approach, and discuss strategy for 2014.  

e. Address next steps for RFP development at this meeting (key decisions)  
   1. Carve out Prescriptions administrative services from the health plan third party administrative services.
ii. CDHP – Discuss whether to include fully in RFP, ask for capabilities in administering CDHP, or leave out of RFP and revisit again in the future.

f. Prepare the following deliverables
   i. Best Practices Written Report
   ii. Oral Presentation of Best Practices Written Report
   iii. Current Plans and Contracts Analysis Written Report

3. **TASK 2: RFP DEVELOPMENT AND RELEASE**

The Contractor shall:

a. Discuss in more detail County requirements and objectives with regard to medical, prescription, and dental contracting, including evaluation criteria and tentative weighting.

b. Develop 1st draft electronic RFP section (Scope of Work requirements) utilizing Aon Hewitt’s RFI and RFP tools as appropriate to the coverage, around which a County/APS procurement requirements document shall wrap to produce a complete RFP for release, for any combination of the following benefit coverages and funding approaches:
   i. Self-insured RFP for medical, including HMO, POS, PPO, CDHP and Out-of-Area for actives and early retirees.
   ii. Fully-insured RFP for medical, for a "Staff Model" HMO for the County, for individuals residing in the Northern VA, DC and Maryland market.
   iii. Fully-insured RFP for Medicare Supplement without prescription benefits, with additional questions and requests for information to support self-insurance.
   iv. Fully-insured RFP for Medicare HMO with prescription in the Northern VA, DC, Maryland area (slice option for County and APS).
   v. Self-insured RFP for prescription drugs for actives and early retirees.
   vi. Fully-insured RFP for EGWP PDP prescription drugs for Medicare eligible retirees, with additional questions and requests for information to support self-insurance.
   vii. Self-insured RFP for passive dental PPO.
c. Develop draft scoring methodology and evaluation methods using the County’s evaluation methodologies as a basis for the draft.

d. Review draft RFPs and scoring methodology with County Project Officer, Purchasing and legal.

e. Develop 2nd draft electronic RFP section incorporating comments from County Project Officer, Purchasing and legal.

f. Review 2nd draft with County Project Officer and Purchasing and make final edits to the RFP document as accepted by the County Project Officer, Purchasing and legal to the RFP document.

g. Participate in planning for and attend pre-bid conference.

h. Provide responses to Offerors’ questions to Purchasing in email format.

i. Receive from Purchasing electronic copies and hard copies of Offeror responses for analysis.

j. Deliverables
   Draft an RFP document with a comprehensive Statement of Work and Proposal Requirements (i.e. “Technical Questionnaire”), accepted by the County Project Officer that includes the requirements obtained from Task 2a.
   Prepare Evaluation Criteria accepted by the County Project Officer.

4. TASK 3: RFP RESPONSE REVIEW AND ANALYSIS

   The Contractor shall:

   a. Meet with Selection Advisory Committee members to educate them on terms/concepts that they may encounter while reviewing Offeror responses. The Contractor shall provide written educational material for this meeting.
   b. Review Offeror responses for completeness and identify and describe any holes in Offeror responses.

   c. Prepare side-by-side technical (Administrative) analysis of responses, separating into sections by evaluation criteria tied to scoring methodology accepted by the County Project Officer in Task 2.

   d. Prepare side-by-side financial analysis of responses, separating into sections by evaluation criteria tied to scoring methodology, and identifying areas for negotiation accepted by the County Project Officer in Task 2.

   e. Review side-by-side analyses to prepare for Selection Advisory Committee meeting.
f. Review CDHP plan design offers (if necessary) and recommend revisions, in a written report, to the CDHP designed for the RFP.

g. Prepare written summary of Offeror responses by evaluation criteria to help summarize Offeror strengths and weaknesses.

h. Meet onsite at County or APS offices with Selection Advisory Committee to review Offerors' side-by-side proposals, to educate Committee members on results requiring explanation, discuss responses from Offerors, answer Committee member questions on proposals, and assist Committee in reaching a score for each Offeror.

i. With County staff, compile follow-up questions to Offerors for clarity on responses, as needed. (Questions will be forwarded to Offerors by Purchasing.)

j. Review responses and work with Selection Advisory Committee to decide finalists for Oral Presentations.

k. Assist County and APS staff with drafting follow-up questions for finalists' response prior to presentations.

l. Participate in Oral Presentations at the County or APS offices, including the development of agendas for the finalist presentations.

m. Prepare an Executive Summary of finalist strengths and weaknesses, and points for negotiation.

n. Deliverables:
   i. Meeting with Selection Advisory Committee and written educational material as outlined in Task 3a.
   ii. Written financial analysis of Offerors' proposals as outlined in Task 3d.
   iii. Written administrative analysis of Offerors' proposals as outlined in Task 3e.
   iv. Written recommended revisions to CDHP design as outlined in Task 3f.
   v. Written executive summary and oral presentation summarizing bids' strengths and weaknesses.

5. **TASK 4: NEGOTIATION WITH FINALISTS**

   The Contractor shall:

   a. Provide County staff with negotiating points to obtain the best service for the best price.

   b. With County staff, develop written Best and Final offer requests for finalists that address positions for negotiation.

   c. Provide the results of finalist negotiation and suggest a recommendation for award for discussion to County Staff.
d. Deliverables
   i. Written document outlined in Task 4a.
   ii. Ongoing guidance (written and oral) as outlined in Task 4b.

6. **TASK 5: EVALUATION OF MEDICARE SUPPLEMENTAL PLAN AND MEDICARE PRESCRIPTION FUNDING**

The Contractor shall:

a. Using information gathered in Task 1 (current plan assessment) and Task 3 (proposal information from Offerors), prepare written financial analysis of fully insured vs. self-insured approaches for the County Medicare retiree plans.

b. Discuss decision factors with County on the two approaches.

c. Compile written report on the two different approaches, a recommendation for funding approach going forward and accepted by the County Project Officer.

d. Deliverable
   i. Written report of analysis and recommendation.

7. **TASK 6: SETTING RATES FOR FY15**

The Contractor shall:

a. Discuss rate objectives and goals with County, and any plan design changes that need to be incorporated into rates.

b. Develop projections and model for self-insured plans’ rate setting (using data obtained in Task 1 and collected updated claims/enrollment/utilization data for FY15 based on current plans); rates effective July 1, 2014 for Fiscal Year 2015.

c. Discuss initial rate projections with County.

d. Refine rate projections based on County feedback.

e. Finalize rate setting in a written report to County, with summary of methods and assumptions used and accepted by the County Project Officer.

f. Deliverable
   i. Written report of methods and assumptions used for final rate settings.

8. **OTHER OPTIONAL ADDITIONAL TASKS**

The County may require additional benefit consulting services not listed below. If the County decides to engage the Contractor for additional consultant services, the Contractor shall submit a Scope of Work with pricing and number of hours to complete the work to the County. If the County accepts the Scope of Work, both parties shall execute a written amendment to this Agreement No. 534-13.
Contract. Refer to Exhibit B (Pricing) for hourly rates for additional benefit consulting services.

9. THE COUNTY WILL:

a. Provide all necessary data, reports, policies and other information necessary for the Contractor to complete the work.
b. Accept or reject deliverables provided by the Contractor. If rejection occurs, the County will provide to the Contractor in written form the reason (s) for the deliverable rejection and a date for the Contractor to provide an updated deliverable that can be accepted by the County Project Officer.

10. CONTRACTOR PERFORMANCE REQUIREMENTS

During performance of the work, the contractor shall thoroughly understand the requirements and shall correlate the requirements with workable plans to accomplish the services required. The contractor shall perform all work according to the requirements of the County.

During the duration of the contract, the contractor shall perform the following tasks:

i. Communication: The contractor shall ensure that all direct communication between the contractor and County staff shall be copied to the County Project Officer.

ii. Offeror Equipment: Contractor shall ensure that any contractor laptop or other equipment connected to the County network (directly or via a remote access solution) shall be free of all computer viruses and running the latest version of an industry standard virus protection program. Contractor shall be responsible for payment of any and all damages to the County resulting from virus infection of any component of the County network via consultant equipment, including but not limited to loss or corruption of County data and degradation of County system performance. The contractor is solely responsible for its own equipment and the County shall not be liable for any loss, damage, or theft thereof.

iii. Deliverables: Successful completion of the project deliverables in terms of scope, quality, budget and schedule is the highest priority. The Deliverables should be reported in the format stated in the Tasks above, approved by the County Project Officer, and must be easy-to-read documents that clearly communicate information, findings and/or recommendations. As applicable, contractor deliverables hereunder shall be compatible with Microsoft Office 2003, 2007, and 2010, the County’s enterprise Exchange 2003 email with full compatibility with Microsoft Exchange 2010, premised and hosted models. All Deliverables shall be Windows XP, Vista, and Windows 7 compliant.

iv. Invoices: Detailed invoices that clearly document the amount of work performed, the tasks performed, the deliverables completed, the expected payment amount, the period covered and work products delivered are required by the County’s Purchasing Agent and shall be delivered electronically on a monthly basis to the County Project Officer.

v. Meetings: All meetings shall be scheduled by the Contractor or the
County Project Officer, as determined mutually by the County Project Officer and the Contractor, via the County’s MS Outlook calendaring system. Meetings may be ad hoc or standard. Ad hoc meetings may be scheduled as a result of a specific topic or issue that needs to be addressed outside of any standard scheduled meetings. Status meetings shall be held weekly on a day and time mutually agreed to by the County Project Officer and the Contractor. Minutes of all meetings shall be recorded by the Contractor and emailed to the County Project Officer.

vi. **Non-Project Work:** Contractor staff working on this project onsite in the County shall not partake in sales calls or perform work for other Contractor projects for the duration of this project without prior written notice and approval by the County Project Officer. County resources shall not be used to perform non-County work.

vii. **Project Control:** Maintain a detailed project schedule and update it as determined by the County Project Officer as tasks, assignments, and timing changes. The schedule shall include all Contractor, and County personnel with project tasks and must include cost tracking. Maintain a detailed project budget tracking planned, actual and forecasted expenditures by month over the course of the project.

viii. **Risk Management:** Identify, track, prioritize and resolve or mitigate all project-related risks.

ix. **Staff Performance:** Issues identified by the County Project Officer with regard to the performance or behavior of any of any Contractor staff member shall be handled immediately, leading to replacement of the Contractor staff member if necessary, as determined by the County Project Office, within two (2) calendar weeks. Contractor staff conduct shall be professional and compliant with all applicable federal, state, and local laws, ordinances and regulations, and County policies at all times. Failure to comply could result in the request to have the Contractor staff member replaced, or under egregious circumstances, banned from all County property.

x. **Status Reporting:** Report on status of the project to the County Project Officer in a County Project Officer approved written format that includes at a minimum tasks completed in the past week, tasks worked on during the past week, tasks planned to be worked on during the upcoming week, tasks planned to be started the week after next, open issues/status/recommended actions, change orders, risks/status/recommended actions, a comparison of actual expenditures to planned expenditures and provides for re-forecasting on a County-defined regular interval (at a minimum, every two weeks).

xi. **Contractor Availability:** The Project Manager and Lead Consultant shall be on-site in Arlington to conduct interviews, meetings, presentations and multiple project management tasks during different times throughout the duration of the Project. At the request of the County Project Officer, the Project Manager and/or Lead Consultant shall be available to work on-site in Arlington to address concerns raised by the Project Officer or to meet the project schedule. However, absent any issues, project staffing levels and work hours are at the discretion of the Project Manager, provided that the deliverables are completed on schedule. If a deliverable is not completed on schedule, payment shall be withheld until the deliverable is completed to the satisfaction of the County Project Officer.
# Arlington County Pricing Summary

<table>
<thead>
<tr>
<th>Task</th>
<th>Estimated Hours to Complete</th>
<th>Total Price of Task</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. INDIVIDUAL TASK PRICING COST</strong></td>
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<td>Task 1</td>
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<tr>
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<tr>
<td>Task 6</td>
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<tr>
<td><strong>3. BUNDLING TASKS 1-6 TOTAL COST</strong></td>
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<td>88000</td>
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## Hourly Rates for Additional Consulting Services Not Identified Herein

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<thead>
<tr>
<th>Position Title</th>
<th>Full Commercial Rate</th>
<th>Discount Rate</th>
<th>Discount %</th>
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<tbody>
<tr>
<td>Sr. Officer/Principal</td>
<td>$644.00</td>
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<td>-45.22%</td>
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<tr>
<td>Lead Project Consultant/Sr.</td>
<td>$544.00</td>
<td>$352.79</td>
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<tr>
<td>Consultant</td>
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<tr>
<td>Senior Analyst</td>
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<tr>
<td>Junior Analyst</td>
<td>$260.00</td>
<td>$166.19</td>
<td>-36.08%</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>$128.00</td>
<td>$0.00</td>
<td>-100.00%</td>
</tr>
</tbody>
</table>
Arlington County, Virginia
Agreement No. 534-13 Admin Reg 2.1
Exhibit C

To the extent that this Admin Reg 2.1 applies to a consultant such as Aon Hewitt and its level of data access:

Section 7. Monitoring.

Aon permits monitoring of all colleagues as a condition of employment. No extenuating circumstances are required.


Covered under Aon Code of Conduct and acceptable use standards.

Section 10. Virus protection.

Aon’s virus protection policies meet or exceed these requirements.


Aon meets or exceeds these requirements.

Section 12. Access violations.

Aon meets or exceeds these requirements.

Section 13. Failure to comply.

Aon meets or exceeds these requirements.

Section 14. Policies specific to Internet access and usage:

Aon meets or exceeds these requirements.

Section 15. E-mail Responsibilities:

Aon will work with the County on any FOIA requests. With the exception of (g), Aon meets or exceeds these requirements. Aon does not remove personal or transitory messages from colleague’s inboxes.

Section 16. Record Retention.

Records retention (if any) is defined in the contract with the County.

Section 17. Electronic Mail Retention

Aon does not restrict the retention of email, or force archiving of messages older than 6 months.

Section 18. Calendaring

Aon meets or exceeds these requirements.