

EXHIBIT 3

CONTRACT BY AND BETWEEN CITY OF DENTON, TEXAS AND CAREHERE, LLC. (CONTRACT 6198)

THIS CONTRACT is made and entered into this date _____, by and between CareHere, LLC, a limited liability company, whose address is 5141 Virginia Way, Suite 350, Brentwood, TN 37027, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or his duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide products and/or services in accordance with the City's document RFP 6198- Employee Health Clinic Operations and Management Services, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto and incorporated herein by reference:

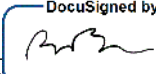
- (a) Special Terms and Conditions (**Exhibit "A"**);
- (b) Contractor's Proposal. (**Exhibit "B"**);
- (c) Scope of Work (**Exhibit "C"**);
- (d) City of Denton Standard Terms and Conditions (**Exhibit "D"**);
- (e) Insurance Requirements (**Exhibit "E"**);
- (f) Certificate of Interested Parties Electronic Filing (**Exhibit "F"**);
- (g) Request for Proposal (**Exhibit "G" on File at the Office of the Purchasing Agent**);

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

EXHIBIT 3

IN WITNESS WHEREOF, the parties of these presents have executed this agreement in the year and day first above written.

CONTRACTOR

BY:  DocuSigned by:
AUTHOR C843B9DCF79A48D... TURE

Date: 2/15/2017

Name: Ben Barker

Title: Chief operating officer

615-275-9676

PHONE NUMBER

bbaker@carehere.com

EMAIL ADDRESS

Bbaker@carehere.com

TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____
TODD HILEMAN
CITY MANAGER

BY: _____

Date: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

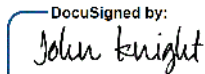
BY:  DocuSigned by:
C821996C2A2B439...

EXHIBIT 3**Exhibit A**
Special Terms and Conditions**1. Total Contract Amount**

The contract total for services shall not exceed \$5,010,300. Pricing shall be per Exhibit B attached unless additional services are added or such pricing is otherwise modified by mutual agreement. City and Contractor agree to meet on an annual basis and review the Total Contract Amount for potential adjustment by mutual agreement subject to applicable law.

2. Monthly Billing/Pricing

The overall monthly administrative cost/fee shall be calculated by the City based on the per employee per month (PEPM) Clinic Administrative Cost/Fee multiplied by the number of employees enrolled in the health plan for that month, as provided by the City. The Contractor shall also provide a detailed list of expenses incurred in the prior month, for review and acceptance by the City. All supplies and equipment purchased under the contract should be itemized and at cost, with no mark-up. The invoice shall include hours worked by staff member and the agreed upon hourly rates for all staffing provided in the prior month.

3. Contract Terms

The contract term will be one (1) year, effective from date of award. The City and the Contractor shall have the option to renew this contract for an additional four (4) one-year periods.

The contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council, unless either party notifies the other prior to the scheduled renewal date. At the sole option of the City of Denton, the contract may be further extended as needed, not to exceed a total of six (6) months.

4. Price Escalation and De-escalation

Prices for the staffing services described must be firm for a period of one year from date of contract award. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) for all employees, thousands, education and health services, seasonally adjusted (CES6500000001) unless another methodology is agreed upon by the parties. The price will be increased or decreased based upon the annual percentage change in the CES. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. Should the CES change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the CES change not to exceed the 8% limit per year. The Contractor should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Contractor must also provide supporting documentation as justification for the request.

EXHIBIT 3

Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon the renewal date of the contract award or reject the increases within 30 calendar days after receipt of a properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

5. Scope Modification

The “Cooperative Purchasing/Piggy Back Option” as indicated in the Solicitation Documents (Exhibit B, Main document, Section 9), shall be removed. This contract will not be made available to other governmental agencies.

6. Authority to Contract

Contractor represents that it has the authority to enter into this Contract and that the owners, Ben Baker and Ernie Clevenger, have the authority to contractually bind the Contractor. All other signatories, with the respect to any medical services agreement, including this Contract 6198, or modification thereof, are expressly void and do not have the authority to bind the Contractor unless otherwise expressly provided for in writing by the aforementioned owners.

7. Standards of Medical Professional Performance

Contractor shall contract with the independent medical professionals such that the medical professionals are obligated to perform or deliver the following, where applicable:

(a) The medical professional shall determine his or her own means and methods of providing medical services in connection with this Contract.

(b) The medical professional shall comply with all applicable laws and regulations with respect to the licensing and state regulations.

(c) The medical professional shall provide the Services in a manner consistent with all applicable laws and regulations and in a professional manner consistent with medical services provided in the community.

(d) The medical professional shall maintain, during the term of this Contract, Appropriate Credentials including:

- (1) A duly issued and active license to practice medicine and prescribe medication in the State of Texas;

EXHIBIT 3

- (2) A good standing with his or her profession and state professional association;
- (3) The absence of any license restriction, revocation, or suspension;
- (4) The absence of any involuntary restriction placed on his or her federal DEA registration; and
- (5) The absence of any conviction of a felony.

(e) In the event that any medical professional (1) has his or her license to practice medicine or prescribe medication restricted, revoked or suspended, (2) has an involuntary restriction placed on his or her federal DEA registration, (3) is convicted of a felony, or (4) is no longer in good standing with his or her professional or state licensing authority, Contractor shall promptly remove that Medical Professional and replace such medical professional with another medical professional that meets the requirements of this Contract.

8. Noncompliance by the Medical Professional

In the event that the City becomes aware of any failure by a medical professional to comply with the obligations of the medical professionals which are contemplated by this Contract, the City shall immediately provide written notice to Contractor of such failure, which written notice shall describe the failure in reasonable detail, and Contractor shall use reasonable business efforts to address such failure. In the alternative, Contractor may arrange for the substitution of another person as such medical professional.

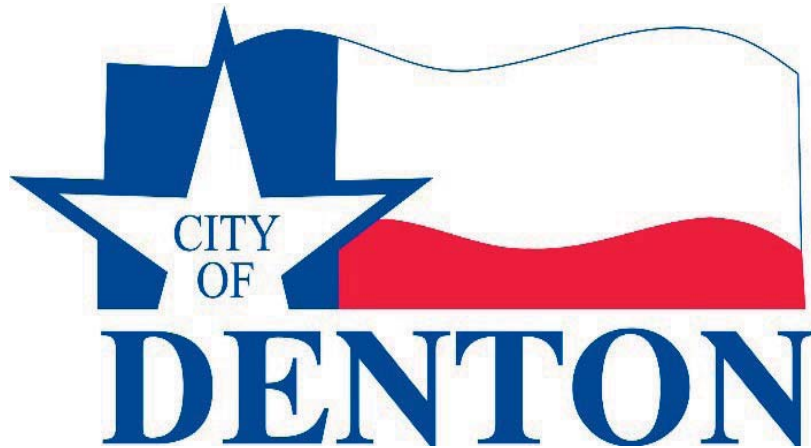
9. Medical Records

Contractor and the medical professionals shall maintain medical records with respect to all of the patients, all of which medical records shall be maintained in a professional manner consistent with the accepted practice of the community in which the medical professionals provide the medical services in connection with this Contract. Contractor shall also require the Medical Professional comply with the HIPAA privacy standards. All patient records maintained in connection with this Contract shall be the sole property of the medical professionals and Contractor.

The City understands and agrees that all of the medical records and other protected health information maintained by the medical professionals will be held by the medical professionals in strictest confidence, and that the City will not be entitled to have access to the medical records maintained by the medical professionals, in the absence of an appropriate written authorization from the patient/employee or permitted disclosure authorized by applicable law.

In the event of termination for any reason, Contractor agrees to electronically transfer all medical records to any successor clinic administrator selected by the City. The electronic transfer of these records will be in an industry standard format to be determined by Contractor and the City agrees to pay to Contractor an amount of \$2,500 for such transfer. In the event the City requests a specific format or requests any additional preparing, packaging, testing or similar process, the electronic transfer of medical records will be dependent upon the successor clinic administrator or the City agreeing to pay the costs, up to \$7,500, to Contractor to cover expenses associated with preparing, packaging, testing, transferring, and verifying the electronic transfer of medical records to the successor clinic administrator.

Contract # 6198



RFP 6198
Employee Health Clinic Operation and Management Services

Presented by:

Care *Here!*

September 22, 2016

CareHere, LLC
5141 Virginia Way
Suite 350
Brentwood, TN 37027
carehere.com

Bernie Livers
Vice President of Sales and Marketing
P: (615) 495-5299
F: (615) 467-8893
blivers@carehere.com

EXHIBIT 3
Contract 0100-Exhibit B

RFP 6198 Pricing Sheet for Employee Health Clinic Operations & Management Services - BAFO

Services Proposal Pricing

ITEM	Quantity	Time Period	UOM	Type of Service Requested	Cost of Service	Total Cost of Service
Implementation (One Time Costs)						
1	1	1	EA	Implementation Fees	0.00	\$ -
2	1	1	EA	Transition Costs/Fees	0.00	\$ -
3	1	1	EA	Data Transfer Costs/Fees	0.00	\$ -
Monthly Cost						
4	1500	12	PEPM	Overall Per Employee Per Month (PEPM) Clinic Administrative Cost/Fees	\$ 20.00	\$ 360,000.00
5	1500	12	PEPM	Disease Management Administration Costs (if not included in above PEPM fee)	\$ -	\$ -
6	1500	12	PEPM	Wellness Program (if not included in above PEPM fee)	\$ -	\$ -
7	900	12	EA	Supplement #1 - HRA Biometric Costs (if not included in above PEPM fee)	\$ -	\$ -
8	1	12	MO	Malpractice Insurance	\$ 438.75	\$ 5,265.00
Total Annual Cost						\$365,265.00

Staffing Hourly Rates (ranges)

ITEM			UOM	Type of Service Requested	Cost of Service
9	\$116.22	\$116.22	HR	Physician (MD or DO)	\$ 87,165.00
10	\$88.40	\$93.60	HR	Nurse Practitioner (NP)	\$ 204,750.00
11	NA	NA	HR	Physician's Assistant (PA)	NA
12	NA	NA	HR	Nurse (LVN)	NA
13	NA	NA	HR	Nurse (RN)	NA
14	\$20.80	\$23.67	HR	Medical Assistant (MA)	\$ 133,140.00
15	NA	NA	HR	Office Administration	NA

Services Proposal Pricing: Services (If not included within PEPM pricing)

ITEM			UOM	Type of Service Requested	Cost of Service
16			EA	Cholesterol Test (Lipid Panel--HDL/LDL, Total Cholesterol, Triglycerides)	Included in HRA
17			EA	Blood Sugar Test (Fasting and Non-Fasting)	Included in HRA
18			EA	A1C Test	\$ 4.00
19			EA	Strep Test (Rapid and Regular)	\$ 1.33
20			EA	Flu Test	\$ 13.56
21			EA	Flu Shot	\$ 11.50
22			EA	Tetanus Shot	\$ 30.65
23			EA	Hepatitis Vaccinations	Hep A: \$45.40 Hep B: \$25.10
24			EA	Pregnancy Test (Blood)	\$ 10.00
25			EA	Lab Draw Fees	Included
26			EA	Lab Processing Fees	Included
27			EA	EKG	Included

Services Proposal Pricing: Optional Services

ITEM			UOM	Type of Service Requested	Cost of Service
28			EA	Post offer Physicals	Included
29			EA	Annual Physicals	Included
30			EA	Drug Test Collection	The pass-through cost for a drug test is \$9.50. CareHere does not charge an additional fee for the collection.
31			EA	Onsite X-Ray Machine	\$44,387-\$100,000

Cost of Additional Services Identified by Respondent:

ITEM	DESCRIPTION		TOTAL
32		Worker's Compensation and Occupational Health Services	\$3 PEPM
33		On-Site Registered Dietician for 16 hours a week	Included in PEPM
34		Medical Benefits are included for the onsite clinic staff. Benefits are included in the staffing rates.	Included in Staffing Rates
35		CareHere charges 65 cents per visit for Mal-Practice Insurance. CareHere used good faith estimate to determine an annual cost of \$5,285 annually for mal-practice.	Included in Mal-Practice Estimate Above
36		CareHere can provide multiple options for an Onsite X-Ray machine. A permanent unit will cost approximately \$100,000 and will require extensive build out. CareHere can also provide a portable X-Ray Unit for approximately \$44,387. Both options will require a full-time Radiology Technician, Supplies/Film, and other additional on-going operational expenses.	

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

BUSINESS OVERVIEW QUESTIONNAIRE AND FORMS

1. Contract Information (for formal contracting purposes):

Firm's Legal Name:

CareHere, LLC.

Address:

5141 Virginia Way
Suite 350
Brentwood, TN 37027

Agent Authorized to sign contract (Name):

Bernie Livers
Vice President of Sales and Marketing
(615) 495-5299

Agent's email address:

BLivers@CareHere.com

2. Subsidiary of:

N/A

3. Organization Class:

Corporation

4. Tax Payer ID#:

CareHere's Employer Identification Number is 54-2138297.

5. Date Established:

CareHere, LLC was founded by President and Chief Executive Officer Ernie Clevenger and Chief Operations Officer Ben Baker in 2004.

6. Historically Underutilized Business:

No



7. Does your company have an established physical presence in the State of Texas, or the City of Denton? Yes or No, in which?

Yes. CareHere operates 22 clinics in the State of Texas and currently manages the existing health clinic operation for the City of Denton. CareHere has been a partner of the City of Denton since 2011.

8. Please provide a detailed listing of all products and/or services that your company provides.

Our patient-centered healthcare model offers primary and episodic/acute care, preventive medicine, wellness management, chronic disease management/counseling, health coaching, and occupational health and workers compensation medical care. Some of the key features of our model include health risk assessments (HRAs) and biometric screenings, case and disease management programs, and appointments lasting a full 20 minutes to build the relationship between the provider and patient. Our technology capabilities have been enhanced which recently includes a newly upgraded electronic medical record (EMR), and an online appointment scheduler. We also offer an online wellness tracking through CareHere's Wellness Website.

Services that CareHere provides:

- Onsite Biometric Screenings
- Biometric screening options other than onsite draws
- Targeted intervention programs
- Health coaching
- Behavior change programs
- Incentive design, tracking, and administration
- Account management expertise and support
- Interactive health improvement programs
- Online health assessment questionnaires
- Paper health assessment questionnaires
- Educational materials
- Marketing or communication materials
- Reporting and data analysis
- Social media as part of your programs
- Employer and consultant access to administrative data reporting portal
- Integration of carrier claim/Rx for analytics and reporting
- Ability to export clinical/lab data to medical carriers (ex. zero dollar claim submissions)
- Disease management
- Wellness program consulting
- Online member personal health record and wellness portal
- Patient satisfaction survey
- IT support center
- Customer service call center
- Online clinic scheduling ability
- Telephonic clinic scheduling ability

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

9. Has your company filed or been named in any litigation involving your company and the Owner on a contract within the last five years under your current company name or any other company name? If so provide details of the issues and resolution if available. Include lawsuits where Owner was involved. (Notice: Failure to disclose this information during proposal submission, and later discovered, may result in contract termination at the Owner's option.)

No. CareHere nor the owners, Ernie Clevenger and Ben Baker, filed or been named in litigation that could potentially have a material adverse effect on CareHere's business.

10. Have you ever defaulted on or failed to complete a contract under your current company name or any other company name? If so, where and why? Give name and telephone number of Owner.

No. CareHere has never defaulted or failed to complete a contract.

11. Have you ever had a contract terminated by the Owner? If so, where and why? Give name and telephone number (s) of Owner (s).

CareHere has not had an Owner terminate a contract during the duration of the contract, but instead opt to not renew a contract after the contract has expired.

12. Has your company implemented an Employee Health and Safety Program compliant with 29 CFR 1910 "General Industry Standards" and/or 29 CFR 1926 "General Construction Standards" as they apply to your Company's customary activities?

http://www.osha.gov/pls/oshaweb/owasrch.search_form?p_doctype=STANDARDS&p_toc_level=1&p_keyvalue=1926

CareHere's Employee Health and Safety program is compliant with 29 CFR 1910 "General Industry Standards".

13. Resident/Non-Resident Bidder Determination: Texas Government Code Section 2252.002: Non-resident bidders. Texas law prohibits cities and other governmental units from awarding contracts to a non-resident firm unless the amount of such a bid is no greater than the amount that would be paid to a resident firm for the same work. In order to make this determination, please provide the name, address and phone number of:

a. Responding firms principle place of business:

CareHere, LLC
5141 Virginia Way
Suite 350
Brentwood, TN 37027
(615) 221-5901

b. Company's majority owner principle place of business:

Ernie Clevenger
President & Chief Executive Officer

Ben Baker
Chief Operating Officer

5141 Virginia Way
Suite 350
Brentwood, TN 37027
(615) 221-5901

c. Ultimate Parent Company's principle place of business:

N/A

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

14. Provide details to support the evaluation criteria, including experience and delivery.

CareHere has over twelve years of experience in day-to-day management and operation of 208 onsite health and wellness clinics. This includes providing patient-centric services to 300,000+ members accessing over 1,000,000 appointments in 2015 nationwide. The majority (nearly 70%) of Carehere's clinics are managed for clients in the public sector. Additionally, CareHere manages 22 clinics throughout the State of Texas and has managed the City of Denton's existing Health Clinic operation since 2011.

During this time, our health clinic management team has developed successful strategies and implementation processes to ensure an efficient operation of each client's health clinic. CareHere's care model includes the coordination of overall patient care, chronic disease management, wellness coaching, and health risk assessments.

Our patient-centric approach to providing onsite healthcare focuses on the members, by creating convenient access to care for them and their families. By using our onsite services, we provide public entities/clients with the means to decrease claims cost significantly, while improving the overall health and morale of the employees. Our model helps our partners experience positive outcomes including high patient engagement, chronic disease management, and high patient satisfaction.

CareHere has developed wellness and disease management programs. Patients can self-refer or be referred from the CareHere health center provider and can self-guide or work with a CareHere health coach. Some of the health management programs include, but are not limited to: Weight Management, Stress Management, Diabetes Management, Mental Health Management, Lipid Management, Pre-Diabetes Management, Smoking Cessation, Cardiovascular Risk Reduction, Plan of Care Compliance, Addiction Intervention, and Hypertension Management.

What sets CareHere apart is the standard of our capabilities, impact, proof, and cost. We consistently have shown the impact of our capability to provide integrated, patient-centered primary care and wellness at a lower cost than the fragmented, fee-for-service retail system. Our transparent cost model and invoicing shows our clients exactly what they are paying for to operate the health center, and illustrates the lack of markup pricing that is often seen in other fee-for-service models. We place great importance on our reporting capabilities, which clearly communicates the status of the health clinic, and the achieved ROI. Time after time, the individual patient stories convey that providing convenient access to quality health care and wellness are valuable for employee health/morale. The savings are equally robust, offering what we believe is the best overall value to the City of Denton.

15. Provide details on how firm meets the minimum qualifications stated in this Main document Section 2.

- a. The details must be completed on this form, and shall not point to another document in the respondent's portfolio.
- b. Sign below and return form with final submission.

As a leader in the onsite/near-site health and wellness industry CareHere not only meets the minimum qualifications, but exceeds them. With over twelve years of experience providing exceptional onsite/near-site health centers and behavioral management programs to businesses and municipalities, we are confident that our services will allow us to continue our existing partnership with the City of Denton and its providers to empower individuals and their families to achieve well-being and health through quality, cost-effective healthcare. CareHere is solely dedicated to managing and operating onsite/near-site clinics. This approach will yield results that will continue to be in the best favor of the City. As an independent health and wellness organization, CareHere has no ownership ties to medical service providers in any form. This allows CareHere to focus its operations on providing employers with services for the development and management of onsite medical care and wellness initiatives.

CareHere has provided the following references to comply with minimum qualifications. The City of Denton is encouraged to contact the following references:

CITY OF GALVESTON
Galveston, TX
Kent Etienne
Director of Human Resources
(409) 797-3655 (w)
CareHere Clinic
Opened August 2007

ECTOR COUNTY
Odessa, TX
Pat Patton
Director of Human Resources
(432) 498-4025 (w)
CareHere Wellness Center
Opened August 2008

MIDLAND COUNTY
Midland, TX
Mitzi Baker
Midland County Treasurer
(432) 688-4885 (w)
CareHere Clinic
Opened February 2009

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

CareHere is registered in the state of Texas to provide the products or services required in the solicitation and possesses all licensure required by the state to provide any services required under this contract. Carehere currently operates 22 clinics in Texas and is well equipped to continue operating the City of Denton's clinic.

All submittal documents including a cover sheet, Solicitation Checklist, and Attachments A -F and Exhibit 1 have been completed per the method described in SUBMITTAL INSTRUCTIONS.

I certify that our firm meets the minimum qualifications as stated in this Main document, Section 3.



Signature

CareHere, LLC.

Company

September 21, 2016

Date

ATTACHMENT A (CONT.) - SUPPLEMENTAL QUESTIONNAIRE

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

PRIMARY AND MINOR EMERGENCY CARE

1. List all the services that you are proposing to provide at the onsite/near-site clinic.

Onsite/Near-Site Medical Services

- CareHere will provide the highest quality primary care and minor emergency medical services for non-occupational illnesses and injuries, Monday through Friday to members age 24 months and older. The exact hours of operation will be determined after the contract is awarded;
- Provide appropriate medical professionals to staff the clinic during the prescribed hours.
- Provide sufficient "relief" medical professionals to staff the clinic in cases of illness, vacation, training, or to temporarily fill-in when vacancies occur;
- Provide inoculations and immunizations including, but not limited to, flu and tetanus shots as desired or promoted by the City;
- Conduct pre-employment physicals as requested;
- Plan, develop and support wellness initiatives in conjunction with the City's wellness program, including but not limited to:
 - Health screenings such as blood pressure checks, HDL/LDL cholesterol, blood glucose, total BMI and other screenings as requested during the year
 - Provide employee follow-up and education
 - Chronic disease management, monitoring, and employee education
 - Coordination with the City's wellness program to support wellness related activities
 - Assist the City in developing wellness initiatives that have a direct impact on potentially reducing identified health risks in the City
 - Provide support for the City's Healthy Incentives Program
 - Provide education, support and assistance to patients in the form of live/ telephonic/online health coaching, nutritionists, etc.
- If services are expanded in the future, serve as a collection site for pre-employment, random, reasonable suspicion, post-accident and follow-up drug testing in accordance with DOT and the City's testing requirements and procedures:
 - Provide for proper chain of custody and all necessary forms
 - Provide for collection supplies
 - Provide for or make arrangements for transportation of specimens to laboratories
- Maintain the current clinic model of each patient having a full 20 minute appointment with the medical provider (i.e., in an hour time period only 3 appointments are available per provider)

Wellness Services

- | | |
|---------------------------------------|---------------------------------|
| • Health Risk Assessment | • Wellness Classes |
| • Pre-Diabetes Management | • Cardiovascular Risk Reduction |
| • Tobacco Cessation | • Weight Management |
| • Lipid Management | • Exercise Adherence |
| • Nutritional Counseling | • Stress Management |
| • Mental Health Management | • Hypertension Management |
| • Addiction Intervention | • CareHere's Wellness Website |
| • Physician/Nurse "Reach Out" Program | • Population Health Management |



Technology and Health Services

- Electronic Medical Records
- Data Analytics
- ROI Analysis
- Tracking Programs
- Trend Analysis
- Survey Results
- 24/7 Support Line
- Smartphone Application
- Physician Health Seminars
- 1-800 Bilingual Customer Support
- Reporting
- Risk Predictions
- Online Scheduling System
- Self-Care Education Tools
- Clinic Inventory
- Clinic Best Practices
- Population Promotions/Incentives
- Online Medical Management

2. How are appointments scheduled?

Appointments can be scheduled both online and telephonically (via our 24/7 toll free hotline). The majority of appointments are scheduled by the employee and dependents (patients) themselves via a secure online appointment scheduler. Once an individual is enrolled it takes about twenty seconds to schedule an appointment online. For those individuals with no computer access or who are uncomfortable with the online process, we have a call center staffed with trained representatives who schedule appointments on behalf of the patient. These approaches are included in our monthly management fee at no cost.

Below is a list of the online appointment scheduling capabilities:

- 24/7 Member Access
- Members can view the available appointment slots for each provider
- Members can schedule appointments up to 90 days in advance
- Email notifications are sent to patients for appointment reminders when the appointment is book at least 48 hours out
- Members can indicate the reason for the visit during the scheduling processes to help prepare the medical provider for the appointment
- Back-to-back appointments can be scheduled for new patients, for preventive check-ups like male exams and Well-woman exams, or if there are multiple medications refills desired.

A confirmation email and/or text will be sent to the member when an appointment is scheduled, depending on member preference.

1

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

Type your symptoms, reason for appointment, or comments:

Please let us know if **you have flu-like symptoms (fever, cough, body aches).**

How would you like to be reminded of your appointment? Both ▼

E-mail Address:

Mobile Phone Number: Select an option ▼

Remind me 9 Hours ▼ in advance of the appointment.

Confirm Your Appointment Reset

3. Describe any alternate methods of scheduling appointments if the primary method is not available.

For those individuals with no computer access or who are uncomfortable with the online process, we have a call center staffed with trained representatives who schedule appointments on behalf of the patient. These approaches are included in our monthly management fee at no cost.

4. Is the appointment scheduling available online?

Yes. The appointment scheduling process is available online through the online appointment scheduler, accessible by computer or smartphone.

5. How many appointments per day are you estimating?

CareHere is estimating 24-30 appointments per day on Mondays and Fridays (depending on coverage for extra sick visit appointments) and 40 appointments per day on Tuesday, Wednesday, and Thursday.

6. Are you proposing that all appointment slots be scheduled or will some time be allotted to serve walk-in appointments?

CareHere works to accommodate walk-in appointments by managing the clinic to anticipate a scheduled appointment use rate of 85 to 90 percent. The remaining 10 to 15 percent of appointment space is left available for the anticipation of last minute walk-in appointments.

The DCS is responsible for monitoring utilization, and will recommend additional health clinic hours when utilization increases past 90% of available appointments. While we encourage all patients to schedule their appointments in advance, it is important to maintain a utilization level that allows employees to see a provider as soon as possible when a sudden illness occurs.

7. How will after hour issues be referred?

At no additional charge to the client or the patients, CareHere offers a 24/7 help line available to patients for triage, medical, or pharmacy related questions. The 24/7 help line is staffed with medical personnel capable of addressing any concern employees might have. This line often helps decrease Emergency Room (ER) visits, because the patient's questions can be answered after hours. If a patient calls in with a life-threatening situation, they are instructed by medical personnel to call 911. The patients also can use the 24/7 line for scheduling appointments at the health center and assistance with setting up/troubleshooting a CareHere website account.

8. What level of personnel are you proposing to staff the clinic (i.e. Doctor, Physician's Assistant, Nurse Practitioner, LVN, RN, etc.)?

CareHere is proposing to keep the staff currently in place in the City of Denton's Health Clinic. Additionally, CareHere is proposing to include an onsite Registered Dietician in the PEPM management fee.

CareHere is proposing to staff the existing Physician approximately 15 hours a week, the existing Mid-Level Providers approximately 45 hours per week, and the existing Medical Assistants for a total of 120 MA hours per week.

There is currently 1 physician, 1 FT NP, 1 part-time NP, and 3 FT Medical Assistants.

9. What is the projected salary and benefits of each proposed staff member?

Medical benefits are included in CareHere's proposed staffing rates included in the requested Pricing Sheet.

CareHere projects the following annual salary/cost for a physician, Mid-Level Providers, and Medical Assistants (medical benefits are included):

Annual Salary/Cost by Position (included benefits)

Physician: \$87,165 (\$21,791.25)

Mid-Level: \$204,750 (\$51,187.50)

Medical Assistants: \$133,140 (\$33,285)

CareHere!

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

10. How many hours per day is each staff member projected to be at the clinic?

The physician will be at the clinic for approximately 4.5 hours a day on Tuesday, Wednesday, and Thursday. The Mid-Level Provider(s) will be at the clinic for approximately 8 hours per day Monday through Friday and when additional sick visits are necessary there will be an additional 2 hours of NP provider time on Mondays and Fridays. Each Medical Assistant (MA) will work 40 hours a week and will spend approximately 8 hours per day at the clinic. CareHere is proposing to include a part-time Registered Dietician in the clinic for approximately 16 hours a week. The exact days and hours of operation for the part-time Registered Dietician will be determined at a later date.

11. Are the rates of pay for the medical staff guaranteed for the length of the contract? If not, please provide details on expected increases in pay during the contract term.

Each year, we ask the City of Denton to consider merit raises for staff. No increases will be given unless approved by the City.

12. How will medical staff vacations, illnesses, and continuing education be handled, in terms of back-up and relief personnel?

CareHere will hire, train, and orient ample staff in the event of absences for vacations, holidays, and sick leave. CareHere will attempt to fill all positions with our employees. We will use temporary services to staff the clinic very minimally.

13. If necessary, how will medical staff be selected?

Recruiting the best group of physicians and medical professional staff is the most important challenge. Our success is directly related to the quality of medical personnel, their warm and effective interaction with patients, and their willingness to constantly reinvent the care delivery process through evidence based medicine, patient motivation and study of health outcomes and data analysis. Recruiting professionals is only part of the job; these professionals need a clear understanding of both CareHere's and the City of Denton's expectations in order to be comfortable in their daily work. CareHere generally recruits providers that have active and thriving practices in the community. Recruitment begins within the network of the employer so that the providers are familiar with referral patterns and possibly have hospital privileges. The ancillary staff that is recruited to provide care within the clinic must first meet all state laws/ credentials. Next, these individuals are thoroughly interviewed to ensure that they are the best fit for the position.

The CareHere recruiting process is a 26-step plan to insure that we provide the highest quality practitioners available. This will require input from the City of Denton. Once the list of candidates is narrowed down, final interviews will take place with a selection committee including City of Denton. The City will have the final input in the selection of providers.

14. Who manages the staff and assures proper credentialing?

Betsy D'Acierno, Executive Director, manages the health clinic staff and the credentialing process.

15. What specific types of conditions, injuries, and/or illnesses can be addressed onsite?

CareHere providers have the capability to provide any primary care services needed by the City of Denton, as primary medical care for employees and dependents is CareHere's core business. Typical medical issues that are addressed by the onsite medical professional include (but are not limited to) the following:

Acute Conditions:

- Sore Throats
- Ear Ache
- Headache
- Cough
- Sinus Problems
- Strains
- Sprains
- Musculoskeletal Problems
- Acute Urinary Complaint

Chronic illness evaluation, treatment and management:

- Diabetes
- High Cholesterol
- Wellness Classes
- Nutritional Counseling
- Weight Management
- Exercise Adherence
- Stress Management
- Cardiovascular Risk Reduction

If a patient needs to be seen for a service out of the clinic's scope, our staff will refer the patient to a local provider or specialist. We will attempt to make all referrals within the City's network of providers to optimize patient and health plan savings. However, the patient has the right to select the panel provider of his choice, which could be outside the network.

16. What if a condition, injury, or illness escalates?

In the event that a patient needs to be seen for a service that is out of the clinic's scope, the patient is referred to a provider outside of the CareHere onsite health clinic or to a specialist in the local community. Efforts are made to keep referrals within the patient's network of providers to optimize savings to the patient and the health plan.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

17. Describe your patient referral process and philosophy for specialists and imaging.

In the event that a patient needs to be seen for a service that is out of the health clinics's scope, the patient is referred to a provider outside of the CareHere health and wellness center or to a specialist in the local community.

CareHere is dedicated exclusively to the on site industry. We do not seek to provide health center and wellness management services to control or direct referrals, or obtain margins on drugs or other health clinic's services. Our most important consideration is what is best for the patient and client. CareHere only requires the health clinic providers to refer to in network hospitals and/or providers that participate in the client's health plan.

18. What hours of operation for the clinic are you proposing?

CareHere is proposing the keep the existing hours of operation in place. The clinic is currently operates the following hours:

Monday

No labs

8:00 am - 12:00 pm & 1:00 pm - 5:00 pm (NP Hours)

Tuesday

7:00 am - 9:30 am -- HRAs

8:00 am - noon and 1:00-5:00 pm (NP Hours)

8:40am - 2:00 pm (Physician Hours)

Wednesday

7:00 - 9:00 am - HRAs

8:00 am - noon and 1:00-5:00 pm (NP Hours)

8:40am - 2:00 pm (Physician Hours)

Thursday

7:20 am - 9:30 am -- HRAs

7 am - noon and 1:00-4:00 pm (NP Hours)

8:40am - 2:00 pm (Physician Hours)

Friday

7:00 am - 8:00 am -- HRAs

7:00 am - 12:00 pm & 1:00 - 4:00 pm (NP Hours)

When additional sick visits are necessary CareHere will add additional NP hours on Monday from 8:00-10:00am and on Fridays from 7:00-9:00am.

CareHere would like to discuss the possibility of adding weekend hours with the City of Denton.



19. If an onsite physician is being proposed, will the physician have hospital privileges? If so, where?

The current physician in the clinic does have hospital admitting privileges. Currently the clinic provider will admit through the ER when necessary.

If certain hospital privileges are requested by the City, then CareHere can recruit accordingly.

20. Describe in detail how the proposed primary care case management is done.

CareHere's medical assistants and health coaches will provide patient outreach and care coordination activities, including: follow up on medical encounters, communication with outside primary care providers, follow up to check on compliance to prescribed medicines, referrals, follow up to monitor adherence to disease management or health promotion recommendations, and communication to the City's Safety and Risk Management departments.

21. Describe in detail the disease management process.

The CareHere chronic condition/disease management and wellness strategy begins with the HRA (Health Risk Assessment) which consists of a behavioral questionnaire and 28-panel biometric screen (fasting venipuncture and measurements). This HRA and screening is included in the CareHere management fee annually for each eligible employee. The HRA identifies high-, low-, and no-risk employees and dependents. This is vital to discovering a patient's baseline of health and offers insight into important health concerns. We encourage our employer partners to incentivize participation in the HRA process, as it is a cornerstone of CareHere's chronic condition/disease management and wellness strategy for patients.

Once an HRA has been completed, the CareHere clinic staff will evaluate the results and stratify each patient into one of the following risk levels. CareHere will then notify the patient of his results with a follow-up letter.

No- or Low-Risk Patients:

The follow-up letter/email congratulates the patients on adopting healthy lifestyle habits and includes an invitation to contact the CareHere coach or physician, should they have health related questions. Patients are notified of local health events of potential interest to them, such as flu vaccine clinics, health seminars, weight loss programs, and no-or low-cost specials on health screenings and events.

Moderate- and High-Risk Patients:

The follow-up letter/email provides personalized feedback on the HRA with internet links to appropriate websites relating to their medical issues. If no email address is provided, we will mail a hard copy letter with customized educational information addressing the abnormal lab result. CareHere staff will reach out to patients via phone and email to engage them in clinic services and encourage them to get the care they need.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

Once the provider has established the risk level, and the patient understands the results, the provider will refer them to the appropriate wellness program and/or health coach who formulates a customized plan for each patient. The patient can track their progress through CareHere's Wellness Website. Health coaches will also have access to the patient's progress, giving them the ability to reach out and encourage compliance with the program. Furthermore, the nurse in the health center will work collaboratively to close gaps in care and ensure the patient is remaining compliant with their disease state. This may include confirming lab work is performed, medications are obtained and recommended visits to specialists or facilities are completed.

CareHere health coaches will work with patients who have chronic conditions to manage and reduce risks associated with the disease effectively. CareHere's multi-faceted team approach to patient care leads to higher utilization, compliance and greater outcomes. Points of contact depend on the disease state, disease program, provider plan of care and the patient's preferred communication methods. We have developed 185 wellness programs that include chronic condition management for 2016 and have 13 care management tracks on CareHere's Wellness Website.

22. It is the expectation of the City that some level of pediatric (24 months of age or older) care will be provided. Please explain in detail how you will address this care.

Confirmed. Dependent care within the health clinic begins at age two.

23. What is your standard protocol regarding prescriptions and prescription refills?

CareHere prescriptions are written in the clinic and filled at local pharmacies. CareHere requires patients to be seen in the clinic in order to have prescriptions refilled. The State of Texas requires a Class A pharmacy to dispense medications. We currently work with other clients in this regard and would be open to discussion if the City of Denton were interested in partnering with other employer entities to explore Class A and Class B pharmacy.

24. What is your standard protocol regarding prescription drug samples?

CareHere does not allow pharmaceutical representatives to leave drug samples in the health clinic.

25. What is your standard protocol regarding outside lab orders?

CareHere can order labs requested by outside providers. We currently have a lab list of over 3,500 labs through our partnership with LabCorp. Results are sent to CareHere's EMR electronically for review (typically with 24-48 hours) and sent to the ordering provider.

WORKERS' COMPENSATION

1. Describe the types of work-related injuries that can be addressed onsite.

With the exception of off-hour injuries and life threatening injuries, the CareHere Health Clinic can track and aggressively manage all work related injuries and occupational diseases. The CareHere Health Clinic works in conjunction with the client's current policies and procedures for injury notification.

Common injuries include but are not limited to:

- Burn injuries
- Injuries from chemical exposure
- Back injuries
- Head injuries
- Burns, scars and disfigurement
- Blindness / vision loss or hearing loss
- Leg, knee, ankle or foot injury
- Nerve, muscle or tissue damage
- Sprains, Strains and Tears
- Lacerations
- Repetitive stress injury (carpal tunnel syndrome and other overuse injuries)
- Occupational diseases (toxic or harmful exposures)
- Mental stress and impairment

2. Describe the role of the onsite medical professional in conjunction with the City's worker's compensation third party administrator and their case management service.

The DCS, specifically assigned to the City of Denton's health clinic will be the main contact for the City regarding all needs surrounding the onsite clinic. CareHere will arrange an annual review with members of the City's leadership team, TPA's, and etc in order to detail to success of the clinic.

CareHere can send any health center related data to third party administrators, carriers, outside providers and facilities and any other HIPAA certified entity permitted. CareHere providers assign diagnostic and procedure codes to each patient interaction for full reporting capabilities. An 837 file from the health center can be sent as frequently as desired. CareHere also wishes to receive data from these vendors so that CareHere providers and Registered Dietician will have a complete patient record for proper diagnoses and plan of care.

3. Are there any additional charges (administrative or otherwise) for performing workers' compensation and pre-employment/fit for duty physicals?

CareHere can provide workers' compensation and pre-employment/fit for duty physicals for an additional \$3.00 PEPM. Supplies and staffing necessary to perform these services will be billed at a pass-through rate to the City. In order to provide a detailed cost analysis for these services, CareHere will request a collection of occupational health and workers' compensation data.

CareHere!

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

4. Confirm that the results of occupational health exams can be provided within the following time periods and standards:

- i. Job specific routine and post offer physicals – 1 day

Confirmed.

- ii. Job specific complex periodic (fit for duty) and post offer physicals – 3 days

Confirmed.

5. Describe your ability to act as a collection site for pre-employment, random, reasonable suspicion, and post-accident drug testing.

CareHere has substantial experience in conducting reasonable suspicion drug/alcohol testing, pre-employment, and random drug testing in the clinic setting and does so for the majority of our clients at their request. CareHere's national contract with LabCorp affords the City of Denton competitive rates at a pass-through cost with no mark-up. CareHere's national contracts with other suppliers will allow for the purchase necessary equipment and supplies required to perform the above tests, all at a pass-through rate with no mark-up to the City of Denton. The occupational provider or nurse will perform the above tests to meet the requirements of the City's job description. CareHere can set up randomization for drug testing as well.

COMMUNICATION PLAN AND MEMBER SERVICES

Please provide a comprehensive proposed communication plan for introducing your company's management of the near-site health clinic to our employee population and reference the ongoing communication plan. Outline your company's responsibilities in these processes. Please include copies of proposed educational materials and timelines for distribution.

CareHere will continue to partner with the City to improve and refine the current health clinic communication plan in place by using historical data to identify preferences that pinpoint the optimal timeline, locations, and outlets for delivering a well crafted health clinic communication plan. Communications will include direct mailings, company email blasts, newsletters, onsite employee presentations and any other available modes of communication.

Please see Exhibit C: Sample Communication Material

1. How will employees/dependents be able to communicate with the medical team?

Patients may reach the health clinic through our 24/7 support line. Recently, a third medical assistant was added to the medical team so that the Health Clinic phone number could be published. By adding this medical assistant and publishing the phone number, we are able to enhance our accessibility to members and our patients. Also, we launched a patient email campaign and encourage patients to communicate with us for non-urgent matters and questions. This is provided to the City of Denton at no additional cost.

2. Describe your company's ability to communicate with a bilingual population (Spanish).

CareHere can work to identify bilingual (English/Spanish) clinicians to best accommodate the City of Denton's employees and their families. Bilingual marketing and communication material is also available.

Please see Exhibit B: Sample Patient HRA Results (in Spanish)

3. Describe the frequency and type of communication that eligible members will receive throughout the program period.

CareHere will continue to promote health center and wellness services after the initial roll out. Communication efforts will also be responsive based on the evaluation of patient engagement through utilization, HRA participation, wellness program participation, etc. metrics. Examples of ongoing communication topics include (but are not limited to):

- Open Houses and Meet-and-Greets with Health Center Staff
- Wellness Groups and Onsite Classes
- Change in Health Center Hours
- Onsite and Off-site Flu Vaccine Events
- Seasonal Service Promotion

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

CareHere will cover the costs of two physical mail-outs per year and unlimited electronic communication. All materials are customized for the City of Denton to best speak to your member population. CareHere's marketing team also will work with the City to develop customized branding that can be applied to giveaways or communication materials. If the City of Denton would like to provide more than two physical mail-outs per year or would like to develop giveaways for employees, the additional costs will be billed at a pass-through with no markups to the City of Denton.

Please see Exhibit C: CareHere Sample Communication Material

4. Will your company allow the City to link its website with your company's website?

Yes. The CareHere website, www.carehere.com, can be linked with the City of Denton's website(s).

5. Will you allow the City to use our own branding in communication and program materials?

CareHere's marketing team will work with the City of Denton to develop customized branding that can be applied to giveaways or communication materials. The City of Denton will have an opportunity to review and approve all communications before distributing to program participants.

6. Provide your web address and an access code needed to explore your website.

CareHere's website can be found at www.carehere.com. Access codes and demo login information will be provided upon being selected as a finalist.

7. How can a member access your company for Member Services after hours?

CareHere has a 24/7 help line available to patients for triage, medical, or pharmacy related questions. There is no additional charge for this service.

8. Will your company utilize existing Member Services resources for the City's clinic?

Yes.

9. What level of staffing for Member Services do you envision for the City of Denton?

Recently, a third medical assistant was added to the medical team so that the Health Clinic phone number could be published. By adding this medical assistant and publishing the phone number, we are able to enhance our accessibility to members and our patients. Also, we launched a patient email campaign and encourage patients to communicate with us for non-urgent matters and questions. This is provided to the City of Denton at no additional cost.

IDENTIFICATION OF HIGH RISK INDIVIDUALS

Understanding that there are a variety of methodologies for implementing a Health Risk Assessment (HRA), or other targeted intervention process, please explain in detail the HRA/targeted intervention model that your organization would recommend be implemented. Explain the rationale behind the recommendation. Please note that this must be a confidential process that complies with all HIPAA guidelines.

The proprietary CareHere HRA was designed in-house and has been used since our company's inception in 2004. We believe it is pivotal in not only encouraging health center utilization, but discovering a patient's baseline of health. This integral tool continues to offer insight into important health concerns and ways in which we can proactively combat future risks. In accordance with HIPAA, CareHere has designed the HRA process to comply with all HIPAA guidelines.

1. How will your company identify high-risk members?

CareHere prides itself in its ability to develop healthier employees and reduce chronic disease risk levels among a client's population. The movement of chronic patients to the lower risk categories offers the most significant impact on lowering annual healthcare cost trend. Completion of our initial HRA allows early detection of chronic conditions and high risk factors, allowing patients to effectively manage and reduce the health risks associated with their disease state.

According to the Agency for Healthcare Research and Quality, 20 percent of the population accounts for 80 percent of the overall healthcare spent in the United States. CareHere's holistic approach to healthcare specifically targets this population to improve the overall health of a client's employee base and produce long-term savings. CareHere's HRA identifies individuals on the verge of becoming part of the costly 20 percent. Once identified, our provider-driven wellness programs help prevent the patient from developing these chronic conditions.

The HRA process is such a cornerstone of our wellness strategy, we encourage our employer partners to incentivize participation among their employees. Once an HRA has been completed, the CareHere clinic staff will evaluate the results and stratify each patient into one of the following risk levels: No- or Low-Risk, Moderate- or High-Risk. We will then notify the patient of his results with a follow-up letter and schedule a follow up appointment to develop a patient care plan.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

2. Please describe your methodology for tracking and intervening with high-risk members on an ongoing basis.

CareHere will work with the City of Denton to set participation and engagement goals that meet the expectations of the City of Denton. Within CareHere's Wellness Website and the EMR, certain metrics will be collected and can be reported on. These include but are not limited to:

- Number of contacts
- Type of contact
- Educational materials provided
- Patients overall health goal
- Each action step taken to reach that goal
- Program involvement
- Readiness to change stage
- Medication compliance
- Outside resources progress
- Disease specific program goals

The City of Denton would be provided with a staff consisting of Medical Providers, and health coaches who are available to work with patients of all risk areas. A member of the wellness team will contact the patient to discuss areas of concern. The members of the wellness team have access to patients lab work and provider notes so will be able to provide support to the employee based on the plan of care that was established by a provider. The health professional will provide educational tools and follow-up based on protocols that have been developed. Depending on the protocol, referrals are made to other members of the wellness team in order to provide a multifaceted approach to education. We find that patients respond well to having the support of a wellness team of varied health professionals they can count on for support and encouragement.

3. Do you stratify members by severity of risk for complications? Please elaborate.

Yes. Once an HRA has been completed, the CareHere clinic staff will evaluate the results and stratify each patient into one of the following risk levels. We will then notify the patient of his results with a follow-up letter and schedule a follow up appointment to develop a patient care plan.

No- or Low-Risk Patients:

The follow-up letter/email congratulates the patients on adopting healthy lifestyle habits and includes an invitation to contact the CareHere coach or physician, should they have health related questions. Patients are notified of local health events of potential interest to them, such as flu vaccine clinics, health seminars, weight loss programs, and no- or low-cost specials on health screenings and events.

Moderate- and High-Risk Patients:

The follow-up letter/email provides personalized feedback on the HRA with internet links to appropriate websites relating to their medical issues. If no email address is provided, we will mail a hard copy letter with customized educational information addressing the abnormal lab result.

Once we have established the risk level, and the patient understands the results, the provider will refer them to the appropriate wellness program and/or health coach. The patient can track his progress during a wellness program through CareHere's Wellness Website. Wellness and Health coaches also will have access to the patient's progress and will reach out to the patient to encourage compliance with the program.

4. What HRA do you use and how long have you used it? List all risk factors you identify in your profile. Is your HRA GINA compliant? Is your HRA available both online and in paper form? Please provide a sample HRA.

Yes, CareHere offers a Health Risk Assessment and biometric screening. The proprietary CareHere HRA was designed in-house by CareHere President Ernie Clevenger and has been used since the inception of CareHere in 2004. The HRA is used to discover a patient's baseline of health, and wellness programs are recommended as risk areas are identified. The HRA consists of a questionnaire and a 28-panel biometric fasting blood draw (venipuncture) and is available online as well as in paper-format. Below are the panels analyzed through the 28 panel biometric screening:

- | | |
|------------------------|-------------------------------|
| • Chemistries | • Alkaline Phosphatase |
| • Glucose | • LDH |
| • Uric acid | • AST (SGOT) |
| • BUN | • ALT (SGPT) |
| • Creatinine | • GGT |
| • BUN/Creatinine ratio | • Iron |
| • Sodium | • Lipids |
| • Potassium | • Cholesterol |
| • Calcium | • Triglycerides |
| • Phosphorus | • HDL cholesterol |
| • Protein | • VLDL cholesterol |
| • Albumin | • LDL cholesterol |
| • Globulin | • Cholesterol/HDL ratio |
| • A/G ratio | • Total cholesterol/HDL ratio |
| • Bilirubin | • CHD risk |

The cost of providing HRA/biometric screenings are included in CareHere's PEPM management fee. The number of annual HRAs included in this management fee is equal to the amount of employees on the health plan.

CareHere confirms that we are fully compliant with the Genetic Information Nondiscrimination Act (GINA) and will continue to be compliant throughout the term of any medical services agreement issued during this RFP process.

Please see Exhibit A: Patient HRA Sample Report

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

5. How often do you recommend that members complete an HRA? What is the minimum allowed time between HRA's?

CareHere recommends that patients complete an HRA on a yearly basis. This is the suggested timeframe; However, there is no minimum allowed time between HRA's forbidding patients from completing an HRA before a full calendar year. CareHere recommends patients complete an HRA and biometric screening during their first initial visit in a CareHere medical clinic. This gives the provider a baseline for the patient's health and an overall understanding of the patient's health. Alternately, patients can complete their HRA/Biometric screening during their birth month after year 1 in order to avoid overbooking the onsite clinic with these screenings.

6. Please describe the turnaround time for each of the following areas:

i. Providing HRA results to individuals;

Results are available to the patient online within 48 hours of completing the biometric screening.

ii. Contacting individuals for possible interventions; and

CareHere trains providers and clinical staff to address emergency test results immediately by contacting the patient and instructing them on the proper steps to minimize the high risk concern.

For less pressing issues a follow-up letter/email provides personalized feedback on the HRA with internet links to appropriate websites relating to their medical issues. If no email address is provided, we will mail a hard copy letter with customized educational information addressing the abnormal lab result. CareHere staff will reach out to patients via phone and email to engage them in clinic services and encourage them to get the care they need.

During a follow-up visit, the provider will review specific high risk areas with the patient and develop a personalized care plan to address areas of concern.

iii. Providing the City with an aggregate summary report of HRA findings.

Each year of health center operations, CareHere will provide an in-person review of health center results and impact. A year-over-year aggregate HRA report will be included in this report to highlight movement in the employee population's health risk areas. The biometric summary includes an aggregate analysis of risk factors measured through the annual HRA with illustrative charts to showcase the population maintaining, decreasing, or increasing risk factors. In addition, we provide reports on demand when requested by the City.

Please see Exhibit E: Sample Aggregate HRA Results

7. Please describe how your company will provide a system to assist HRA participants in the completion of their HRA and in the interpretation of their personal profile.

CareHere works closely with the City to encourage easy access for patients to complete their HRAs. The City allows patients to complete their HRA as early as 11 months prior to the previous year's HRA. The DCS works closely with the City to ensure there are ample blood draw times on the 10-minute lab draw schedule. During the final months of the program, the DCS briefs the City about appointment availability and the need to add appointments. When needed, approval for both the blood draw and follow up appointments are confirmed, associated costs to the City discussed, and appointment availability is communicated to patients. This partnership allows for all those who desire to complete their HRA and follow up to do so in a simple and efficient manner.

8. Describe the process for engaging an individual with a targeted health condition.

Patients book 40 minutes with the Health Clinic Provider to review lab results. At that time, the Provider and patient discuss wellness options, according to these results. The Provider refers patients to the health coach, who assists the patient on their road to wellness. Patients with results showing they are not at risk are also encouraged to participate in self-directed online wellness programs.

9. Do you recommend using incentives? The City currently provides a premium differential of \$40 per month (\$480 annually) if the employee qualifies for the City's Healthy Incentives Program (HIP). If other incentives are to be offered, please describe which incentive you would recommend.

CareHere does recommend using incentives and will continue to work with the City of Denton to manage and improve their voluntary "Health Incentives Program" (HIP).

Developing an incentive program tied to CareHere's clinic and wellness offerings is a great way to increase employee engagement, create a culture of wellness, and produce superior patient outcomes. We have extensive experience in tracking and reporting incentive programs for our clients, and can develop marketing campaigns to encourage participation.

We have discovered the best results when clients provide incentives to those who complete the following steps:

1. CareHere Health Risk Assessment
2. Follow-up to review results and, if applicable, determine areas of risk
3. Patient must complete a plan of care related to area of risk and follow-up in three to four months to review program completion with a provider.

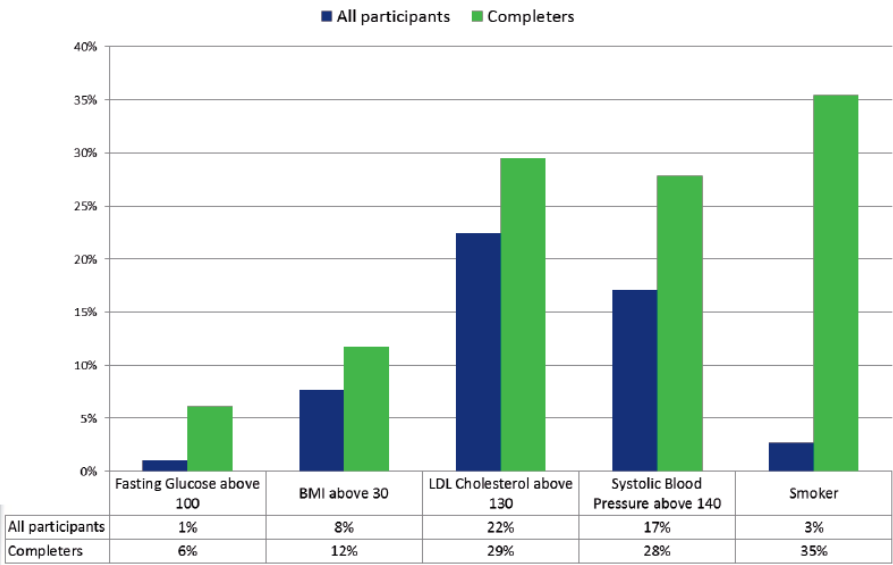
- If a patient is free of any risk factors, they have the option to work with a health coach or complete one of our online health maintenance programs.

By completing these steps, the patient is encouraged to learn about their lab values and take steps in areas where they are outside of the normal range. By completing an educational program, they begin to make changes that will improve their lab values.

CareHere!

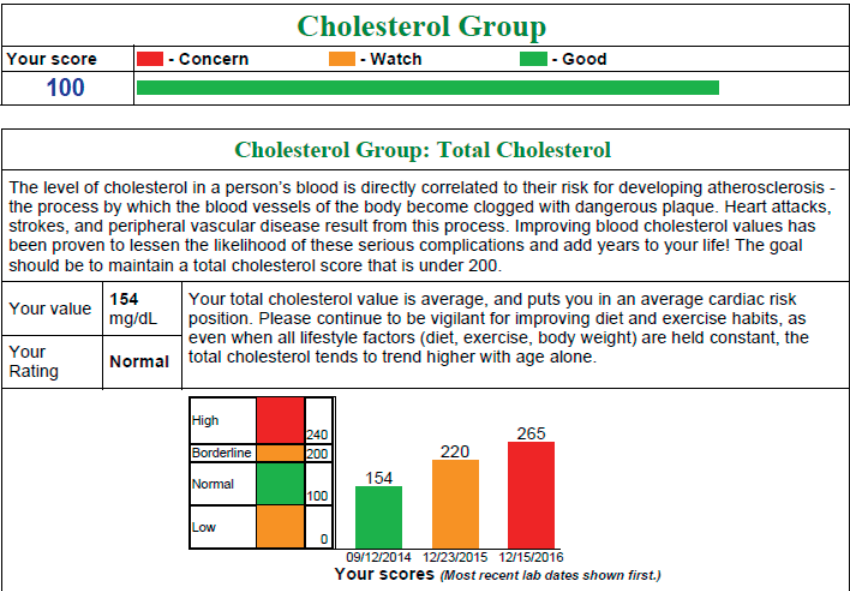
THE CITY OF DENTON, TX
RFP #6198 Employee Health Clinic Operations and Management Services

See below for graph of CareHere participants who participated in a wellness program vs. those who completed a program. Both groups experienced improvement in lab values. But, those who completed a program saw greater improvement.



10. Please describe how your company's HRA monitors and reports individual changes from year-to-year.

Once a patient completes their HRA (paper or online format) and biometric screening, the results will be uploaded into the patient portal within 48 hours for patients to view. Additionally, during a follow-up appointment in the health clinic, the provider will communicate the HRA results to the patient. The results include year-to-year comparisons for up to three years. A sample HRA report can be seen below comparing the three most current three years of biometric data pertaining to cholesterol.



11. Describe in detail how clinical data gathered at the clinic will be shared with the City's current Case Management/Disease Management provider (UHC). Is there any additional fee to share this data?

Currently, CareHere transfers this data to United Healthcare and will continue to do so at no additional cost. This data transfer ensures that United Healthcare has a true picture of the medical services we deliver at the Health Center so there is no perceived "gap in care." Claim costs are zeroed out by United Health Care.

12. Describe in detail how you envision your company working with the City's current Case Management/Disease Management provider (UHC) in regard to Case Management and the management.

In an effort to reduce the gaps in care that commonly occur when caring for a patient, CareHere's EMR is able to be shared with health coaches, specialists and outside providers. Our Electronic Medical Record (EMR) application has the functionality to create a Continuity Care Document (CCD) to facilitate communication between and among care givers. Additionally, it becomes a focal point for the capture, storage and any required dissemination of information that is shared among practitioners.

CareHere understands the importance of communication with the patient's outside physicians, facilities and coordinating all testing management. With the proper medical release, any lab work or procedures provided to the patient at the health center can be sent electronically or via fax to maintain coordination of care. Typically this process is manual but can be automated if the receiving party has the ability to access automated claims related data.

13. Describe any predictive modeling, or other tools, you use to find gaps in patient compliance.

CareHere partners with Springbuk, a data warehouse and reporting tool that integrates clinic data, TPA claims data, PBM data and other wellness or health related data on a frequency determined by the client and its vendor partners. CareHere providers can view an entire patient record to best advise on appropriate care. Gaps in care can be identified along with patients who might need the most attention. This technology and reporting will be a huge benefit to the clinical staff, the patient and to the client.

Please see Exhibit F: Sample SpringBuk Health Status and Gaps in Care Report

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

INTERVENTION

1. Are telephone conversations monitored for quality assurance?

Intervention conversations are monitored on live calls for quality assurance. Any patient that voices concerns with any coaching process will be referred to the wellness team supervisor for resolution of issues. In addition, the CareHere health coaches are provided with evidenced based protocols and procedures to follow based on an individual's areas of risk. They also have standardized tests/questionnaires to help them monitor patient progress.

2. Describe the follow-up process for targeted members you are unable to reach.

CareHere will make every effort possible to reach individuals that have been targeted for wellness programs. If one type of communication is ineffective, CareHere's medical staff and wellness coaches will try other avenues of communication to reach out to patients. Health coaches are accessible through CareHere Wellness Website, email, and telephonically.

3. Describe and provide examples of any support materials used in the intervention.

To best connect with employees enrolled in wellness initiatives, the health coach will determine the communication and support methods preferred by the patient. These may include, but are not limited to:

- Our online and smartphone wellness application, including social network community for peer support
- Face to Face
- Telephonic
- E-Mails
- Webinars
- Mailers.

4. How will your company link to onsite and/or community resources (Employee Assistance Program, Wellness Programs, Diabetes America, etc.)?

In the event that a patient needs to be seen for a service that is out of the clinic's scope, the patient is referred to a provider outside of the onsite health clinic or to a specialist in the local community. Efforts are made to keep referrals within the patient's network of providers to optimize savings to the patient and the health plan.

CareHere encourages regular meetings with the City of Denton, your vendors and community partners to exchange information on resources and best equip the clinic staff with information to refer patients into available programs.

CareHere can link with and refer to an existing community program. If a group already has an employee assistance program (EAP) in place, our providers are available to help the employees understand the benefits of an EAP program and assist with getting them in touch with the appropriate individual.

The provider/wellness team will support all mental/behavioral health needs (depression counseling, stress management, substance abuse assistance, etc.) that may arise with a patient. In addition to the CareHere wellness coach assisting with these conditions, the coach will work with the current EAP vendor that the City of Denton has in place to best coordinate the care for the patient.

5. Describe and provide examples of any management reports on intervention activity.

CareHere can provide the following reports for the wellness programs:

- Wellness Reports
- Health Progress TEST (Trends between Periods)
- Wellness Report
- Contact by Coach
- Patient Goal Breakdown
- Patient Notable Changes
- Action Steps Detail
- Weight Management Report
- All Coach - Action Steps
- All Coach - Enrolled Protocols
- All Coach - Notable Changes Wellness Referrals by Group
- Health Progress PLUS (Trends between Periods)
- Patient Contact Type Breakdown by Coach Patient Contact Type Breakdown
- Patient Smoking Cessation
- Patient Action Steps
- Goals by Patient
- Enrolled Protocols
- All Coach - Contact Type Breakdown All Coach - Goals Breakdown
- All Coach - Number of Contacts Wellness Referrals by Provider

Please see pages 17 - 20 in Exhibit G: Sample Reports.

CareHere!



THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

WELLNESS/DISEASE MANAGEMENT/HEALTH COACHING

Provide and wellness and disease management program that your company will make available to the City's members. Describe in detail the ongoing process of how the program will assist members maintain better health and address the long-term costs of your company's reliance on these processes and include copies of educational materials.

CareHere has corporate medical support and expertise in the area of health coaching on the executive leadership team, as Denny Porr, CareHere's VP of Health in Wellness has been involved in corporate and community wellness since 1976. Denny has significant experience designing wellness and preventive care programs for specific target populations. Some of the most popular wellness/preventive care programs are Weight Management-The CareHere Weigh, Obesity Prevention and Maintenance, and the Health Eating Protocol. CareHere has over 185 chronic condition and disease managements programs that cover many arenas of health. We will continue to provide these services at no additional cost to the City of Denton as a part of the PEPM management fee.

1. Describe the extent of how your clinic model proactively and/or automatically involves itself with wellness and disease management and/or similar programs that may be offered through the City's health third-party administrator.

CareHere's philosophy regarding our role in a client's employee health and wellness culture is to partner and support our clients by providing them all necessary components of creating an environment for employees to become healthier. Through the CareHere business model, we encourage employers to offer no-cost healthcare services to their employees to maximize use of the onsite clinic. Convenient, no-cost healthcare attracts employees and dependents to the clinic, including those who otherwise may not see a healthcare provider. Encouraging employees to participate actively in their healthcare is the first step to creating healthier individuals.

Wellness represents a significant component of CareHere's health and wellness center philosophy. CareHere prides itself in its ability to develop healthier employees and reduce chronic disease risk levels among a client's population. The movement of chronic patients to the lower risk categories offers the most significant impact on lowering annual healthcare cost trend. Completion of the initial HRA allows early detection of chronic conditions, allowing patients to effectively manage and reduce the health risks associated with their disease state.

According to the Agency for Healthcare Research and Quality, 20 percent of the population accounts for 80 percent of the overall healthcare spent in the United States. CareHere's holistic approach to healthcare specifically targets this population to improve the overall health of a client's employee base and produce long-term savings. CareHere's HRA identifies individuals on the verge of becoming part of the costly 20 percent. Once identified, CareHere will utilize our provider-driven wellness programs and partner with the City's third party administrator programs to help prevent the patient from developing these chronic conditions. The cost avoidance associated with creating a healthier workforce offers the most substantial long-term savings for the City. The HRA process is such a cornerstone of our wellness strategy, we encourage our employer partners to incentivize participation among their employees.



2. What proactive measures are taken and what kinds of results are expected and produced?

The CareHere chronic condition/disease management and wellness strategy begins with the HRA (Health Risk Assessment) which consists of a behavioral questionnaire and 28-panel biometric screen. The HRA identifies high-, low-, and no-risk employees and dependents. This is vital to discovering a patient's baseline of health and offers insight into important health concerns. We encourage our employer partners to incentivize participation in the HRA process, as it is a cornerstone of CareHere's chronic condition management and wellness strategy for patients.

The next step of our wellness strategy takes place during a follow-up appointment in the health center, as the provider communicates the HRA results to the patient. The provider will direct the patient to the appropriate wellness or disease management program associated with his or her risk areas. With chronic condition management starting at the provider level, the outcomes for behavioral change and compliance with treatment are much more successful. Also, because each appointment lasts a minimum of 20 minutes, providers have an opportunity to uncover unidentified health issues beyond the reason for the patient visit. Once the provider has established the risk level, and the patient understands the results, the provider will refer them to the appropriate wellness program and/or health coach who follows a customized plan for each patient. The patient can track their progress during a wellness program through CareHere Wellness Website. Health coaches also will have access to the patient's progress and will reach out to the patient to encourage compliance with the program. Furthermore, the nurse in the health center will reach out to the patient to close gaps in care to ensure they are staying compliant with their disease state. This may include encouraging that lab work is performed, medication refills are obtained and recommended visits to specialists or facilities are completed.

CareHere health coaches will work with patients who have chronic conditions to manage and reduce risks associated with the disease effectively. Points of contact depend on the disease state, disease program, provider plan of care and the patient's preferred communication methods. CareHere's multi-faceted team approach to patient care leads to higher utilization, compliance and greater outcomes.

CareHere's preventative health and wellness initiatives are driven by our certified health and wellness coaches. They will assist patients in creating a personally customized wellness program based on the 185 wellness/disease management programs in place for 2016. The specific disciplines of our health coaches include nutrition, exercise, behavioral health, and tobacco cessation. Health coaches will assist the patient to define short/long term goals and develop a personalized action plan to address areas of concern. The coaches will also provide accountability and support as the patient works toward accomplishing their goals.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

3. What are your predictive modeling capabilities, and how are they applied?

CareHere offers in depth reporting, data analytics, and predictive modeling to all partners. Controlling health costs, measuring performance, and assessing risk all start with data analytics. In addition to reporting all financial, clinical, and operational measures, CareHere's data integration and analytic solutions provide the employer with the advanced analytical tools to:

- Identify potential high risk and high cost individuals early
- Identify members who would most benefit from case management
- Identify "gaps in care" for individuals with key risk factors
- Forecast future plan and individual utilization and costs

CareHere partners with Springbuk, a data warehouse and reporting tool that integrates clinic data, TPA claims data, PBM data and other wellness or health related data on a frequency determined by the client and its vendor partners. CareHere providers can view an entire patient record to best advise on appropriate care. Gaps in care can be identified along with patients who might need the most attention. This technology and reporting will be a huge benefit to the clinical staff, the patient and to the client.

2. Please list the disease/condition/procedures that are targeted for your comprehensive disease management program.

CareHere has 185 chronic condition and disease management program designed to help patients suffering from the following conditions (but not limited to):

Chronic Disease Management

- o Diabetes
- o Asthma
- o Hypertension
- o Heart Failure
- o Obesity

Health Maintenance

- o Weight
- o Cholesterol
- o Stress
- o Tobacco Cessation
- o Pre-Diabetes
- o Per-Hypertension

For a complete listing of the CareHere chronic condition and disease management programs please see Exhibit D: CareHere Wellness Outlook and Programs.

5. Which of these diseases/conditions/procedures are the prime targets of your company's programs?

CareHere will provide preventative health and wellness initiatives driven by our certified health and wellness coaches. They will assist patients in creating a personally customized wellness program based on the 185 wellness/disease management programs in place for 2016. The specific disciplines of our health coaches include nutrition, exercise, behavioral health, and tobacco cessation. In addition, to satisfy the City's scope of work, CareHere will include a part-time Registered Dietician to work with patients on site and telephonically at no additional cost. Health Dietitian will assist the patient to define short/long term goals and develop a personalized action plan to address areas of concern. The health dietitian will also provide accountability and support as the patient works toward accomplishing their goals.

6. How does your company measure the results, and how are the results communicated to the City, from any wellness and disease management activities that you conduct that are automatic, and not at an extra charge?

CareHere defines our model as effective when chronic patients are moved from the high risk to moderate to low risk categories, and by saving our client partner's health claims dollars by moving visits from the marketplace to the healthcare clinic, by avoiding high cost or preventable visits and identifying and managing chronic patients. The movement of chronic patients can be measured through a variety of reporting capabilities such as:

- The participation in CareHere wellness tracking program
- The number of wellness programs completed
- Aggregate reports that show the decrease in specific chronic categories.
- Number of action steps completed
- Changes in A1C levels
- Changes in Cholesterol Levels

The claims cost savings is tracked by showing the healthcare claims trends comparison with CareHere compared to the claims trend prior to CareHere. CareHere also uses data analytics and predictive modeling to show the savings resulting from moving patients out of the high risk category. CareHere's data integration and analytic solutions will also provide advanced analytical tools to present a comprehensive view of program outcomes, use, participant satisfaction, cost of care, productivity and absenteeism, and much more.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

7. Describe how your disease management services are provided (onsite in the clinic, online, telephonic, etc.)? Who will provide the disease management/health coaching services?

The majority of CareHere health coaching is performed through telephonic and web-based resources. The onsite medical assistants can also provide answers to health questions and facilitates the coordination of care for each patient. Additionally, CareHere has proposed to include a part-time Registered Dietician in the monthly PEPM administrative fee. The RD is proposed to be staffed onsite for 16 hours a week.

If the demand for onsite coaching is high enough within the City's clinic, CareHere can implement an onsite health coach. Staffing costs associated with the health coach would be passed through to the City.

8. Describe the various types of health coaching programs you offer (smoking cessation, stress management, weight loss, diabetic support, etc.).

CareHere has 185 wellness/disease management programs in place for 2017. These include, but are not limited to:

- Weight Management
- Diabetes Management
- Lipid Management
- Smoking Cessation
- Plan of Care Compliance
- Hypertension Management
- Exercise Adherence
- Stress Management
- Mental Health Management
- Pre-Diabetes Management
- Cardiovascular Risk Reduction
- Addiction Intervention
- Medication Adherence.

CareHere will provide certified health and wellness coaches to assist patients interested in making behavior/lifestyle changes. The specific disciplines of our health coaches include nutrition, exercise, behavioral health, and tobacco cessation. Health coaches will assist the patient to define short/long term goals and develop a personalized action plan to address areas of concern. The coaches will also provide accountability and support as the patient works toward accomplishing their goals.

9. Please refer to Supplement G – City of Denton Healthy Incentives Program Summary – as part of our wellness program, the City’s current vendor tracks wellness points (“healthies”) via an online system. This system assigns tasks (watch a video, try an exercise, take a quiz, report nutrition intake, report minutes of exercise, etc.) based on the health needs of the employee, as assigned by the clinic provider. Do you have a system that can match this process? Please describe in detail. If not, please describe in detail how your company will go about matching, or exceeding, this process.

CareHere currently partners with the City of Denton to manage the Health Incentives Program and is working to not only match this process, but improve and exceed the current system.

In 2017, we will launch CareHere's new Wellness Website which will provide patients with fresh educational program options and introduce an innovative Health Risk Questionnaire that stratifies risk by matching answers with blood work/biometric results.



THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

MEASUREMENT TOOLS AND RESULTS

Address how your company proposes to review clinic operations and effectiveness. This should include standards and measurement criteria for clinic healthcare activities, costs, outcomes, HRA, disease management, member services, member intervention and educational member.

CareHere works vigorously to collect important data to measure and benchmark the effectiveness of our clinics. Our data analysis team utilizes the collected data to run reports for a comprehensive view of trends, benchmarking to national standards and a drill-down to diagnosis which aids in controlling health costs, measuring performance and assessing risks while identifying and closing gaps-in-care. In order to get the most accurate data, CareHere has the ability to integrate clinic data, TPA claims data, PBM data, wellness data and any other pertinent vendor data into the data warehouse for analysis and review.

1. How will your company measure the outcomes and success of the overall program?

CareHere providers and staff build a trusted relationship that allows coordination of the "best practice" to guide patients to wellness initiatives. With the trusted provider relationship as the driver, CareHere helps patients make healthy behavioral changes to move to a place of better health through wellness protocols delivered through a collaboration of Health Coaches and providers.

It is CareHere's mission to partner with employers and providers to empower individuals and their families to achieve well-being and health through quality, cost-effective healthcare, education and coaching delivered with enthusiasm and compassion. CareHere recognizes our program as effective if chronic patients are moved from the high risk to moderate to low risk categories, and by saving the client a substantial amount on claims cost. The movement of chronic patients can be measured through a variety of reporting capabilities such as:

- The participation of our wellness tracking program
- The number of wellness programs completed
- Aggregate reports that show the decrease in specific chronic categories.
- Number of action steps completed
- Changes in A1C levels
- Changes in Cholesterol Levels

The claims cost savings is tracked by showing the healthcare claims trends comparison with CareHere compared to the claims trend prior to CareHere. CareHere also uses data analytics and predictive modeling to show the savings resulting from moving patients out of the high risk category.



2. Describe your company's standard management report. Describe your custom reporting capabilities and any associated costs. Please provide samples of recommended report that will be provided to the City.

CareHere delivers certain reports monthly, quarterly and annually. Reports are also available online 24/7 in real time. A full financial report will be included in the annual report provided by CareHere. Each year, CareHere will deliver the most recent 12 month analysis of the following reports:

Standard Reports

- Office Visit Cost Off-Sets
- Claims Trend and Savings Analysis
- Health Risk Assessment Condition Savings
- HRA Participation
- HRAs by Age & Gender
- Aggregate HRA Results
- Appointment Utilization/Frequency
- Top 20 Diagnosis and Medications
- Wellness Contacts/Progress
- Patient Satisfaction Surveys

Custom Reports

- Bimonthly HRA Compliance Reporting (presented at no extra cost)

In addition, CareHere can provide ad hoc reports based on data captured within the EMR. Additional charges may apply depending on the scope and frequency of the ad hoc reports.

Please see Exhibit G: Sample Reports

3. Provide examples of the following, if applicable:

- i. Clinic healthcare activity report;
 - ii. HRA and member profile reports;
 - iii. Member participation report;
 - iv. Member HRA and/or laboratory reports;
 - v. Member intervention report;
 - vi. Financial summary/savings report;
 - vii. No show reports;
 - viii. Management reports online; and
- Other additional reports.

Please see Exhibit H: Sample Client Annual Report

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

4. Describe how your company will specifically evaluate the effectiveness of primary care case management.

The healthcare cost trend is how CareHere measures the bottom line effectiveness of the services offered through the health clinic including the primary care case management. Year over year, our goal is to decrease the city of Denton's healthcare costs.

Please see pages 4-7 of Exhibit H - Sample Client Annual Report

5. Provide all clinical indicators that your company will use to track the success of the program. How does your company track success from year to year? Please include all of the following, if applicable:

- i. Program outcomes;
- ii. Utilization Measures (list measures);
- iii. Changes in the Cost of Care; and
- iv. Productivity/Absenteeism (list indicators).

In order to measure the success metrics of the healthcare clinic, CareHere will first analyze the historical claims data incurred by the City of Denton medical plan. With this data, CareHere creates a feasibility study which projects the cost and savings of the off-site/near-site healthcare clinic. The feasibility study creates a baseline which CareHere will use again at the time of the annual review to measure the success of the program.

At the time of annual review CareHere measures the success of the overall healthcare clinic by analyzing the following health clinic measures:

- 1. Primary Care/Disease Management Program Outcomes
- 2. Clinic Utilization
- 3. Changes in Cost of Care
- 4. Productivity/Absenteeism
- 5. Participant Satisfaction

Primary Care/Disease Management Program Outcomes

All costs through the CareHere health clinic - staffing, equipment, labs and supplies - are at pass through cost with no mark-up. This allows groups to move away from the fee-for-service based model which exists in the market, and towards a flat cost. To track the primary care savings generated, CareHere compares the cost of each visit that shifts from the marketplace to the healthcare clinic. On average, there will be a 30-40 percent reduction for every visit that shifts from the marketplace to the clinic.

Further, savings are tracked as a result of the identification of high risk and chronic patients through clinic visits and the 28 lab panel biometric blood draw.

Aggregate employee population reports will be available to the City detailing the number of chronic diseases identified and the savings associated with managing those conditions through the healthcare clinic.

CareHere also measures the savings generated as a result of the cost reduction of the medication dispensed through the healthcare clinic. On average, there is a 30 percent reduction for every generic medication that shifts from the marketplace to the clinic.

Clinic Utilization

Great utilization creates a financially successful health clinic. The County Coalition will have the ability to pull daily utilization reports through CareHere's online reporting portal. These reports consist of the following data:

- Total appointments set
- Total appointments completed
- Time slots used
- Providers selected
- Repeat appointment by the same employee
- Patient No-Shows
- Appointment Frequency
- Type of Appointment.

Changes in Cost of Care

With the historical claims data provided by the City, CareHere will determine the medical and pharmaceutical expenditures from the dates prior to the health clinic implementation. With this information, CareHere will run a savings analysis to demonstrate the cost savings afforded to the City since the healthcare clinic's implementation.

Productivity/Absenteeism

Absenteeism/productivity savings will be realized by each visit that occurs off-site/near-site. CareHere measures this by considering that when an individual goes to the marketplace for an office visit, this will take approximately 180 minutes (3 hours) versus 30 minutes when visiting the onsite/near-site health clinic. Reviewing the time savings of 150 minutes by the average hourly rate (or comparable if salaried) will show the savings for that visit.

**THE CITY OF DENTON, TX**

RFP #6198 Employee Health Clinic Operations and Management Services

6. Describe how employee satisfaction with the provided services will be measured. How often will employee satisfaction be measured? Describe the process, including management reports, for how employee satisfaction results will be communicated to the City?

CareHere ensures customer satisfaction through patient satisfaction surveys, as well as clear lines of communication between the DCS and the client.

Patient satisfaction surveys

Patients have the ability to fill out satisfaction surveys when they log into our online wellness portal. In addition, electronic tablets can be set up within the clinic to administer surveys directly following the patient's visit. Questions are designed to discover the patients' primary reasons for the visit, nurse/provider seen, appointment scheduling process, wait times, quality of service, likeliness to continue health center utilization and recommend the service to others, and any additional comments, concerns, or compliments about their visit/provider. The results of these surveys will be included in the client's annual report, or can be provided upon request. Patient satisfaction surveys can also be sent to patients during the year or provided in the clinic.

DCS Communication

Customer satisfaction, for both employers and employees, is crucial to our business model. To measure our clients' satisfaction with the health center, CareHere's assigned DCS is in constant communication with employer representatives to gauge health center utilization, employee participation, and overall employee reception of the health center.

7. What is the Return on Investment (ROI) of your clients similar in size to the City of Denton? How is this measured?

Please see page 66 for the most recent ROI analysis performed for the City of Denton.

Return on Investment (ROI) for clinic performance and clinical metrics would be reported to the City of Denton on an annual basis; however it is constantly measured against industry standards.

The City of Denton can view clinical and financial outcomes from three perspectives:

Perspective 1 - Health Center Visit Off-Set:

Overall savings on a per visit bases as compared to the market averages. On average, the client will experience a 30-40% reduction for every visit that is brought from the market place to the CareHere Health Clinic. The total savings is calculated based on the total visit that we anticipate bringing into the CareHere Health Clinic.

Perspective 2 - High Risk/Chronic Patient Savings:

The second category of savings does not start until the second year of the health center operation. CareHere prides our self in the ability to move chronic patients from high risk to moderate risk to low risk categories. The movement of chronic patients to the lower risk categories has the most significant impact on lowering the annual health care trend. CareHere successfully moves chronic patients to the lower risk categories with the patient-centered medical home approach. CareHere offers a holistic approach to providing onsite healthcare to the employees. The patient is the center of all services provided by CareHere, and each service that revolves around the patient is in complete coordination with all other services provided.

Perspective 3 - Occupational Health Savings:

CareHere calculates the occupational health ROI by analyzing the unit occupational health cost per service prior to CareHere implementing the health clinic, and then compares that cost to the actual CareHere Health Clinic unit cost for the same service. The service variance between the unit cost prior to CareHere and the unit cost with CareHere is then multiplied by the quantity of services filled onsite during a given time period. This balance is the net savings for that occupational health service.

Please see Exhibit G: Sample Reports

8. How does your company define participation?

An optimal participation rate is an appointment use percentage that allows patients to access the health center easily with little to no wait time, while anticipating a small amount of walk-ins to occur.

CareHere encourages all appointments, even those last minute acute related ones, be scheduled online or through our 24/7 help line to maintain the benefit of little to no wait time for all members. However, we realize walk-ins can occur and work to accommodate those by managing the health center to anticipate a scheduled appointment use rate of 85 to 90 percent. The remaining 10 to 15 percent of appointment space is left available for the anticipation of these last minute appointments.

Key factors in achieving optimal participation include:

1. Ensuring employees' understanding of the services available, their awareness of health center hours of operation, and their trust that all medical information will remain private from their employer
2. Participation in HRA events and wellness protocols
3. Clear lines of communication between CareHere and the employer, as well as the employees to continue to improve the health center's offerings
4. Continuous review of clinic utilization and filled appointments by the DCS to allow the health center to be open for the appropriate hours per week.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

9. How does your company define engagement?

Developing an incentive program tied to CareHere's clinic and wellness offerings is a great way to increase employee engagement and create a culture of wellness. We have extensive experience in tracking and reporting incentive programs for our clients.

We have discovered the best results when clients provide incentives to those who complete the following steps:

- CareHere Health Risk Assessment
- Follow-up to review results and, if applicable, determine areas of risk
- Patient must complete a plan of care related to area of risk and follow-up in three to four months to review program completion with a provider.
 - o If a patient is free of any risk factors, they have the option to work with a health coach or complete one of our online health maintenance programs.

By completing these steps, the patient is encouraged to learn about their lab values and take steps in areas where they are outside of the normal range. By completing an educational program, they begin to make changes that will improve their lab values.

HIPAA COMPLIANCE

1. Is your company HIPAA compliant, including applicable provisions of the Health Information Technology for Economic and Clinical Health Act (HITECH Act)?

Yes, CareHere is HIPAA compliant, including applicable provisions of the Health Information Technology for Economic and Clinical Health Act (HITECH Act). In accordance with HIPAA, CareHere has adopted a policy with regard to general principles of confidentiality related to protected health information. Our policy applies to employees, providers, suppliers, contractors, vendors, housekeeping, and business associates having access to protected health information. Additionally, all employees, including part-time and per-diem, will sign a confidentiality agreement (per new hire paperwork process.) Moreover, we have adopted a policy with regard to the rights of patients to request confidential communications. Such requests must be in writing, using the Notice of Privacy Practice Acknowledgement Form. Patients are informed of our Privacy Acts when they register in our EMR again upon access to the CareHere health and wellness center.

2. Describe your system and safeguards for the assurance of personal health data security (including paper, processes, computer systems, computer network, and copiers).

Through the CareHere patient portal, each patient (employee or dependent) will be assigned an access code. With that access code, the patient will register through the patient portal and will create a unique username and password, giving them access to their Personal Health Information (PHI). The patient portal will house all medical data including lab and test results. The CareHere EMR is linked to the patient portal, which allows the individual providing care (provider, nurse, health coach, etc.) with the means to manage the patient's data.

All data is stored on guarded servers at an off-site location, which maintains confidentiality and protects privacy through a secured connection to the internet. Once the web browser has been closed, no PHI is available. CareHere is HIPAA Compliant.

3. Has your company's network security system ever been breached? If so, for each instance please explain in detail what happened, how you mitigated any damage, and what changes you made to prevent future breaches.

No. CareHere's network security system has never been breached.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

COMPANY OVERVIEW

Respondent is requested to define the overall structure of the company to include the following:

1. Qualifications and experience of the contractor, including:\

i. Primary line of business;

CareHere's model focuses on providing onsite/near-site clinics for employers. Our company is completely dedicated to this industry, and we've provided onsite/near-site clinics for over 12 years

ii. Organizational size;

CareHere has over 1,000 employees nationwide that service over 300,000 patients in 208 onsite healthcare clinics throughout the country.

iii. Structure and history of the organization;

Ernie Clevenger and Ben Baker established CareHere, LLC in 2004 in Brentwood, Tennessee. The two shared the belief that companies, both public and private, could rethink the approach to providing and paying for their employees' healthcare. Through CareHere, they created the opportunity for companies to provide employees with convenient access to doctors and wellness initiatives in a personal setting. This has been shown to improve overall health and morale, thereby decreasing the companies' annual healthcare claims cost. With a healthier and more productive staff, businesses experience greater efficiency and decreased expenses.

CareHere is an industry leader in providing exceptional onsite health centers and behavioral management programs to businesses and municipalities for over 12 years. Our patient centered approach to healthcare integrates a wide range of resources, such as onsite primary care to include acute and chronic care management, health risk assessments and biometrics screenings, prevention services, wellness and behavioral modification programs, occupational healthcare, wellness improvement tracking applications, and much more.

Throughout our company's continued success and stable growth, CareHere's mission remains the same: We partner with employers to inspire their employees and families to achieve well-being and health through innovative, quality, cost-effective healthcare solutions delivered with enthusiasm and compassion.

iv. Is your company owned by, partly owned by, held by private equity interests or hospital/physician group? If so, please describe in detail;

Privately owned. CareHere is owned by President Ernie Clevenger and Chief Operational Officer Ben Baker.

v. Experience in the provision of the services requested in this RFP;

With over 1,010 employees nationwide, we now service over 300,000+ lives throughout our 208+ onsite medical clinics in 26 different states. Over one million patient visits occurred throughout our clinics in 2015, as well as over 12 million lab measurements. We have gained substantial experience in implementing and managing onsite clinics for our client partners over the past 12 years, and are excited at the opportunity to continue our existing partnership with the City of Denton.

vi. Percentage of the company's total business in the area of clinic operation and management;

100%. CareHere is solely dedicated to managing and operating onsite/near-site clinics

vii. The location of the office that will service the City's account; and

The DCS is located in Austin, Texas and is onsite at the Health Center usually monthly or more frequently. Additionally, the DCS can travel on demand as schedules permit for meetings with Providers, UHC and the City.

viii. Name and experience of the person that will be assigned to the City's account;

The Director of Client Services (DCS) for the City of Denton will be Betsy D'Acierno, Executive Director of Client Services for the State of Texas.

Betsy has worked for CareHere since February 2007 and oversees clinic operations for all clients in Texas, with direct day to day responsibilities for City of Denton, Rockwall ISD, Taylor County, Montgomery County, Midland County and Ector County. Betsy brings more than 25 years combined health care and medical management experience to serve Texas clients.

ix. Location of any health coaches or wellness resources available to clinic staff.

CareHere is including a shared part-time Registered Dietician at no additional cost to the City that will be located onsite. CareHere can also provide face-to-face onsite health coaching within the clinic. The majority of CareHere health coaching is performed through telephonic and web-based resources. The onsite nurse also provides answers to health questions and facilitates the coordination of care for each patient.

If the demand for onsite coaching is high enough within the City's clinic, CareHere can implement an onsite health coach. Staffing costs associated with the health coach would be passed through to the City. Additionally, patients will have access to an online health portal containing the following web-based and online self-help educational services, all accessible on a smartphone, which include, but are not limited to:

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

- CareHere Wellness Website: This online tool (available on the computer and smartphone) offers health tips, incentives for participation in wellness programs, access to health coaches, and allows patients to communicate with other participants in a social network atmosphere.
- Patient Portal, including lab results: This allows patients to view their HRA/biometric screening results to gain a better snapshot of their current health status.
- Webinars: CareHere hosts several webinars throughout the year, and will notify employees of upcoming events
- Medical Library: CareHere Wellness Website also comprises a vast online medical library for patients to browse based on their interest in topics or health concerns.

2. List all past and present contracts for the provision of onsite medical services for public and private entities, including:

- Name of entity;
- Name and contact information for the public entity employee that had oversight over the contract;
- Years that services were provided; and
- If contract has been terminated, the reason for termination.

CareHere has extensive experience managing onsite/near-site clinics and currently manages 208 clinics for 165 clients in 26 states throughout the United States. Of the 208 clinics, CareHere currently manages 22 clinics throughout the state of Texas, and 186 clinics outside the state of Texas. With respect to the privacy of CareHere's clients and the magnitude of our clinic network, further details will be provided upon being selected as a finalist.

3. State the type of ownership, the name and location of the parent company and subsidiaries, if any.

N/A

4. List the states, other than Texas, where services are in use.

CareHere is currently operating in the following states:

Alabama	Maryland	Pennsylvania
Arizona	Michigan	South Carolina
Colorado	Missouri	Tennessee
Florida	Mississippi	Texas
Georgia	Montana	Utah
Iowa	North Carolina	Virginia
Illinois	Nevada	West Virginia
Indian	Ohio	Wisconsin
Kentucky	Oregon	



5. Qualifications (including relevant professional designations and descriptions) and experience of the personnel who will be directly assigned to carry out the services described in this RFP.

Health Center Account Management - Operations

The City of Denton will also have a team of experienced individuals from CareHere who will proactively implement and manage the onsite health center. The following individuals will assist with the management of the health center:

The CareHere Director of Client Services (DCS) assigned to the City (Betsy D'Acierno) will be included in this process from day one. The DCS is responsible for managing the ongoing operations of the health center including responding to day-to-day problems, managing issues, coordinating and supervising staff, managing account resources, and providing reports and status updates. The DCS will be the main point of contact for all account related questions, and will have daily/ weekly/monthly touchpoints with the City (depending on the client's desired involvement).

The DCS' role is to make our clients' interactions with CareHere streamlined and simple. CareHere has many departments and team members that work behind the scenes to provide the excellent services and components of each client's health center. The City may interact directly, at times, with the different departments but can also use the DCS as their single point of contact.

Preferred Director of Client Services (DCS) Qualifications:

- At least three years of experience with a healthcare related operation or system
- At least three years of experience with clinic operations
- At least three years of supervisory experience
- At least three years of successful customer service experience

Provider - A copy of the following items are required from every provider:

- Current state medical license
- Dispensing license, if applicable
- National Provider Identifier (NPI) documentation
- Medical school diploma
- Internship certificate
- Residency certificate
- ACLS Care or CPR certification card (if achieved)
- Federal DEA certificate (confirm unrestricted prescription capability)
- State control number to write prescriptions, if applicable.
- Current CV
- Three professional references from colleagues, including their name, phone number, email, and fax number (if applicable)

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

Skills and Qualifications

- Two years of experience, preferably in a family medical practice setting
- Strong clinical skills
- Ability to communicate effectively with staff and patients using excellent written and verbal skills
- Strong computer skills, as well as written and verbal communication skills
- Friendly personality and ability to work well as a member of the health care team

Medical Assistant (MA):

- Three years of experience as an MA
- Licensed in the State of TX (if licensure is required)
- Friendly personality and ability to work well as a member of the health care team

Registered Dietitian (RD):

- Four- year college degree with completion of approved dietetic internship
- Registered Dietitian through the Commission of Dietetic Registration (CDR)
- Licensed in the state they practice (if licensure is required)
- Responsible for keeping license and CDR registration up to date

6. How many other clients will this account team service in addition to the City?

The DCS serves five additional accounts.

7. Describe your pre-employment/post-offer screening process for employees to include drug testing, criminal background checks, financial background checks, and confidentiality agreements.

JeNelle Gouvas, CareHere's VP of Recruitment & Provider Relations, oversees recruitment and ensures that health center personnel acquire and maintain current qualifications. Ms. Gouvas and her team maintain and review provider and clinical staff qualifications, credentials, licenses, etc. on an ongoing basis and notify personnel of any requirements that need to be performed. The CareHere recruitment team has a 26 step due diligence process for all medical providers that are recruited to ensure that the highest quality personnel is staffed at the health and wellness center.

The CareHere recruitment team also ensures all candidates are wellness and prevention and patient-focused, practice evidence-based medicine, and believe in the CareHere health center model. CareHere conducts thorough reference checking with at least three previous employers and extensive background checks including drug testing, criminal background checks, financial background checks, and confidentiality agreements to ensure the most qualified staff are presented to serve the City's employees and their families

8. Provide information on any National, State, or local professional associations to which you or your company belong.

CareHere's internal controls are tested by external auditors as part of their procedures in testing the annual audited financial statements. Additionally, periodically, security testing is performed on the Company's network. An SSAE 16 engagement is planned upon completion of enhancements to our electronic medical record system. CareHere also utilizes MainNerve testing for system vulnerability and LBMC for annual auditing.

9. Describe any lawsuits, pending or resolved, that have been filed against your company related to the provision of the services requested in this RFP.

There are no existing lawsuits that could potentially have a material adverse effect on CareHere's business.

10. Please provide your company's most recent public financial report.

Please see Exhibit I: CareHere Audited Financial Statement.

11. What EMR system will your company use for our clinic? Does the EMR include Evidence Based Clinical Decision Support tools to provide diagnostic, prescription, and treatment guidance?

CareHere's proprietary EMR system will implement Evidence Based Clinical Decision Support tools to provide diagnostic, prescription, and treatment guidance in 2017. The CareHere EMR will support EBM guidelines recommended by the Institute of Medicine (IOM).

12. Is your EMR system proprietary to your company or is it licensed from a third-party?

CareHere's EMR and patient portal system is proprietary to our company.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

13. What sets your company apart from other companies that provide similar services?

Through patient-centered and provider-driven wellness care delivery, transparent pricing methodology and investments in technology and big data, CareHere offers a model like no other vendor in our industry.

Differentiator 1: Patient-Centered Care Delivery and Provider-Driven Wellness

The greatest differentiator in CareHere's approach to health and wellness clinic management is our focus on patient-centered healthcare, and the reliance on a trusted provider relationship to guide patients to wellness initiatives. There is an incredible opportunity to take the initial financial savings and primary care services of the health center a step further, to achieve optimal long term health savings and reduce future healthcare claims trends. With a trusted provider relationship as the driver, we will empower patients to make healthy behavioral changes and move toward a better health status. Resources available include specific wellness initiatives delivered through a collaboration of CareHere health coaches and the patient's provider. The CareHere's EMR system facilitates this collaboration by allowing all documented patient activity viewed by primary care health clinic staff, occupational health center staff, pharmacists, case managers, and health coaches. CareHere's unique level of collaboration between all those that touch a patient provides for optimal patient care coordination and outcomes.

Further, CareHere providers, clinical staff, and health coaches are trained on the City's other benefit and community health resources to best coordinate a patient's overall care. CareHere will refer to and partner with the City's offered resources to help patients manage their health. It "takes a village" to manage a patient's overall health and the CareHere health clinic is equipped to serve as the primary care hub for the City and its members.

Differentiator 2: Investment in Technology, Data Integration, Reporting & Analytics

CareHere constantly invests in the technology to improve health center management and patient outcomes, including these resources in our model at no additional expense to the City.

CareHere's model includes in-depth reporting, data analytics, and predictive modeling to all our client partners. Controlling health costs, measuring performance, and assessing risk all start with access to data, reporting and analytics. In addition to reporting all financial, clinical, and operational measures, CareHere's data integration and analytic solutions provide the employer with the advanced analytical tools to:

- Identify potential high risk and high cost individuals early
- Identify members who would most benefit from case management
- Identify "gaps in care" for individuals with key risk factors
- Forecast future plan and individual utilization and costs

CareHere has the ability to integrate health and wellness clinic data, medical plan claims data, pharmacy plan data, wellness data and any other pertinent vendor data into our data warehouse for analysis.

Along with the reporting and data analytics, also included in the CareHere model for all patients is our wellness tracking application. The wellness tracking application is available via the internet, iPhone and Droid and houses individual HRA/biometric data, allows patients to communicate with their health coaches, and can be customized with incentive programs and rewards to engage your members in making healthy lifestyle changes.

Differentiator 3: Cost Transparency and Trust

CareHere, exclusively dedicated to the health and wellness center industry as an independent health and wellness organization, has no ownership ties to medical service providers in any form. This allows CareHere to focus its operations on providing employers with services for the development and management of onsite medical care and wellness initiatives. We do not seek to provide health center and wellness management services in order to control or direct referrals, obtain margins on drugs or other clinical services, or to encourage maintaining coverage with a particular network. Our billing methodology accomplishes what employers and patients are demanding: a transparent payment system that delivers care without any perverse incentives. CareHere can continually evaluate utilization and cost data to make recommendations for the health clinic services that are in the best interest of the City, its employees and their families.

12. What is your company's approach to employee health and corporate mission and vision)?

Our Mission

CareHere partners with employers to inspire their employees and families to achieve well-being and health through innovative, quality, cost-effective healthcare solutions delivered with enthusiasm and compassion.

Our Vision

CareHere will be the foremost pioneer of innovative healthcare solutions. Together, we will deliver superior health and financial outcomes by challenging traditional conventions of healthcare.

Our Core Values

CareHere operates our business based on the principle: "Do what is best for the patient. Do what is best for the client." Our core values of service, innovation, transparency, responsibility, and growth guide us in the quest to fulfill our purpose and mission with integrity.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

15. Please provide any additional information that your company believes will be helpful to the City in evaluating your company's ability to provide the services requested in this RFP.

CareHere is dedicated exclusively to the onsite industry. This approach allows CareHere to focus its operations on providing employers with services for the development and management of onsite medical care and wellness initiatives. We do not seek to provide clinic and wellness management services to control or direct referrals, obtain margins on drugs or other clinic services, or to encourage maintaining coverage with a particular network. Our most important consideration is what is best for the patient and client.

In contrast to this ideal, studies have shown that hospital-owned physician organizations have led to higher total expenditures per patient annually through the use of hospital-based ambulatory services and greater hospital pricing. For more information on this research, please see Exhibit J: JAMA Network Research Article.

TRANSITION PLAN (IF APPLICABLE)

The following section is not applicable to CareHere, as we are the current vendor for the City of Denton's Employee Health Clinic Operation.

1. Describe in detail your company's plan to transition the City's clinic from our current management company.

N/A. CareHere is the current vendor for the City of Denton's Employee Health Clinic Operation.

2. How many existing clinics have you transitioned to your company? How many were public entity clinics?

N/A. CareHere is the current vendor for the City of Denton's Employee Health Clinic Operation.

3. Describe in detail your plan to retain the current clinic staff.

N/A. CareHere is the current vendor for the City of Denton's Employee Health Clinic Operation.

4. Describe in detail your plan to obtain and transition medical records from the prior company.

N/A. CareHere is the current vendor for the City of Denton's Employee Health Clinic Operation.

5. Describe in detail your plan and expected timeline to train staff on your EMR system and other corporate policies and procedures.

N/A. The current staff is trained on the CareHere EMR system and other necessary policies and procedures.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

SCOPE OF SERVICES

As indicated above, please include a detailed explanation of services offered, as they relate to the City's "Outline of Expected Services" in Exhibit 3, and your recommended approach to addressing the City's needs. Please provide reasonable estimates of the cost to the City on a monthly and/or annual basis. Please include any services offered that may be above and beyond the Outline of Expected Services indicated by the City.

Confirmed, CareHere will offer the services to the City found in the "Outline of Expected Services" in Exhibit 3. All services outlined in this the RFP are included in the pricing sheet submitted by CareHere.

PROPOSED PROGRAM COSTS AND ESTIMATED SAVINGS

1. Overall Cost Per Employee Per Month (PEPM)?

\$20 PEPM

2. Please confirm that the following costs are including in the above PEPM cost. If they are not included, please clearly state such and provide the additional cost to include:

i. Administrative fees;

Included

ii. Transition costs/fees;

Included

iii. Data transfer costs/fees;

Included

iv. Staff costs;

Staffing is not included in the PEPM rate. CareHere projects a cost of \$425,055 to staff the City of Denton's health clinic in 2017. The provided staffing cost assumes the existing staff will continue working in the City of Denton's Health Clinic.

CareHere currently manages the City of Denton's Health Clinic. CareHere will use the existing staffing rates (plus an assumption of a 4% increase) of the current medical personnel in the clinic. The included staffing rates include benefits, and necessary medical oversight. Should CareHere need to recruit new/additional medical staff for the City of Denton's health clinic, CareHere will not exceed an hourly rate of \$150 (including benefits) for a MD, \$100 (including benefits) for a Mid-Level, \$40 (including benefits) for an RN, and \$25 (including benefits) for an MA.

v. Medical supply costs; and

Medical supply costs are not included in the PEPM rate. For medical supply costs, an average per-visit cost based on our book of business will be applied to the visit total in order to estimate a total cost for 2017. Using existing data from the City of Denton's health clinic operation CareHere was able to estimate an annual supply cost of \$38,612 for 2017.

vi. Medical equipment cost.

Medical equipment costs are not included in the PEPM rate. All necessary medical equipment costs will be passed through to the City of Denton at a pass-through rate with no markup. It is CareHere's understanding that additional medical equipment will not be necessary.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

2. Indicate attachment term and condition

Please see the following language surrounding payment terms taken from CareHere's sample contract:

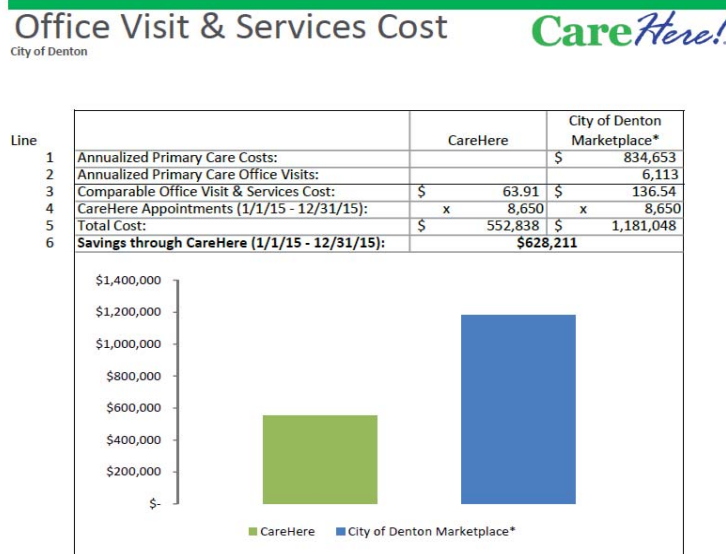
" 2.02 Monthly Fee. Monthly invoicing by CareHere will commence upon the targeted opening date agreed upon per Section 1.03 of this Agreement. No later than the 10th day of each calendar month immediately following the receipt of the CareHere invoice, the Employer shall pay to CareHere the amount of \$20 per employee per month for arranging for the Medical Professional and the other services provided under this Agreement during the immediately preceding calendar month.

2.03 Ongoing Operational Expenses. In advance of the first day of each month, CareHere shall submit an amount equal to the sum of the estimate of that month's medical expenditures and an adjustment from prior months' actual expenditures for all expenses required to operate and maintain the Employer clinic in order to provide the Medical Services under this Agreement. These expenses may included, but are not limited to, Medical Professional and/or Medical Assistant costs, reimbursement to Medical Professional for medical malpractice insurance, other required insurance, Medical Professional and Medical Assistant training expenses, approved medical staff travel expenses, required taxes (federal, state, local, or other), medical supplies, medications, laboratory expenses, office supplies, equipment and other items that may be required by CareHere or the Medical Professional to provide the Medical Services under this Agreement and any sales taxes (federal, state, local, or other) incurred by CareHere to purchase items necessary to provide the Medical Services under this Agreement. On an annual basis, CareHere and the Employer will negotiate appropriate Cost of Living Adjustments to be enacted for Medical Professionals. The Employer shall be responsible to pay CareHere such amount invoiced no later than the 15th day of the calendar month immediately following the receipt of the CareHere invoice. Past due amounts are subject to a finance charge of 1.5% per month."

4. Provide detailed savings projections, including savings in the following areas:

2 Primary care office visit 2014?

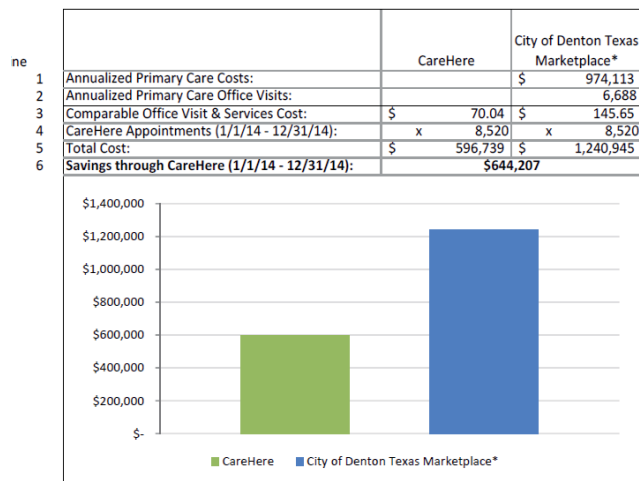
Please see the following graphs presented to the City of Denton during CareHere's most recent annual review. In 2015 CareHere was able to show a \$628,211 savings in regards to shifting primary care visits from the marketplace to the health center. Additionally, CareHere was able to show a \$644,207 savings in regards shifting primary care visits from the marketplace to the health center in 2014. CareHere expects to exceed these numbers for 2016 and 2017 and looks forward to presenting the 2016 annual report to the City of Denton in 2017.



*12/31/2015 Average Primary Care Office Visit & Services Cost from the Data Collection Form provided by Scott Payne on April 22, 2016. \$834,653 primary care costs ÷ 6,113 marketplace office visits = \$136.54 per marketplace visit.

Office Visit & Services Cost
Prepared for: City of Denton Texas
Report Period: 1/1/2014 through 12/31/2014
Prepared on: 1/27/2015
Prepared by: Morrow

CareHere!



*12/31/2014 Average Primary Care Office Visit & Services Cost from the Data Collection Form provided by Scott Payne on January 21, 2015. \$974,113 primary care costs ÷ 6,688 marketplace office visits = \$145.65 per marketplace visit.

CareHere!

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

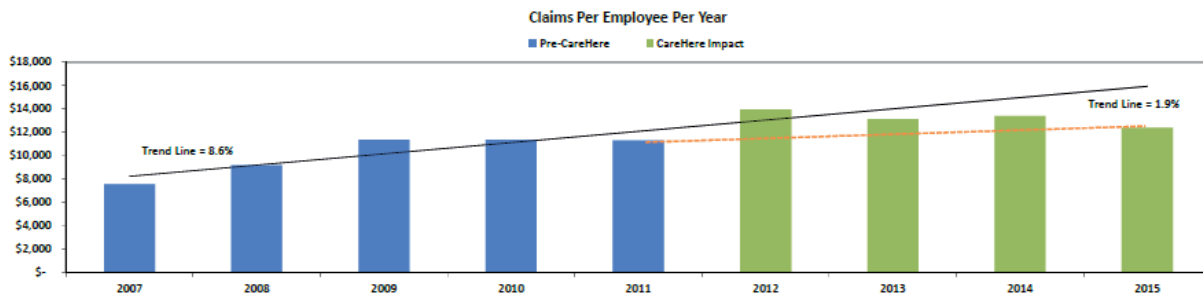
ii. Prescription drugs (from higher generic utilization, transparent step-therapy, and steerage)

CareHere is open to strategizing with the City to discuss a pharmaceutical program that will bring additional savings to the City. No prescription savings have been realized at the City of Denton's Employee Health Clinic due to State Laws and Regulations surrounding medication dispensement.

5. Achievement of reasonable return on investment (ROI) and the applicable timeframe to achieve the ROI.

Clients operating in a broad scope of industries can experience the health benefits and positive ROI results of CareHere's patient-centered healthcare model. Clients experience an initial ROI based on the cost off-set of patients utilizing the onsite health clinic rather than the standard fee-for-service physician visit, as well as pharmaceutical savings and employees spending less time away from work. During the first year of clinic operations, high risk patients are identified and diagnosed based on their chronic conditions by participating in an HRA. As more patients participate in wellness programs and move towards healthier lifestyles, the long term healthcare cost trend begins to decrease due to the avoidance of expensive claims associated with chronic diseases.

CareHere has provided the City of Denton with an ROI annually. In the most recent annual review, CareHere was able to show the City of Denton the following results surrounding Return on Investment. From inception, every \$1 invested in CareHere returned \$3.97.



	Since Inception	12 Months Ending: December-12	12 Months Ending: December-13	12 Months Ending: December-14	12 Months Ending: December-15
CareHere Cost:	\$ 3,182,562	\$ 738,501	\$ 743,120	\$ 855,310	\$ 845,632
Total Return:	\$ 9,460,591	\$ (357,982)	\$ 1,798,399	\$ 2,745,235	\$ 5,274,938
Savings:	\$ 6,278,029	\$ (1,096,482)	\$ 1,055,279	\$ 1,889,926	\$ 4,429,307
ROI:	From inception, every \$1 invested in CareHere returned \$3.97.				

6. Number of years the baseline fees are guaranteed.

CareHere's administrative fee (PEPM) is guaranteed throughout the length of the contract in its entirety.

7. Describe the process for adding additional future clinic/medical staff hours.

Describe any additional administrative costs to the City associated with an increase in clinic/medical staff hours.

CareHere monitors health center utilization on a daily, weekly, and monthly basis. Depending on health center filled visit percentages, the DCS will recommend increasing or decreasing hours of operation. CareHere manages the clinic to anticipate a scheduled appointment use rate of 85 to 90 percent. The remaining 10 to 15 percent of appointment space is left available for the anticipation of walk-in appointments. Should the clinic's utilization exceed 90 percent for an extended period of time, the DCS will recommend adding additional provider hours. CareHere will not add additional provider hours until granted permission from the City of Denton.

There are no additional administrative costs to the City associated with an increase in clinic/medical staff hours. The PEPM rate will not change throughout the duration of the contract.

8. Please provide a detailed listing of all services included within your Administrative Fee.

Onsite/Near-Site Medical Services

- CareHere will provide the highest quality primary care and minor emergency medical services for non-occupational illnesses and injuries, Monday through Friday to members age 24 months and older. The exact hours of operation will be determined after the contract is awarded;
- Provide appropriate medical professionals to staff the clinic during the prescribed hours.
- Provide sufficient "relief" medical professionals to staff the clinic in cases of illness, vacation, training, or to temporarily fill-in when vacancies occur;
- Provide inoculations and immunizations including, but not limited to, flu and tetanus shots as desired or promoted by the City;
- Conduct pre-employment physicals as requested;
- Plan, develop and support wellness initiatives in conjunction with the City's wellness program, including but not limited to:
 - Health screenings such as blood pressure checks, HDL/LDL cholesterol, blood glucose, total BMI and other screenings as requested during the year
 - Provide employee follow-up and education
 - Chronic disease management, monitoring, and employee education
 - Coordination with the City's wellness program to support wellness related activities
 - Assist the City in developing wellness initiatives that have a direct impact on potentially reducing identified health risks in the City
 - Provide support for the City's Healthy Incentives Program
 - Provide education, support and assistance to patients in the form of live/telephonic/online health coaching, nutritionists, etc.

CareHere!

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

- If services are expanded in the future, serve as a collection site for pre-employment, random, reasonable suspicion, post-accident and follow-up drug testing in accordance with DOT and the City's testing requirements and procedures:
 - Provide for proper chain of custody and all necessary forms
 - Provide for collection supplies
 - Provide for or make arrangements for transportation of specimens to laboratories
- Maintain the current clinic model of each patient having a full 20 minute appointment with the medical provider (i.e., in an hour time period only 3 appointments are available per provider)

Wellness Services

- | | |
|---------------------------------------|---------------------------------|
| • Health Risk Assessment | • Wellness Classes |
| • Pre-Diabetes Management | • Cardiovascular Risk Reduction |
| • Tobacco Cessation | • Weight Management |
| • Lipid Management | • Exercise Adherence |
| • Nutritional Counseling | • Stress Management |
| • Mental Health Management | • Hypertension Management |
| • Addiction Intervention | • CareHere's Wellness Website |
| • Physician/Nurse "Reach Out" Program | • Population Health Management |

Technology and Health Services

- | | |
|------------------------------|------------------------------------|
| • Electronic Medical Records | • 1-800 Bilingual Customer Support |
| • Data Analytics | • Reporting |
| • ROI Analysis | • Risk Predictions |
| • Tracking Programs | • Online Scheduling System |
| • Trend Analysis | • Self-Care Education Tools |
| • Survey Results | • Clinic Inventory |
| • 24/7 Support Line | • Clinic Best Practices |
| • Smartphone Application | • Population Promotions/Incentives |
| • Physician Health Seminars | • Online Medical Management |

9. If the cost of medical malpractice insurance is not included in your administrative fee or the PEPM fee, please outline the expected costs for this coverage.

CareHere charges 65 cents per visit for medical malpractice. CareHere used good faith to estimate that the cost of medical malpractice insurance for the City of Denton will be approximately \$5,265 in 2017.

10. Please provide a listing of the top 25 supplies your clinic will stock and the price the City will pay for each of these supplies (if they are not included within the PEPM price listed above).

Please see Exhibit K: Example Supply List with Pricing (25 supplies only)

11. Please provide the costs for the following services (if these are not included within the PEPM price listed above):

i. Cholesterol Test (Lipid Panel - HDL/LDL, Total Cholesterol, Triglycerides)
\$4.50/test

ii. Blood Sugar Test (Fasting and Non-Fasting)
\$2.80/test

iii. Strep Test (Rapid and Regular)
\$1.34/test

iv. Tet
\$13.55/test

v. Hot
\$11.50/dose

vi. Tetanhot
\$30.77/dose

vii. Hepatitis Vaccinations
Hep A: \$45.40/dose
Hep B: \$25.10/dose

viii. Required Immunizations

Required Immunizations will be billed at a pass-through rate with no mark up.

ix. Pregnancy Test (Blood)
\$8.00

x. Lab Draw Fees
Included in the PEPM

xi. Lab Processing Fees
Included in the PEPM

xii. EKG
Included in the PEPM

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

12. Our current HRA blood draw includes all the tests identified in Attachment A. What is your expected cost to duplicate this HRA blood test with your current lab provider?

The cost of the CareHere HRA/biometric screening will remain the same. This cost is included in the PEPM administrative fee.

13. Outline the costs associated with the following occupational health exams:

i. Post offer physicals

Included in additional \$3.00 PEPM for Worker's Compensation and Occupational Services

ii. Annual physicals

Included in additional \$3.00 PEPM for Worker's Compensation and Occupational Services.

iii. Pre-Employment, Random, Reasonable Suspicion, and Post Accident drug test

Specimen collection

Included in additional \$3.00 PEPM for Worker's Compensation and Occupational Services

14. Will the laboratory coordinate with the medical plan or a third party through to the City?

The City will be billed at a pass-through rate with no mark up for all lab services utilized within their health clinic.

15. Please provide the cost of an onsite x-ray machine and the applicable leasing arrangements that can be offered to the City.

CareHere does not recommend including an x-ray machine in the health clinic but has included the pricing below for the City's reference. If the City wishes to include an x-ray machine in the clinic CareHere must staff a full-time Radiology Technician to operate the machinery. Additional set-up fees may be necessary as additional equipment and supplies will be necessary depending on the space procured by the City of Denton.

Cost of X-Ray machine: \$100,000 (approximately and depending on type of machine desired)

Cost of installation: \$50,000

Cost of supplies (film): \$9/film

Cost of Licensure, Physics Surveys, Radiation Dosing Badges/Dosing Monitoring Service - \$2,500 annually

CareHere also has the ability to purchase and set up a portable X-Ray machine, if the City prefers:

- Cost of Portable X-Ray Unit: \$16,887.00
 - Cost of X-Ray Processing Set-Up: \$27,500.00
- TOTAL: \$44,387.00

Cost of full-time Radiology Technician: \$50,000 annually

Cost of Texas Radiologist Overreads - \$30 per xray

16. Address your willingness to enter into a performance guarantee and how the performance criteria and penalties might be structured.

CareHere is willing to establish performance guarantees with the City of Denton. During the contract negotiation phase, both parties will establish baselines and metrics for the performance guarantees.

Examples of performance criteria that are measured upon are:

- Patient Satisfaction
- Patient Utilization
- Reporting
- Budget Adherence
- HRA Engagement
- Wellness Engagement

CareHere places 10% of the PEPM management fee at risk for the performance guarantee. At the end of year, CareHere will review the performance guarantee and determine any reimbursement due to the City.

Please see Exhibit L: Sample Performance Guarantee.

17. Please provide a sample contract for your services.

Please see Exhibit M: CareHere Sample Employer Agreement.

CareHere!

Brentwood, TN | 615.221.5901 | carehere.com

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

MISCELLANEOUS QUESTIONS

1. Does our firm agree that no commissions, service fees or other forms of compensation of any type shall be paid to any party without first being fully disclosed to the City?

Confirmed.

2. Please confirm that no termination of contracts for clinic services have occurred due to non-performance, poor performance or other misfeasance in the last ten (10) years. If so, please explain:

Confirmed.

3. Please provide a statement that there is no and will be no conflict of interest in your providing Onsite Medical Clinic Operations and Management Services to the City of Denton.

Confirmed. There is no and will be no conflict of interest in CareHere providing Onsite Medical Clinic Operations and Management Services to the City of Denton.

4. Please confirm that there is no relationship of consanguinity between the principals of your firm and any City Council Member or City official or employee that would result in that member or employee having an interest in a public contract or otherwise violate the state ethics or public contracting laws.

Confirmed. There are no relationship of consanguinity between the principals of your firm and any City Council Member of City official or employee that would result in that member of employee having an interest in a public contract or otherwise violate the states ethics or public contracting laws.

5. Please provide a statement describing your firm's equal employment opportunity

o c

CareHere recognizes the importance of a diverse organization in meeting today's business challenges. We believe that ideas, talents, and resources from a diverse set of individuals are necessary to address the problems and issues that confront us today and that will continue to challenge us in the future. CareHere's employee base and leadership team reflect the belief in allowing individuals from all backgrounds the opportunity to join us and contribute to our mission to provide innovative healthcare solutions to employers across the country.

It is and shall continue to be the policy of CareHere that all applicants and employees are entitled to equal employment opportunity regardless of race, color, religion or creed, sex, national origin, age, sexual orientation, disability (in the case of qualified individuals with a disability), veteran status, or other factors identified by applicable local, state or federal law.

In compliance with the provisions of all applicable state and federal civil rights laws, every effort will be made to employ the most qualified individuals without regard to the above factors. Additionally, it is and shall continue to be CareHere's policy to provide promotion and advancement opportunities in adherence with this policy.

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

City of Denton
RFP for Employee Health Clinic Operation and Management Services

ATTACHMENT B-SUBMISSION EXCEPTIONS/CLARIFICATIONS

Any exceptions or clarifications taken to this solicitation (**including terms and conditions in Exhibit 2, the General Provisions and Terms and Conditions**) must be itemized on the lines below. Additional pages may be added as needed. If there are no exceptions or clarifications, please sign where indicated at the bottom of the page.

Item # Description

1. COOPERATIVE PURCHASING / PIGGYBACK OPTION

"The contract resulting from this solicitation will be available for use by **all governmental entities**, providing there is no conflict with any applicable statutes, rules, policies, or procedures. The governmental entities will have the option to use the pricing as agreed to within the resulting contract.

Governmental entities will issue their internal purchase orders directly to the contractor(s), however, shall reference and cite the City of Denton contract number (Solicitation number) within the purchase order document.

After award, the contractor agrees to pay a service fee in the amount of **2% of the dollar amount of all issued purchase orders generated** from use of this contract. The contractor further agrees to remit the service fee by check on a quarterly basis for the previous quarter spent through this contract, to Julia Klinck, Purchasing Coordinator at 901B Texas Street, Denton, TX 76209, on or by the Fifteen day of each month, following the end of the quarter. The Contractor shall also provided quarterly sales reports from the contract awards and Purchase Orders issued from the Contract, for the purpose of billing and collecting the service fee, and for compiling required purchasing history. This report shall be sent to purchasing@cityofdenton.com on or by the tenth day of each month. The Contractor further agrees that the City of Denton shall have the right, upon reasonable written notice, to review the Contractor's records pertaining to purchases under this awarded contract to verify the accuracy of service fees charged to the Contractor."

Due to the longevity of CareHere's relationship with the City of Denton and the reduction in PEPM fee we provide due to this relationship, CareHere respectfully requests the removal or modification of sections that accounts for the above concerns.

The above exceptions and clarifications (and any additional pages identified) are the ONLY exceptions/clarifications to the specifications, General Provisions and Terms and Conditions in Exhibit 2, and sample contract to this solicitation. I understand that the City may not accept additional exceptions produced after final submission of this proposal.



Signature

CareHere, LLC.

Company

Sept. 21, 2016

Date

No Exceptions are taken to this solicitation or the General Provisions and Terms and Conditions in Exhibit 2.

Signature

Company

Date

**THE CITY OF DENTON, TX**

RFP #6198 Employee Health Clinic Operations and Management Services

City of Denton
RFP for Employee Health Clinic Operation and Management Services**ATTACHMENT D-REFERENCES**

Please provide a list of at least three (3) references, other than the City of Denton, where like services or their firm has performed similar projects. In addition, please include all municipalities or other public entities (and number of employees) served by your firm. **The City is especially interested in references from clients that had existing clinic programs in place that your company successfully took over.**

REFERENCE ONEGOVERNMENT/COMPANY NAME: **ECTOR COUNTY**

LOCATION: _____ Odessa, TX

CONTACT PERSON AND TITLE: _____ Pat Patton, Director of Human Resources

TELEPHONE NUMBER: _____ (432) 498-4025 (w)

SCOPE OF WORK: _____ CareHere Wellness Center

CONTRACT PERIOD: _____ Opened August 2008

REFERENCE TWOGOVERNMENT/COMPANY NAME: **CITY OF GALVESTON**

LOCATION: _____ Galveston, TX

CONTACT PERSON AND TITLE: _____ Kent Etienne, Director of Human Resources

TELEPHONE NUMBER: _____ (409) 797-3655 (w)

SCOPE OF WORK: _____ CareHere Clinic

CONTRACT PERIOD: _____ Opened August 2007

REFERENCE THREEGOVERNMENT/COMPANY NAME: **MIDLAND COUNTY**

LOCATION: _____ Midland, TX

CONTACT PERSON AND TITLE: _____ Mitzi Baker, Midland County Treasurer

TELEPHONE NUMBER: _____ (432) 688-4885 (w)

SCOPE OF WORK: _____ CareHere Clinic

CONTRACT PERIOD: _____ Opened February 2009

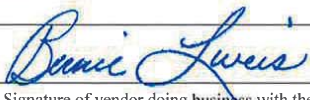
20

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

City of Denton
RFP for Employee Health Clinic Operation and Management Services

ATTACHMENT E-CONFLICT OF INTEREST QUESTIONNAIRE

	CONFLICT OF INTEREST QUESTIONNAIRE -	FORM CIQ
	For vendor or other person doing business with local governmental entity	
	This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.	
	<p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. <i>See</i> Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	
1	Name of vendor who has a business relationship with local governmental entity.	
	CareHere, LLC	
2	<input checked="" type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.	
	<p>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the <u>originally</u> filed questionnaire was <u>incomplete</u> or <u>inaccurate</u>.)</p>	
3	Name of local government officer about whom the information in this section is being disclosed.	
	<u>Scott Payne</u> Name of Officer	
	<p>This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.</p> <p>A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="margin-left: 40px;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?</p> <p style="margin-left: 40px;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?</p> <p style="margin-left: 40px;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D. Describe each employment or business and family relationship with the local government officer named in this section.</p> <p style="margin-left: 40px;">N/A</p>	
4	<input checked="" type="checkbox"/> I have no Conflict of Interest to disclose.	
5	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  Signature of vendor doing business with the governmental entity </div> <div style="width: 45%; text-align: right;"> <u>9/21/16</u> Date </div> </div>	

THE CITY OF DENTON, TX

RFP #6198 Employee Health Clinic Operations and Management Services

City of Denton
RFP for Employee Health Clinic Operation and Management Services**ATTACHMENT F-ACKNOWLEDGEMENT**

The undersigned agrees this submission becomes the property of the City of Denton after the official opening.

The undersigned affirms he has familiarized himself with the specification, drawings, exhibits and other documents; the local conditions under which the work is to be performed; satisfied himself of the conditions of delivery, handling and storage of materials and equipment; and all other matters that will be required for the work before submitting a response.

The undersigned agrees, if this submission is accepted, to furnish any and all items/services upon which prices are offered, at the price(s) and upon the terms and conditions contained in the specification. The period for acceptance of this submission will be 120 calendar days unless a different period is noted.

The undersigned affirms that they are duly authorized to execute this contract, that this submission has not been prepared in collusion with any other respondent, nor any employee of the City of Denton, and that the contents of this submission have not been communicated to any other respondent or to any employee of the City of Denton prior to the acceptance of this submission.

Respondent hereby assigns to the City any and all claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 USCA Section 1 et seq., and which arise under the antitrust laws of the State of Texas, Tex. Bus. & Com. Code, Section 15.01, et seq.

The undersigned affirms that they have read and do understand the specifications, all exhibits and attachments contained in this solicitation package.

The undersigned agrees that the solicitation package posted on the website are the official specifications and shall not alter the electronic copy of the specifications and/or pricing sheet (Exhibit 1), without clearly identifying changes.

The undersigned understands they will be responsible for monitoring the City of Denton Purchasing Website at: <http://www.cityofdenton.com/index.aspx?page=397> to ensure they have downloaded and signed all addendum(s) required for submission with their response.

I certify that I have made no willful misrepresentations in this submission, nor have I withheld information in my statements and answers to questions. I am aware that the information given by me in this submission will be investigated, with my full permission, and that any misrepresentations or omissions may cause my submission to be rejected.

Acknowledge receipt of following addenda to the solicitation:


Addendum No 1 Dated September 8th, 2016
Addendum No 2 Dated September 19th, 2016
Addendum No 3 Dated N/A

Received September 8th, 2016
Received September 19th, 2016
Received N/A

NAME AND ADDRESS OF COMPANY:

CareHere, LLC
5141 Virginia Way, Suite 350
Brentwood, TN 37027
Tel. No. 615.221.5901
Email. sales@carehere.com

AUTHORIZED REPRESENTATIVE:

Signature 
Date September 21, 2016
Name Bernie Livers
Title VP of Sales and Marketing
Fax No. 615.467.8893

November 23, 2016

Best & Final Offer – RFP 6198 – Employee Health Clinic Operation & Management Services

To: City of Denton

It is an honor and privilege to have served the City of Denton over the past 5 years. We have included our Best and Final Offer (BAFO) proposal alongside this cover letter, and we are excited about the opportunity to continue this partnership for many more years. CareHere is confident in our ability to provide excellent cost effective health care to the employees and families of the City while saving money for both the City and their employees. Since the clinic's inception in December of 2011, CareHere has provided the City with over \$6 million dollars in savings and has maintained or decreased the risk factors of 71% of the HRA participants.

In the BAFO proposal CareHere has decreased the current PEPM Management Fee from \$21.50 PEPM to \$20 PEPM (\$27,000 per year savings). CareHere has also included the Disease Management/Wellness Program (Propel) for all employees of the City of Denton at no cost to the City. CareHere has waived the \$6,500 setup fee and the \$3 PEPM Wellness Program fee for an annual savings of \$54,000. Additionally, CareHere has included a Registered Dietician to be staffed at the Health Clinic for 16 hours a week. The Registered Dietician will be available more hours if the City of Arlington also selects CareHere as its clinic vendor. The cost of the Registered Dietician will be paid by CareHere and will save the City of Denton over \$33,000 annually on staffing alone. Concluding, the total savings, additional program enhancements and wellness staffing valued at \$120,500 will be added in year 1 of the new contract period.

The City of Denton is a valued partner of CareHere and we are excited to continue managing the City's Employee Health Clinic Operation for many more years.

Kind Regards,
Bernie Livers

Vice President Sales and Marketing
CareHere, LLC
Mobile: (615) 495-5299
Work: (615) 767-5511
Email: blivers@CareHere.com
Web: www.CareHere.com

EXHIBIT 3

Exhibit C Scope of Work

SECTION I General Information and Instructions

The City of Denton (City) is seeking qualified vendors to provide Clinic Operation and Management Services at its existing near-site Employee Health Center (Clinic), for the City's employees, retirees, and dependents that are enrolled in the City's self-funded health plans. The Clinic provides all medical services typically associated with a family-practice doctor's office. These medical services include, but are not limited to: primary care, minor emergency care, health risk assessments, call support, immunizations and injections, prescriptions, wellness education, disease management, and primary case management for all members 24 months of age and older.

The City currently pays a monthly management fee to existing clinic Management Company on Per Employee per Month (PEPM) based on the number of employees enrolled in the City's self-funded health plan. All other operational costs for the clinic, including but not limited to, lab services, medical supplies, medical equipment, office equipment, office supplies, furniture, and staff salaries are passed through to the City, **at straight cost, with no additional fees or markup added to them.**

The Health Risk Assessments (HRA) conducted at the clinic are a critical component of the City's overall wellness program. The HRA consists of a comprehensive blood draw at the Clinic and follow-up with a Clinic provider.

Additional services may eventually include new hire physicals, initial workers' compensation triage, workers' compensation return-to-work, and pre-employment/random/post-accident/reasonable suspicion drug specimen collection.

EXHIBIT 3

SECTION II BACKGROUND AND PHILOSOPHY

BACKGROUND

The City of Denton (City) is requesting your proposal to provide Clinic Operations and Management Services for the employees, retirees, and dependents enrolled in the City's self-funded dual option medical plan.

The City offers medical benefits to all full-time employees (employees working 30 or more hours) and their eligible dependents. Additionally, the City extends medical benefits to our retirees, and their eligible dependents, if the retiree elects to maintain coverage at the time of separation.

The City has operated the Clinic since December of 2011, through a third-party operations and management company. The City is conducting this Request for Proposal (RFP) process because our current contract with that company expires December 31, 2016.

The Clinic is located in the professional building at Denton Regional Medical Center, 3537 S. I35E, Denton, Texas 76210. The Clinic has 2,832 square feet, with four exam rooms, two laboratory areas, two provider offices, a conference room, waiting area, and front desk area. The Clinic is staffed by a part-time Physician, a full-time Nurse Practitioner, a part-time Nurse Practitioner, and three Medical Assistants. The medical staff performs lab draws in-house, but the majority of tests are run at an outside laboratory (currently LabCorp).

The City of Denton has an estimated population of 131,000 residents and was incorporated in 1866. Denton is located approximately 40 miles north of Dallas and Fort Worth. It sits at the apex of a triangle that encompasses the Dallas-Fort Worth metropolitan area. Although it benefits from the overall growth and expansion of the largest Consolidated Metropolitan Statistical Area in the state, Denton and its economy stand proudly independent.

In general, Denton is a full-service city that provides law enforcement, fire safety, paramedics/rescue, refuse collection, sanitary landfill, electric distribution and transmission, water, wastewater, storm sewer, animal control, parks/recreation, library and airport services.

Two major universities—University of North Texas and Texas Woman's University—along with a fully accredited public school system, allow local citizens every educational advantage possible and a rich blend of cultures.

The City of Denton has a work force of approximately 1,500 employees. The City has had an effective safety and risk management program since 1970, an active Wellness Program since 1990, an insured employee assistance program (EAP) since 1998, and became self-funded for the employee health plan in 2008. Additionally, the City has an Employee Insurance Committee (EIC) representing all departments, providing education and feedback as well as recommendations to City Management and City Council. The City has an active Wellness Committee and has developed a wellness incentive program that began in 2011.

The City's health plan enrollment is:

Contract # 6198

EXHIBIT 3

1,338 employees

3,501 total lives (including 56 retirees + 27 dependents of retirees)

Each year the Clinic has increased both the number of available appointments and the number of filled appointments. In 2014, there were 7,640 available appointments with a 92% utilization rate. In 2015, there were 7,870 available appointments with a 90% utilization rate. For 2016 we expect to top 8,000 available appointments with an 85% utilization rate.

The City's benefit plan year is January 1 through December 31.

PHILOSOPHY

The City wants to provide high quality, cost effective medical care with a focus on wellness and prevention to our eligible employees, retirees, and dependents ("members") that participate in the City's self-funded health plan. We want to help our members establish a "medical home" at our clinic and help them develop a personal relationship with our medical team. We want to provide our members with free access to primary care medical services so that cost is never a barrier to seeking medical care. We want to link the wellness programs and resources available through the City and our health plan third-party administrator (TPA) to the point where our members access care.

We seek a caring and committed partner to help the City engage our members in a manner that will motivate them to take an active role and have personal accountability for their overall health and wellbeing. We seek to be a change agent for our members by helping to improve their overall quality of life. We understand that in accomplishing these things, the City will realize savings on our health plan costs in the long term.

We seek a partner that has experience in managing clinical operations for employers; has experience taking over an existing clinic (if applicable) and continuing effective operations; has a robust and easy to access wellness platform; and, has an integrated Electronic Medical Records (EMR) system with electronic prescribing features.

CURRENT STAFFING MODEL

The City currently staffs our existing clinic with a part-time Physician (D.O./M.D.), a full-time Nurse Practitioner, a part-time Nurse Practitioner, and three (3) Medical Assistants. It is the City's preference to retain the existing staff to ensure continuity of care.

EXHIBIT 3

SECTION III **City Provided Goods and Services**

City shall provide the following goods and services to the awarded contractor:

1. Clinic location
Denton Regional Medical Center Professional Building, 3537 S.I35, Suite 317,
Denton, TX, 76210 – See Supplement F for a floor plan and layout of the existing
clinic space
2. All necessary medical equipment and furniture
3. Reasonable and necessary medical supplies
4. All needed phones, computers, printers, fax, and peripherals
5. Fully furnished waiting area, office and conference room furniture
6. Reasonable and necessary office supplies
7. Phone, cable, and internet services through Charter Communications

EXHIBIT 3

SECTION IV
Proposal Guidelines for Onsite/Near-Site Medical Clinic
Operations and Management Services

The following good and services shall be supplied by the awarded contractor:

Outline of Expected Services

I. Onsite/Near-Site Medical Services

- A. Provide the highest quality primary care and minor emergency medical services for non-occupational illnesses and injuries for a nine (9) consecutive hour time period, Monday through Friday (observing all City holidays) to members age 24 months and older. The exact hours of operation will be determined after the contract is awarded;
- B. Provide appropriate medical professionals to staff the clinic during the prescribed hours. The City's preference is to maintain the existing structure and the existing employees. However, the City is willing to entertain other staffing models to deliver the requested medical services;
- C. Provide sufficient "relief" medical professionals to staff the clinic in cases of illness, vacation, training, or to temporarily fill-in when vacancies occur;
- D. Provide inoculations and immunizations including, but not limited to, flu and tetanus shots as desired or promoted by the City;
- E. Conduct pre-employment physicals as requested;
- F. Plan, develop and support wellness initiatives in conjunction with the City's wellness program, including but not limited to:
 - 1. Health screenings such as blood pressure checks, HDL/LDL cholesterol, blood glucose, total BMI and other screenings as requested during the year
 - 2. Provide employee follow-up and education
 - 3. Chronic disease management, monitoring, and employee education
 - 4. Coordination with the City's wellness program to support wellness related activities
 - 5. Assist the City in developing wellness initiatives that have a direct impact on potentially reducing identified health risks in the City
 - 6. Provide support for the City's Healthy Incentives Program (see Attachment)
 - 7. Provide education, support and assistance to patients in the form of live/telephonic/online health coaching, nutritionists, etc.
- G. If services are expanded in the future, serve as a collection site for pre-employment, random, reasonable suspicion, post-accident and follow-up drug testing in accordance with DOT and the City's testing requirements and procedures:
 - 1. Provide for proper chain of custody and all necessary forms
 - 2. Provide for collection supplies
 - 3. Provide for or make arrangements for transportation of specimens to laboratories
- H. If services are expanded in the future, provide triage of workers' compensation

EXHIBIT 3

injuries as well as:

1. Job specific return-to-work evaluations
 2. Job specific pre-employment and fit-for-duty physicals
- I. Maintain the current clinic model of each patient having a full 20 minute appointment with the medical provider (i.e., in an hour time period only 3 appointments are available per provider)

II. Clinical Management

- A. During the clinic transition phase, provide assistance and expertise to ensure a successful and efficient transfer that allows operations to continue;
- B. Provide resources and expertise to ensure optimal and positive positioning of the clinic throughout the term of any contract, through employee communication and promotion;
- C. Provide staffing of medical, technical, and support staff that demonstrate strong interpersonal skills, exceptional service delivery philosophy and passion for the holistic treatment, care, wellness, and recovery of patients;
- D. Provide supply and inventory management;
- E. Provide medical administration of patient care including patient management and patient referral management;
- F. Maintain patient records in a secured environment, in electronic medical record (EMR) format, in compliance with HIPAA regulations. EMR should have electronic prescribing capabilities;
- G. Provide for the active management of the City's employee health by deploying target wellness and chronic disease management initiatives;
- H. Maintain open dialogue with the City's health and workers' compensation third-party administrators (if applicable), and with City staff responsible for those functions, to balance both recovery and City return-to-work programs;
- I. Assist with and actively engage in cost savings management initiatives;
- J. Provide regular scheduled reports to the City (as outlined in Section IV- Reporting) that sufficiently describe the program impact, cost impact, employee satisfaction, and other performance parameters as agreed upon with the City;
- K. Maintain communications with City staff regarding patient status within HIPAA, FMLA, and ADA guidelines;
- L. Maintain ongoing communication with City staff regarding program opportunities and enhancements. This includes regular face-to-face meetings with City staff as well as attendance at various meetings such as the Employee Benefits and Wellness Fair and other health fairs, and meetings with other City staff including management, the City's Employee Insurance Committee, and the City's Wellness Committee, as needed.

III. Medical personnel minimum requirements

- A. All medical personnel (physicians, physician assistants, nurse practitioners, nurses, and medical assistants) shall be properly licensed, credentialed, and authorized to practice/work in Texas.
- B. The selected vendor shall consult with the City on all replacements, additions, or changes in clinic personnel. As the party ultimately responsible for the expense of

EXHIBIT 3

the medical personnel, the City shall have the final say on all clinic personnel.

IV. Technology

- A. Provide for a “paperless” medical office by having state of the art electronic medical records software and hardware;
- B. Provide state of the art technology to support scheduling requirements for patients and online check-in;
- C. Ability to send multiple appointment reminders via email, phone, and/or text;
- D. Provide online access to patient status updates and test results;
- E. Capture relevant procedure code data to enable the City to perform comparisons between the services rendered in the clinic with the cost of performing those services outside of the clinic setting;
- F. Provide the capability to interface the health TPA’s computer system:
 - 1. Ability to file “zero dollar” claims with the City’s health TPA
 - 2. Ability to capture a reasonable “fee schedule” for those claims
- G. Provide an application solution for iOS, Android, and other smartphones;
- H. Provide a web-based consumer education portal;
- I. Ability to export clinical/lab data to medical carriers;
- J. Information Technology support services for clinic operations.

V. Reporting

- A. Provide City specific management reports on a weekly/monthly basis to include but not be limited to:
 - 1. Clinic census data (patients seen/day; duration of visit, etc.)
 - 2. Number of available appointments, number of filled appointments, and utilization percentage on a weekly basis
 - 3. No show report by provider and lab draws
 - 4. Number of lab procedures
 - 5. Financial performance data
 - 6. Employee satisfaction data
 - 7. Referral data
 - 8. Cost savings data
 - 9. Wellness initiatives and efforts
 - 10. Wait time data
 - 11. Aggregate reports summarizing the types of disease states, conditions, illnesses, and injuries of patients accessing the clinic
 - 12. Monthly reports of those employees who have had the HRA blood work performed and completed the required follow-up visit with the provider
- B. Provide the appropriate medical records in the appropriate format to the City’s health third-party administrator in order to allow the data to be integrated with the third-party administrator’s disease management and wellness programs.

EXHIBIT 3**Exhibit D**
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor or Supplier. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Supplier. No Terms and Conditions contained in the seller's proposal response, invoice or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, 22 and 32 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. CONTRACTOR'S OBLIGATIONS. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

2. EFFECTIVE DATE/TERM. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.

3. CONTRACTOR TO PACKAGE DELIVERABLES: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. SHIPMENT UNDER RESERVATION PROHIBITED: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. TITLE & RISK OF LOSS: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

6. DELIVERY TERMS AND TRANSPORTATION CHARGES: Deliverables shall be

EXHIBIT 3

shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth the purchase order.

7. RIGHT OF INSPECTION AND REJECTION: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. NO REPLACEMENT OF DEFECTIVE TENDER: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.

9. PLACE AND CONDITION OF WORK: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. WORKFORCE

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.

B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Denton contract or on the City's property .

i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed

Contract # 6198

EXHIBIT 3

any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

Immigration: The Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986 and 1990 regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services under the Contract and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA") enacted on September 30, 1996.

11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS: The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

Environmental Protection: The Respondent shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq.*).

12. INVOICES:

A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.

B. Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount.

The City will furnish a tax exemption certificate upon request.

13. PAYMENT:

A. All proper invoices need to be sent to Accounts Payable. Approved invoices will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice being received

EXHIBIT 3

in Accounts Payable, whichever is later.

B. If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:

- i. delivery of defective or non-conforming deliverables by the Contractor;
- ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
- iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
- iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
- v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;
- vi. failure of the Contractor to submit proper invoices with purchase order number, with all required attachments and supporting documentation; or
- vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given that any awarded firm who is in arrears to the City of Denton for delinquent taxes, the City may offset indebtedness owed the City through payment withholding.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

14. TRAVEL EXPENSES: All travel, lodging and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the contract terms. During the term of this contract, the contractor shall bill and the City shall reimburse contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

EXHIBIT 3**15. FINAL PAYMENT AND CLOSE-OUT:**

A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.

B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. SPECIAL TOOLS & TEST EQUIPMENT: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. RIGHT TO AUDIT:

A. The City shall have the right to audit and make copies of the books, records and computations pertaining to the Contract. The Contractor shall retain such books, records, documents and other evidence pertaining to the Contract period and five years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents and other evidence shall be available, within ten (10) business days of written request. Further, the Contractor shall also require all Subcontractors, material suppliers, and other payees to retain all books, records, documents and other evidence pertaining to the Contract, and to allow the City similar access to those documents. All books and records will be made available within a 50 mile radius of the City of Denton. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

B. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City's sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents" and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

18. SUBCONTRACTORS:

A. If the Contractor identified Subcontractors in a DBE/MBE/WBE agreed to Plan, the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Contract # 6198

EXHIBIT 3

Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the

Contract, and shall contain provisions that:

- i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
- ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
- iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
- iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
- v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. WARRANTY-PRICE:

A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

20. WARRANTY – TITLE: The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.

21. WARRANTY – DELIVERABLES: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and Contract # 6198

EXHIBIT 3

conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

22. WARRANTY – SERVICES: The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor

EXHIBIT 3

shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. RIGHT TO ASSURANCE: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. STOP WORK NOTICE: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. DEFAULT: The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

27. TERMINATION FOR CAUSE: In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ninety (90) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ninety (90) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

28. TERMINATION WITHOUT CAUSE: The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon ninety (90) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available Contract # 6198

EXHIBIT 3

for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS:**

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **INDEMNITY:**

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR

EXHIBIT 3

THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

32. INSURANCE: The following insurance requirements are applicable, in addition to the specific insurance requirements detailed in **Appendix A** for services only. The successful firm shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton.

A. General Requirements:

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated and agreed to, as submitted to the City and approved by the City within the procurement process, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverage's and endorsements required to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.
- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of **A- VII or better**. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.
- vi. All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the solicitation number and the following information:

City of Denton
Materials Management Department
901B Texas Street
Denton, Texas 76209

- vii. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- viii. If insurance policies are not written for amounts agreed to with the City, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified.

EXHIBIT 3

If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
ix. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

x. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

xi. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

xii. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

xiii. The Contractor shall endeavor to provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverage's indicated within the Contract.

xiv. The insurance coverage's specified in within the solicitation and requirements are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the solicitation instrument.

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

34. **NOTICES:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any

EXHIBIT 3

portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code.

36. NO WARRANTY BY CITY AGAINST INFRINGEMENTS: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

37. CONFIDENTIALITY: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

38. OWNERSHIP AND USE OF DELIVERABLES: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right,

EXHIBIT 3

title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 38 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 38 a., b., and c. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 37 above.

39. PUBLICATIONS: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

40. ADVERTISING: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

41. NO CONTINGENT FEES: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

Contract # 6198

EXHIBIT 3

42. **GRATUITIES:** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

43. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS:** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire.

44. **INDEPENDENT CONTRACTOR:** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or his designee under this agreement. The contractor is expressly free to advertise and perform services for other parties while performing services for the City.

45. **ASSIGNMENT-DELEGATION:** The Contract shall be binding upon and ensure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.

46. **WAIVER:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

EXHIBIT 3

47. **MODIFICATIONS:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

48. **INTERPRETATION:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

49. **DISPUTE RESOLUTION:**

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

50. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

EXHIBIT 3

51. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

52. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
MLK Day
Memorial Day
4th of July
Labor Day
Thanksgiving Day
Day After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)
New Year's Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or his authorized designee.

53. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

54. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

55. **EQUAL OPPORTUNITY**

A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of, or be otherwise subjected to discrimination under any activities resulting from this RFQ.

B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

56. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded Contract # 6198**

EXHIBIT 3**requirements)**

The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –

i. "Component" means an article, material, or supply incorporated directly into an end product.

ii. "Cost of components" means -

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

iii. "Domestic end product" means-

(1) An unmanufactured end product mined or produced in the United States; or

(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.

v. "Foreign end product" means an end product other than a domestic end product.

vi. "United States" means the 50 States, the District of Columbia, and outlying areas.

B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.

C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.

D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

57. RIGHT TO INFORMATION: The City of Denton reserves the right to use any and all information presented in any response to this contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

58. LICENSE FEES OR TAXES: Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

59. PREVAILING WAGE RATES: The contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at <http://www.dol.gov/whd/contracts/dbra.htm> and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

60. COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS: The contractor or supplier shall comply with all State, Federal, and Local laws and requirements. The Respondent

EXHIBIT 3

must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants. The Respondent shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

61. FEDERAL, STATE, AND LOCAL REQUIREMENTS: Respondent shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. Respondent is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Respondent shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Respondent or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Respondent's omission or breach of this Section.

62. DRUG FREE WORKPLACE: The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

63. RESPONDENT LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY: The Respondent shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Respondent and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Respondent shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

64. FORCE MAJEURE: The City of Denton, any Customer, and the Respondent shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Respondent will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Respondent continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Respondent shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

65. NON-WAIVER OF RIGHTS: Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right

Contract # 6198

EXHIBIT 3

or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

66. NO WAIVER OF SOVEREIGN IMMUNITY: The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

67. RECORDS RETENTION: The Respondent shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Respondent shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Respondent shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract.

Should a conflict arise between any of the contract documents, it shall be resolved with the following order of precedence (if applicable). In any event, the final negotiated contract shall take precedence over any and all contract documents to the extent of such conflict.

- 1. Final negotiated contract**
- 2. RFP/Bid documents**
- 3. City's standard terms and conditions**
- 4. Purchase order**
- 5. Supplier terms and conditions**

EXHIBIT 3

Exhibit E **INSURANCE REQUIREMENTS AND WORKERS' COMPENSATION REQUIREMENTS**

Upon contract execution, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A or better**.
- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- Liability policies shall be endorsed to provide the following:
 - Name as Additional Insured the City of Denton, its Officials, Agents, Employees and volunteers.
 - That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.
 - Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.
- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

EXHIBIT 3

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.
- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.
- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

[X] **A. General Liability Insurance:**

General Liability insurance with combined single limits of not less than **\$1,000,000.00** shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.
- Coverage B shall include personal injury.
- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

- Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.
- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

EXHIBIT 3**[X] Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **\$500,000** either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury and property damage liability arising out of the operation, maintenance and use of all automobiles and mobile equipment used in conjunction with this contract.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- any auto, or
- all owned hired and non-owned autos.

[X] Workers' Compensation Insurance

Contractor shall purchase and maintain Workers' Compensation insurance which, in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least \$100,000 for each accident, \$100,000 per each employee, and a \$500,000 policy limit for occupational disease. The City need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the City, its officials, agents, employees and volunteers for any work performed for the City by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Workers' Compensation Commission (TWCC).

[] Owner's and Contractor's Protective Liability Insurance

The Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under this contract, an Owner's and Contractor's Protective Liability insurance policy naming the City as insured for property damage and bodily injury which may arise in the prosecution of the work or Contractor's operations under this contract. Coverage shall be on an "occurrence" basis and the policy shall be issued by the same insurance company that carries the Contractor's liability insurance. Policy limits will be at least **\$500,000.00** combined bodily injury and property damage per occurrence with a **\$1,000,000.00** aggregate.

[] Fire Damage Legal Liability Insurance

Coverage is required if Broad form General Liability is not provided or is unavailable to the contractor or if a contractor leases or rents a portion of a City building. Limits of not less than _____ each occurrence are required.

[X] Professional Liability Insurance

Professional liability insurance with limits not less than **\$1,000,000.00** per claim with respect to negligent acts, errors or omissions in connection with professional services is required under this Agreement.

EXHIBIT 3

[] **Builders' Risk Insurance**

Builders' Risk Insurance, on an All-Risk form for 100% of the completed value shall be provided. Such policy shall include as "Named Insured" the City of Denton and all subcontractors as their interests may appear.

[] **Environmental Liability Insurance**

Environmental liability insurance for \$1,000,000 to cover all hazards contemplated by this contract.

[] **Riggers Insurance**

The Contractor shall provide coverage for Rigger's Liability. Said coverage may be provided by a Rigger's Liability endorsement on the existing CGL coverage; through and Installation Floater covering rigging contractors; or through ISO form IH 00 91 12 11, Rigger's Liability Coverage form. Said coverage shall mirror the limits provided by the CGL coverage

[] **Commercial Crime**

Provides coverage for the theft or disappearance of cash or checks, robbery inside/outside the premises, burglary of the premises, and employee fidelity. The employee fidelity portion of this coverage should be written on a "blanket" basis to cover all employees, including new hires. This type insurance should be required if the contractor has access to City funds. Limits of not less than \$_____ each occurrence are required.

[] **Additional Insurance**

Other insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Specific Conditions" of the contract specifications.

EXHIBIT 3**ATTACHMENT 1****[] Workers' Compensation Coverage for Building or Construction Projects for Governmental Entities****A. Definitions:**

Certificate of coverage ("certificate")-A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any overage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.
- C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.
- D. If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.
- E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

EXHIBIT 3

1. a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and
 2. no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
- F. The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
- G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- I. The contractor shall contractually require each person with whom it contracts to provide services on a project, to:
1. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;
 2. provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;
 3. provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 4. obtain from each other person with whom it contracts, and provide to the contractor:
 - a. a certificate of coverage, prior to the other person beginning work on the project; and

EXHIBIT 3

- b. a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
- 5. retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
- 6. notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
- 7. Contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.
- J. By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- K. The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

EXHIBIT 3

Exhibit F

Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish an original notarized Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at :
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Sign and notarize the Form 1295
6. Email the notarized form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

EXHIBIT 3



Certificate Of Completion

Envelope Id: 1C5470EBA16E4E6DA40162DAB8C1446F

Status: Sent

Subject: City Council Docusign Item - 6198

Source Envelope:

Document Pages: 113

Signatures: 2

Envelope Originator:

Supplemental Document Pages: 0

Initials: 0

Karen E. Smith

Certificate Pages: 6

AutoNav: Enabled

Payments: 0

karen.smith@cityofdenton.com

Envelopeld Stamping: Enabled

IP Address: 129.120.6.150

Time Zone: (UTC-06:00) Central Time (US & Canada)

Record Tracking

Status: Original

Holder: Karen E. Smith

Location: DocuSign

2/15/2017 5:27:01 PM

karen.smith@cityofdenton.com

Signer Events

Signature

Timestamp

Karen E. Smith

Completed

Sent: 2/15/2017 5:30:34 PM

karen.smith@cityofdenton.com

Viewed: 2/15/2017 5:30:51 PM

Assistant Purchasing Manager

Signed: 2/15/2017 5:32:35 PM


City of Denton

Using IP Address: 129.120.6.150

Security Level: Email, Account Authentication (Optional)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign
ID:

Ben Barker

DocuSigned by:

C643B9DCF79A46D...

Sent: 2/15/2017 5:32:37 PM

bbaker@carehere.com

Viewed: 2/15/2017 6:18:45 PM

Chief Operating Officer

Signed: 2/15/2017 6:20:36 PM

Security Level: Email, Account Authentication (Optional)

Using IP Address: 99.59.164.252

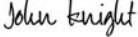
Signed using mobile

Electronic Record and Signature Disclosure:

Accepted: 2/15/2017 6:18:45 PM

ID: 225a3448-dc01-42c7-b4fd-7015d20cad5e

John Knight

DocuSigned by:

C821996C2A2B439...

Sent: 2/15/2017 6:20:39 PM

john.knight@cityofdenton.com

Viewed: 2/16/2017 12:29:57 PM

Deputy City Attorney

Signed: 2/16/2017 12:36:24 PM

City of Denton

Using IP Address: 129.120.6.150

Security Level: Email, Account Authentication (Optional)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign
ID:

Julia Winkley

Sent: 2/16/2017 12:36:26 PM

julia.winkley@cityofdenton.com

Viewed: 2/16/2017 4:04:32 PM

Contracts Administration Supervisor

City of Denton

Security Level: Email, Account Authentication (Optional)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign
ID:

EXHIBIT 3

Signer Events	Signature	Timestamp
<p>Todd Hileman</p> <p>todd.hileman@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 2/8/2017 6:52:51 PM ID: 8154723a-9757-4d53-a4b5-794656233671</p>		
<p>Jennifer Walters</p> <p>jennifer.walters@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>		
Person Signer Events	Signature	Timestamp
Editor Deliver Events	Status	Timestamp
Agent Deliver Events	Status	Timestamp
Intermediary Deliver Events	Status	Timestamp
Certified Deliver Events	Status	Timestamp
Car on Cop Events	Status	Timestamp
<p>Bernie Livers</p> <p>blivers@carehere.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>	COPIED	<p>Sent: 2/15/2017 5:32:37 PM</p> <p>Viewed: 2/15/2017 7:19:40 PM</p>
<p>Julia Winkley</p> <p>julia.winkley@cityofdenton.com</p> <p>Contracts Administration Supervisor</p> <p>City of Denton</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>	COPIED	<p>Sent: 2/15/2017 6:20:38 PM</p>
<p>Sherri Thurman</p> <p>sherri.thurman@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>	COPIED	<p>Sent: 2/15/2017 6:20:38 PM</p> <p>Viewed: 2/16/2017 8:58:29 AM</p>
<p>Jane Richardson</p> <p>jane.richardson@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>		

EXHIBIT 3

Carion Cop Events	Status	Timestamp
<p>Robin Fox</p> <p>Robin.fox@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 10/9/2015 1:39:51 PM ID: 04463961-03db-4c4d-9228-d660d6146ed6</p>		
<p>Jennifer Bridges</p> <p>jennifer.bridges@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>		
<p>Jane Richardson</p> <p>jane.richardson@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>		
<p>Scott Payne</p> <p>scott.payne@cityofdenton.com</p> <p>Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign ID:</p>		
otar Events		Timestamp
Envelope Summar Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/16/2017 12:36:26 PM
ament Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

EXHIBIT 3

How to contact City of Denton:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: kevin.gunn@cityofdenton.com

To advise City of Denton of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at kevin.gunn@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to kevin.gunn@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to kevin.gunn@cityofdenton.com and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none">•Allow per session cookies•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

EXHIBIT 3

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.