

**CONTRACT FOR EMPLOYEE BENEFITS BROKER CONSULTING SERVICES**

THIS CONTRACT is being entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the City of Las Vegas (hereinafter the "City"), a municipal corporation within the State of Nevada having its principal office at 495 South Main Street, Las Vegas, Nevada 89101, and MOUNTAIN WEST SERIES OF LOCKTON COMPANIES, LLC hereinafter the "Company", a corporation organized and existing under the laws of the State of Illinois, having its principal office at 8110 East Union Avenue, Suite 700, Denver, Colorado 80233.

**SECTION A – Contract Overview****A-1 Summary of Contract [CAO-12/30/2020]**

This Contract sets forth the terms and conditions for the performance of services described herein, and the execution hereof by the parties hereto forms a legally binding contract. This is a Non-Exclusive Contract.

(a) <b>Contract Synopsis</b> The legally binding Scope of Work is more fully defined in Section C	This Contract provides for a broker/consultant to manage City employee insurance benefits.		
<b>Performance Dates</b> The Performance Period is more fully defined in Section A-2	<b>Award Date</b> See first paragraph	<b>Expiration Date</b> Two (2) years from Award Date	<b>Option Periods</b> Four (4) two-year periods
<b>Contract Type</b> As defined in Section B-1	The contract type is Commission Based Contract, with commissions being paid directly to Company by insurance carriers based on benefit packages accepted by the City.		
<b>Contract Amount</b> This Not-to-Exceed Amount is subject to Section C-2	\$360,000		Not-to-Exceed Annual Amount of Commissions collected by the Company from Providers of Insurance to the City

(b) <b>Contract Exhibits / Attachments</b> The following documents are hereby incorporated into this Contract
Exhibit A – Excerpted Proposal (Section 3 – Work Plan) Attachment 1 – Certificate – Disclosure of Ownership/Principals

(c) <b>City Project Manager</b> Per Section D-4, (a)	<b>Name</b> Betty Owens, Human Resources Manager, Risk & Benefits	<b>Phone</b> 702-229-5075	<b>Email</b> bowens@lasvegasnevada.gov
<b>Company Representative</b> Per Section D-4, (b)	<b>Name</b> Tanna Prince, CEBS, FLMI	<b>Phone</b> 725-206-2020	<b>Email</b> tanna.prince@lockton.com

(d)

City Legal Notice Representative per Section E-1			
Company Legal Notice Representative Per Section E-1	Name & Title Julie Marcello, EVP & COO	Address 8110 E. Union Ave., Suite 700 Denver, CO 80233	FAX 303-865-6000

**A-2 Performance Period [CAO-12/30/2020]**

- (a) The performance period commences on the Award Date and continues through the Expiration Date.
- (b) The City may at its sole discretion, exercise the option to renew this Contract for the periods set forth above (if any). The City shall provide written notice to the Company of such renewal(s), and the Company may not assume an automatic renewal. Exercise of an option does not commit the City to exercise further options.
- (c) The City reserves the right to temporarily extend this Contract for up to one hundred eighty (180) calendar days from the Expiration Date, for any reason.

**SECTION B – Basic Terms****B-1 Definitions [CAO-08/28/19] [R]**

The following definitions apply to this Contract:

- (a) *“Award Date”* means the date that a Contract becomes effective. It is the date entered into the first paragraph of a Contract upon execution by an authorized representative of the City.
- (b) *“Commission”* means the amount(s) paid to the Company by insurance carriers who have been recommended by the Company and selected by the City.
- (c) *“Commission Based Contract”* means a contract where the Company receives payments for services it provides to the City from insurance providers with whom the Company contracts to provide services to the City and its employees.
- (d) *“Contract”* means this document, consisting of Sections A through E, and the exhibits and attachments attached hereto, which is binding and effective only upon execution by the City.
- (e) *“Contract Amount”* means the maximum amount of compensation that may be paid to the Company for performance of the Contract, which includes, without limitation, compensation for all direct and indirect expenses.
- (f) *“Deliverable”* means any report, software, hardware, data, documentation or other tangible item that the Company is required to provide to the City under the terms of the Contract.
- (g) *“Fee”* means the remuneration paid by the City directly to the Company for Services, which does not include Commissions.
- (h) *“HIPAA”* means the Health Insurance Portability and Accountability Act of 1996.
- (i) *“Insurer”* means every person engaged as principal and indemnitor, surety, or contractor in the business of entering into contracts of insurance (REF: NRS 679A.100).
- (j) *“Non-Exclusive Contract”* means a Contract under which the City agrees to obtain some, but not necessarily all, of the City’s requirements for a particular service.
- (k) *“Producer of Insurance”* means a person required to be licensed under the laws of the State of Nevada to sell, solicit, or negotiate insurance (REF: NRS 679A.117).

## SECTION C – Scope of Work

### C-1 Scope of Work

Services will be provided in accordance with the Scope of Work set forth below and with Exhibit A (Company Work Plan):

- (a) Assist the City in administering all group insurance plans, responding to questions from and providing information to staff, and providing other consulting services during the course of the plan year.
- (b) Serve as designated insurance Producer of Insurance for Benefit Programs.
- (c) Research any new developments in the law and employee benefit programs on an ongoing basis and assist City in complying with laws and regulations related to employee benefits.
- (d) Review claims experience, claim service, and claim administration to ensure maximum benefit to the City. Determine and recommend the most economical funding methods for the benefit programs and strike a balance between cost and comprehensiveness of the programs. Advise and assist the City in evaluating and selecting among coverage alternatives such as plan coverage's, deductibles, co-payments, out of pocket payments, etc.
- (e) As requested, prepare bid specifications and solicit proposals from insurance markets which specialize in group insurance plans as needed. Evaluate bids and bidders, including administration, coverage, claim payment procedures, customer service, networks, reserve establishment policies, financial soundness, and identify the most cost-beneficial package from among the various bidders.
- (f) Analyze insurance proposals regarding appropriateness of coverage, maximizing plan effectiveness, minimizing plan cost, identifying alternative plan structures and presenting the results of such analysis to the appropriate parties. Advise the City on potential gaps or overlaps in coverage.
- (g) Develop a solicitation/negotiation strategy and participate with the City in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design, and special terms and conditions.
- (h) Meet and provide reports to various City representatives including Human Resources and Finance. Analyze claims history and insurance utilization at least quarterly.
- (i) Assist with the implementation/transitioning of carriers/administrators.
- (j) Assist with the implementation and communication of new programs or changes to existing programs, which will include attending and presenting information at Open Enrollment meetings and to our Insurance Committee as well as City Council.
- (k) In coordination with City staff, develop, produce and coordinate the printing and distribution of Benefits communication materials including two (2) newsletters per year and one (1) annual highlights booklet detailing insurance plans offered and eligibility requirements. Newsletters are sent to all benefit subscribers and the highlights booklets are sent to all benefit eligible employees (approximately 2500 booklets).
- (l) Represent the City and its interests in interfacing with insurance carriers and contracted plan administrators as needed to assist in the resolution of problems associated with benefit programs.
- (m) Audit contracts for accuracy of coverage, term and conditions. Review all insurance, Benefit and administrative service documents for accuracy and adherence to prior agreements (but not perform a legal review).
- (n) Assisting in determining specifications for future insurance coverage. Assist with setting up the renewals timing schedule annually. Assist with writing, reviewing, analyzing, and presenting Requests for Proposals during renewals. Provide side-by side reporting for review. Prepare and/or review and advise on contract renewals.
- (o) Negotiate all insurance renewals, including meeting directly with insurance company underwriters and place insurance as directed.
- (p) Review contracts with providers for accuracy in rates, benefits, eligibility, and coverage definitions ensuring contract compliance.
- (q) Prepare annual reports, in any reasonable annual format requested in advance by the City, for each line of coverage, analyzing financial developments, network utilization, insurer cost structures, etc., and make recommendations

regarding plan redesign or alternative structures, changes, modifications and/or Benefit enhancements. Assist with Benefit Plan Design to contain cost and maximize benefit effectiveness.

- (r) Collect issues of interest regarding insurance status or developments for City benefit administrators, prepare financial reports, interpret carrier reports, follow-up with carriers, and serve as a benefit resource for the City.
- (s) In accordance with parameters and criteria established by City, design a strategy for introducing/enhancing wellness programs to the City, develop vendor selection criteria, and conduct a selection process to procure such services.
- (t) In accordance with parameters and criteria established by City, design a strategy for developing and introducing an alternative/enhanced benefit plan, based on core benefits and employee choice. Working with the city, develop plan design, flex credit methodology, wellness incentives, employee communication and implementation plan.
- (u) Assist with budget projections on future costs of Benefit programs.
- (v) The Company must maintain an office with staff adequate to service the insurance program. A staff member who is familiar enough with the City insurance program to answer routine questions concerning claims, invoices, endorsements and similar matters must be available in such office, during normal business hours. A Senior Account Manager must be available within 24 hours of request for phone consultation, in-person meetings, etc.

## C-2 Deliverables

The Company shall provide the following Deliverables:

- (a) Monthly reports on agreed upon topics and schedule; and
- (b) Special reports on agreed upon topics and schedule; and
- (c) Attendance at regularly scheduled and special meetings.

## SECTION D – Special Conditions

### D-1 Commission Payments

Commission payments to the Company will be made directly from insurance companies who provide insurance coverage to City employees in the categories listed below, as long as such products are in place for the City. No payments are made by the City to the Company for services under this Contract.

Item No.	Coverage	Commission Rate
1	Medical: Fully Insured HMO/PPO/POS	1.00%
2	Basic and Voluntary Life	2.00%
3	Long Term Disability	2.00%
4	Dental	0.00%
5	Vision	0.00%

### D-2 Commission Rate Revisions

For the term of this Contract, Commission Rates shall remain firm unless changed in accordance with Section 13, "Modification/Amendment" hereunder.

### D-3 [Reserved]

**D-4 Project Manager/Company Representative [CAO-8/28/19]**

- (a) The City's designated Project Manager for this Contract is named in Section A-1 (c). The City will provide written notice to the Company should there be a subsequent Project Manager change. The Project Manager will be the Company's principal point of contact at the City regarding any matters relating to this Contract, will provide all general direction to the Company regarding Contract performance, and will provide guidance regarding the City's goals and policies. *The Project Manager is not authorized to waive or modify any material scope of work changes or terms of the Contract.*
- (b) The Company's designated Company Representative for this Contract is named in Section A-1 (c). The Company will provide written notice to the City should there be a subsequent Company Representative change. The City has the right to assume that the Company Representative has full authority to act for the Company on all matters arising under or relating to this Contract.

**D-5 Insurance [CAO-03/31/2022] [R]**

- (a) The Company shall procure and maintain, at its own expense, during the entire term of the Contract, the following coverage(s):
- (i) Industrial/Workers' Compensation Insurance protecting the Company and the City from potential Company employee claims based upon job-related sickness, injury, or accident, during performance of this Contract, and must submit proof of such insurance on a certificate of insurance issued by an insurer qualified to underwrite workers' compensation insurance in the State of Nevada, in accordance with NRS 616A-616D, inclusive. If Company is a sole proprietor, it will be required to submit an affidavit indicating that the Company has elected not to be included in the terms, conditions and provisions of NRS 616A-616D, inclusive, and is otherwise in compliance with those terms, conditions and provisions. The Company's Workers' Compensation policy shall have a waiver of subrogation endorsement in favor of the City of Las Vegas.
  - (ii) Commercial General Liability Insurance (bodily injury, property damage) with respect to the Company's agents assigned to the activities performed under this Contract in a policy limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, for bodily injury, products, completed operations, personal injury and property damages. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis, and be provided on either a Commercial General Liability or a Broad Form Comprehensive General Liability (including a Broad form CGL endorsement) insurance form. The form must be written on an ISO Form CG 00 01 10 01, or an equivalent form. The Company's General Liability policy shall have a waiver of subrogation endorsement in favor of the City of Las Vegas, and shall be endorsed to include the City, its officers, and employees as additional insured.
  - (iii) Commercial Automobile Liability Insurance of limits no less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage to include, but not be limited to, coverage against all insurance claims for injuries to persons or damages to property which may arise from services rendered by Company and any auto used in the performance of services under this Contract. The policy must insure all vehicles **owned** by the Company and include coverage for **hired** and **non-owned** vehicles. If the services requested do not require the use of the vehicle to perform, the Commercial Automobile Liability Insurance requirements as described in this paragraph do not apply. The Company's Automobile Liability policy shall have a waiver of subrogation endorsement in favor of the City of Las Vegas, and shall be endorsed to include the City, its officers, and employees as additional insured.
  - (iv) Professional Liability Insurance (Errors and Omissions Coverage) protecting the Company from claims arising out of performance of professional services caused by a negligent act, error, or omission for which the insured is legally liable. Such coverage shall be in a minimum amount of \$1,000,000, combined single limit and in the aggregate, for the period of time covered by this Contract. If coverage is on a "claims made" basis, then it must continue for a period of two years beyond the completion or termination of this Contract. Any retroactive coverage must coincide with or predate the beginning of this Contract and may not be changed without the consent of the City.
- (b) The Company must provide compliant certificates of insurance and required endorsements to the City or its designated certificate tracking service immediately upon request. The Company shall maintain coverage for the duration of this Contract, and any renewal periods if applicable. The Company shall annually provide the City's designated certificate tracking service with a certificate of insurance and endorsements as evidence that all insurance requirements have been met. A certified, true, and exact copy of each of the project specific insurance policies (including renewal policies) required under this Section shall be provided to the City or its designated certificate tracking service if so requested.

- (c) All required aggregate limits must be disclosed and amounts entered on the certificate(s) of insurance. The certificates must identify the Contract number, the Contract description, and for internal City routing purposes only the name of the appropriate City division/department. The Company and/or insurance carrier shall provide the City with a 30-day advance notice of policy modification, cancellation, or erosion of insurance limits, sent by certified mail "return receipt requested".
- (d) The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer and licensed by the State of Nevada. Each insurance carrier's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The City requires insurance carriers to maintain a Best's Key minimum rating of A- VII, A- VIII, A- IX, A- X, or higher. The adequacy of the insurance supplied by the Company, including the rating and financial health of each insurance carrier providing coverage, is subject to the approval of the City.
- (e) All deductibles and self-insurance retentions shall be fully disclosed in the certificate of insurance. No deductible or self-insured retention may exceed \$25,000 without the prior written approval of the City.
- (f) **Companies requesting increased deductibles or self-insured retentions must provide the City a written request stating the desired amounts along with recent audited financial statements for review. The City will review the request and determine if the requested deductibles or self-insured retentions are acceptable. In the event the request for increased deductibles or self-insured retentions is denied, the Company is obligated to provide the deductibles or self-insured retentions established in the Contract at no additional expense to the City.**
- (g) If the Company fails to carry the required insurance, the City may (i) order the Company to stop further performance hereunder, declare the Company in breach, pursuant to Section E-5, "Event of Default", terminate the Contract if the breach is not remedied and, if permitted, assess liquidated damages, or (ii) purchase replacement insurance and withhold the costs or premium payments made from the payments due to the Company or charge the replacement insurance costs back to the Company.
- (h) Any subcontractor or subconsultant approved by the City shall be required to procure, maintain, and submit proof of insurance to the City of the same insurance requirements as specified above, and as required in this paragraph.
- (i) The Company is encouraged to purchase any additional insurance it deems necessary.
- (j) The Company is required to remedy all injuries to persons and damage or loss to any property of the City caused in whole or in part by the Company, its subcontractors or anyone employed, directed, or supervised by the Company.

#### **D-6 Warranty – Services [CAO-3/31/2022]**

Company warrants that the services shall be performed in full conformity with this Contract, with the professional skill and care that would be exercised by those who perform similar services in the commercial marketplace, and in accordance with accepted industry practice. In the event of a breach of this warranty, or in the event of non-performance or failure of the Company to perform the services in accordance with this Contract, the Company shall, at no cost to the City, re-perform or perform the services so that the services conform to the warranty.

#### **D-7 Holidays/Weekends [CAO-01/20/16]**

The Company is excused from performance on weekends and the following legal holidays (on the actual day the holiday is observed):

Martin Luther King's Birthday (observed)  
President's Day  
Memorial Day  
Juneteenth Day  
Independence Day  
Labor Day  
Nevada Admission Day  
Veterans Day

Thanksgiving Day and Friday After  
Christmas Day  
New Year's Day

**D-8 Liquidated Damages** [CAO-01/20/2016]

Assessment of liquidated damages does not apply to this Contract.

**SECTION E – General Conditions****E-1 Legal Notice** [CAO-4/2020]

- (a) Any notice required to be given hereunder shall be deemed to have been given when written notice is (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic "read receipt" not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

FOR THE CITY:	Manager, Purchasing and Contracts City of Las Vegas 495 South Main Street, 4th Floor Las Vegas, Nevada 89101-2986 Fax: (702) 384-9964 Email: <a href="mailto:purchasing@lasvegasnevada.gov">purchasing@lasvegasnevada.gov</a>
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FOR THE COMPANY:	As Noted in Section A-1 (d) of the Contract:
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- (b) The parties shall provide written notification of any change in the information stated above.
- (c) For purposes of this Contract, legal notice shall be required for all matters involving potential termination actions, litigation, indemnification, and unresolved disputes. This does not preclude legal notice for any other actions having a material impact on the Contract.
- (d) Routine correspondence should be directed to the Project Manager or the Company Representative, as appropriate.

**E-2 Disputes** [CAO-4/2020]

- (a) For each claim or dispute arising between the parties under this Contract, the parties shall attempt to resolve the matter through escalating levels of management. In the event the matter cannot be successfully resolved in this manner, the City is granted the sole right, regardless of which party is asserting the claim or dispute, to determine between arbitration and litigation as the forum in which the party desiring to proceed further shall file to resolve the claim or dispute. For any and all claims or disputes asserted by the Company, the Company shall notify the City of its intent to proceed further with the claim or dispute and in response thereto, the City shall notify the Company as to its selected forum for resolution. For any and all claims or disputes asserted by the City, the City shall notify the Company in the notice of its intent to proceed with further resolution whether it has selected arbitration or litigation as the forum to resolve the claim or dispute. In the event arbitration is the designated forum, such arbitration shall be binding on the parties.
- (b) If arbitration is selected by the City as the forum for further resolution, the claim or dispute shall be filed with the American Arbitration Association under its then current Commercial Arbitration Rules, Expedited Procedures, regardless of the amount of the claim or dispute.
- (c) The laws of the State of Nevada shall govern the validity, construction, performance, and effect of this Contract, without giving effect to its conflict of law provisions. If arbitration is selected, each party hereto consents to, and waives any objection to, venue being the offices of the American Arbitration Association located in Las Vegas, Nevada, or other venue mutually agreed by the parties. If litigation is selected, each party hereto consents to, and waives any objection to, the State courts located in the County of Clark, State of Nevada as the proper and exclusive venue for any disputes

arising out of or relating to this Contract or any alleged breach thereof. Each party hereby waives trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters whatsoever arising out of or in any way connected with this Contract.

### **E-3 Notice of Delay [CAO-01/20/16]**

- (a) If timely performance by the Company is jeopardized by the non-availability of City provided personnel, data, or equipment, the Company shall notify the City immediately in writing of the facts and circumstances causing such delay. Upon receipt of this notification, the City will advise the Company in writing of the action which will be taken to remedy the situation.
- (b) The Company shall advise the City in writing of an impending failure to meet established milestones or delivery dates based on the Company's failure to perform. Notice shall be provided as soon as the Company is aware of the situation; however, such notice shall not relieve the Company from any existing obligations regarding performance or delivery.

### **E-4 Termination for Convenience [CAO-08/22/2019] [R]**

The City shall have the right at any time upon thirty (30) days' advance written notice to terminate further performance of this Contract, in whole or in part, for any reason whatsoever (including no reason). Such termination shall be effected by written notice from the City to the Company specifying the extent and effective date of the termination. On the effective date of the termination, the Company shall terminate all work and take all reasonable actions to mitigate expenses. The Company shall submit a written request for incurred costs for services performed through the date of termination, and shall provide any substantiating documentation requested by the City. In the event of such termination, the City agrees to pay the Company within thirty (30) days after receipt of a correct, adequately documented written request. The City's sole liability under this Section is for payment of costs for goods and services requested by the City and actually performed by the Company.

### **E-5 Event of Default [CAO-12/30/2020]**

- (a) If, during the term of this Contract, the Company (i) fails to deliver services that comply with the Scope of Work, (ii) fails to deliver the services within the time specified in the Purchase Order or Scope of Work or any extension thereof, (iii) fails to make progress so as to endanger the performance of this Contract, (iv) becomes insolvent, bankrupt or makes an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed for the Company, or if any proceeding in bankruptcy, receivership, or liquidation is instituted against the Company and is not dismissed within thirty (30) days following commencement thereof, or (v) fails to perform any of the other obligation or requirement of this Contract, then any of the aforementioned failures shall constitute an "Event of Default" under this Contract.
- (b) If there occurs an Event of Default, the Company shall be entitled to ten (10) calendar days from written notice thereof to remedy the Event of Default, provided, however, such is capable of being remedied within that period. If the Event of Default can be remedied, but the remedy cannot be completed within the ten (10) day period, the Company may be allowed such additional time as may be reasonably necessary to remedy the Event of Default, provided, however, the remedy is commenced within the ten (10) day period and is diligently pursued to completion but in no event later than thirty (30) days after such written notice. Said time period may be extended at City's sole discretion. If the Event of Default is incapable of remediation, or is not remedied as required herein, the City may, in addition to any other remedies available in law or equity, invoke any of the remedies provided for under Section E-6, "Termination for Default", below.

### **E-6 Termination for Default [CAO-4/2020] [R]**

- (a) If the Event of Default is not remedied as required pursuant to Section E-5, "Event of Default", the City may, by written notice to the Company pursuant to Section E-1, "Legal Notice", terminate this Contract in whole or in part.
- (b) If this Contract is terminated in whole or in part because the Company has failed to provide services in compliance with the specifications by the deadline of remediation period, the City may acquire, under reasonable terms and in a manner it considers appropriate, replacement services that are comparable to the services that the Company failed to deliver to the City, and the Company shall be liable to the City for any excess costs related thereto. If the City terminates this Contract only in part, the Company shall continue to perform the un-terminated obligations or portions of this Contract.
- (c) The Company shall not be liable for any failure to perform the Contract if the failure arises from circumstances beyond the control of, and without the fault or negligence on the part of, the Company. These circumstances are limited to such causes as (i) acts of God or of the public enemy, (ii) acts of governmental bodies, (iii) fires, (iv) floods, (v)



epidemics/pandemics, (vi) quarantine restrictions, (vii) labor strikes, (viii) freight embargoes, or (ix) unusually severe weather. The time of performance of the Company's obligations under this Contract shall be extended by such period of enforced delay; provided, however, that such reasonably extended time period shall not exceed sixty (60) days. If the foregoing circumstances result in a delay greater than 60 days, the City may terminate the affected portion of the Contract pursuant to the terms of Section E-4, "Termination for Convenience".

- (d) The City retains the right to terminate for default immediately if the Company fails to maintain the required insurance, and/or bonding, fails to comply with applicable local, state, and federal statutes governing performance of these services, or fails to comply with statutes involving health or safety.
- (e) If the City fails to perform any of its obligations required under this Contract, and the City does not remedy the failure after notice thereof is provided to the City by the Company pursuant to the requirements of Section E-1, "Legal Notice" above, the Company shall have the right to treat the failure as a claim or dispute subject to the resolution provisions of E-2, "Disputes" of this Contract. During the period of such resolution, the Company shall continue with its performance under the Contract if the continued performance does not create a conflict with the resolution efforts and the City continues to pay for such performance in accordance with Section D-3, "Invoices."

#### **E-7 Limitation of Funding/Non-Appropriation [CAO-4/2020]**

The Company acknowledges that City is a governmental entity and the Contract's validity is based upon the availability of public funding under its authority. The City reserves the right to reduce estimated or actual quantities, in whatever amount necessary, without prejudice or liability to the City, if funding is not available or if legal restrictions are placed upon the expenditure of monies for the services required under this Contract. In addition, and without prejudice or liability to the City, if funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract will be deemed to have been terminated automatically when appropriated funds expire and are not available. The City shall notify Company in writing of any such non-allocation of funds at the earliest possible date and shall pay Company any reasonable fees earned and costs incurred in performing this Contract for any period prior to such notice.

#### **E-8 Changes - Fixed-Price Goods or Services [CAO-4/2020] [R]**

- (a) The City may at any time, by written order, and mutual agreement of Company, and without notice to the sureties, if any, make changes within the general scope of this Contract in any one or more of the following:
  - (i) Description of services to be performed or goods to be provided.
  - (ii) Time of performance (i.e., hours of the day, days of the week, etc.).
  - (iii) Place of performance of the services.
  - (iv) Time or place of delivery of goods
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Contract, the Company shall provide current, complete, and accurate documentation to the City in support of any request for equitable adjustment.
- (c) The Company must assert its right to an adjustment under this clause within thirty (30) days from the date of receipt of the written order, or shall otherwise be barred and shall have waived any right to an adjustment under this clause.
- (d) The parties shall negotiate a timely requested equitable adjustment by mutual written agreement and the change will be effected by purchase order revision. Failure to agree to any adjustment shall be a dispute under Section E-2, "Disputes."

#### **E-9 Entire Contract, Section and Paragraph Headings [CAO-4/2020]**

- (a) This Contract represents the entire and integrated agreement between the City and the Company. It supersedes all prior and contemporaneous understandings, negotiations, communications, representations, and agreements, whether oral or written, relating to the subject matter of this Contract.
- (b) The section and paragraph headings appearing in this Contract are inserted for the purpose of convenience and ready reference. They do not purport to define, limit, or extend the scope or intent of the language of the sections and paragraphs to which they pertain.

**E-10 Order of Precedence [CAO-7/24/08]**

In the event of a conflict between the specific language set forth in Sections A through E of this Contract and any Attachment or Exhibit, the specific language in Sections A through E shall prevail. Any exception to this order of precedence will be addressed through specific language elsewhere in Sections A through E.

**E-11 Severability [CAO-7/24/08]**

The invalidity, illegality, or unenforceability of any provision of this Contract or the occurrence of any event rendering any portion or provision of this Contract void shall in no way affect the validity or enforceability of any other portion or provision of this Contract. Any void provision shall be deemed severed from this Contract, and the balance of this Contract shall be construed and enforced as if this Contract did not contain the particular portion or provision held to be void. The parties further agree to amend this 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 clause shall not prevent this entire Contract from being void should a provision which is of the essence of this Contract be determined void.

**E-12 Waiver [CAO-7/24/08]**

Waiver of any of the terms of this Contract shall not be valid unless it is in writing signed by each party. The failure of the City to enforce any of the provisions of this Contract, or to require performance of any of the provisions herein, shall not in any way be construed as a waiver of such provisions or to affect the validity of any part of this Contract, or to affect the right of the City to thereafter enforce each and every provision of this Contract. Waiver of any breach of this Contract shall not be held to be a waiver of any other or subsequent breach of this Contract.

**E-13 Modification/Amendment [CAO-7/24/08]**

This Contract shall not be modified or amended except by the express written agreement of the parties, signed by a duly authorized representative for each party. Any other attempt to modify or amend this Contract shall be null and void, and may not be relied upon by either party.

**E-14 Assignment [CAO-7/24/08]**

Neither party may assign their rights nor delegate their duties under this Contract without the written consent of the other party. Such consent shall not be withheld unreasonably. Any assignment or delegation shall not relieve any party of its obligations under this Contract.

**E-15 Indemnification [CAO-4/2020] [R]**

- (a) In addition to the insurance requirements set forth in Section D-5, "Insurance", and not in lieu thereof, the Company shall protect, defend, indemnify and hold harmless the City, its elected officials, officers, and employees (collectively herein the "City") from and against any and all claims, liabilities, damages, losses, suits, actions, decrees, arbitration awards and judgments including reasonable attorney's fees, court costs or other expenses of any and every kind or character (collectively herein the "Liabilities") which may be recovered from or sought against the City, as a result of, by reason of, or as a consequence of (i) any willful or negligent act or omission on the part of the Company, its officers, employees, independent contractors, vendors, suppliers, consultants, or agents in the performance of the terms, conditions and covenants of the Contract; or (ii) a breach of any agreement between the Company and its employees, vendors, independent contractors, suppliers, consultants or agents; or (iii) any default in the performance of any obligation on Company's part to be performed under the terms of this Contract, except for the Liabilities caused in whole by the City. In no event shall the language in this Section constitute or be construed as a waiver or limitation of the City's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the Federal and State Constitutions or by law.
- (b) If a third party claim against the City for negligent performance by the Company is within the limits of its liability insurance, and the insurance company has accepted the City's tender of defense, then the City will pay the Company what is due and owing to them within the payment method specified in this Contract. However, if the claim is greater than the coverage amount, the City, for its protection, may retain any money due and owing the Company under this Contract, until the claim has been resolved; and the Company or the City shall be permitted to suspend further services due to the City. In the event no money is due and owing, the surety, if required, of the Company, may be held until all of the Liabilities have been settled and suitable evidence to that effect furnished to the City.

- (c) It is expressly agreed that the Company shall defend the City at Company's expense, by legal counsel reasonably satisfactory to City, against the Liabilities and in the event that the Company fails to do so, the City shall have the right, but not the obligation, to defend the same and to charge all direct and incidental costs, including reasonable attorney's fees and court costs, to the Company. Company's indemnity obligations herein are not intended to nor shall they relieve any insurance carrier of its obligations under policies required to be carried by Company pursuant to the provisions of this Contract. Company's obligations under this Section shall survive any termination of this Contract for a period of six (6) years.

**E-16 Patent Indemnity [CAO-12/30/2020] [R]**

The Company hereby indemnifies and shall defend and hold harmless the City and its representatives respectively from and against all claims, losses, costs, damages, and expenses, including attorney's fees, incurred by City and its representatives, respectively, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent or other intellectual property and arising out of the use of the equipment or materials furnished under the contract by the Company, or out of the processes or actions employed by, or on behalf of the Company in connection with the performance of the Contract. The Company shall, at its sole expense, by legal counsel reasonably satisfactory to City, promptly defend against any such claim or action unless directed otherwise by the City or its representative; provided that the City or its representatives shall have notified the Company upon becoming aware of such claims or actions, and provided further that the Company's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by the City or its representatives.

**E-17 Audit of Records [CAO-5/2/12] [R]**

- (a) The Company agrees to maintain the financial books and records (including supporting documentation) pertaining to the performance of this Contract according to standard accounting principles and procedures. The books and records shall be maintained for a period of three (3) years after completion of this Contract, except that books and records which are the subject of an audit finding shall be retained for three (3) years after such finding has been resolved. If the Company goes out of business, the Company shall forward the books and records to the City to be retained by the City for the period of time required herein.
- (b) The City or its designated representative(s) who are not competitors of Company shall have the right to inspect and audit (including the right to copy and/or transcribe) the books and records of the Company pertaining to the performance of this Contract during normal business hours on a mutually agreeable date and time; provided that the City or its designated representatives agree to follow the standard processes and/or procedures at the location the books and records are housed, including any reasonable confidentiality requirements before gaining access. The City will provide prior written notice to the Company of the audit and inspection. If the books and records are not located within Clark County, the Company agrees to deliver them to the City, or to an address designated by the City within Clark County. In lieu of such delivery, the Company may elect to reimburse the City for the cost of travel (including transportation, lodging, meals, and other related expenses) to inspect and audit the books and records at the Company's office. If the books and records provided to the City are incomplete, the Company agrees to remedy the deficiency after written notice thereof from the City, and to reimburse the City for any additional costs associated therewith including, without limitation, having to revisit the Company's office. The Company's failure to remedy the deficiency shall constitute a material breach of this Contract. The City shall be entitled to its costs and reasonable attorney fees in enforcing the provisions of this Section.
- (c) If at any time during the term of this Contract, or at any time after the expiration or termination of the Contract, the City or the City's designated representative(s) find the dollar liability is less than payments made by the City to the Company, the Company agrees that the difference shall be either: (i) repaid immediately by the Company to the City or (ii) at the City's option, credited against any future billings due the Company.

**E-18 Confidentiality – City Information [CAO-4/2020]**

- (a) All information, including but not limited to, oral statements, computer files, databases, and other material or data supplied to the Company is confidential and privileged. The Company shall not disclose this information, nor allow to it be disclosed to any person or entity without the express prior written consent of the City. The Company will use at least the same standard of care and exercise equivalent security measures to maintain the confidentiality of the City's information that it uses to maintain the confidentiality of its own confidential information; provided in no event shall such standard be less than reasonable care. The Company shall have the right to use any such confidential information only

for the purpose of providing the services under this Contract, unless the express prior, written consent of the City is obtained. City shall be and remain the sole owner of such confidential information. Nothing contained in this Contract shall be construed as granting or conferring any right or license in the City's information or in any patents, software, or other technology, either expressly or by implication to the Company. Upon request by the City, the Company shall promptly return to the City all confidential information supplied by the City, together with all copies and extracts. Company is required to employ the highest ethical standards and shall avoid those actions that are inconsistent with the City's best interest.

- (b) The confidentiality requirements shall not apply where (i) the information is, at the time of disclosure by the City, then in the public domain; (ii) the information is known to the Company prior to obtaining the same from the City; (iii) the information is obtained by the Company from a third party who did not receive the same directly or indirectly from the City; or (iv) the information is subpoenaed by court order or other legal process, but in such event, the Company shall notify the City. In such event the City, in its sole discretion, may seek to quash such demand.
- (c) The obligations of confidentiality shall survive the termination of this Contract.

#### **E-19 Marketing Restrictions [CAO-4/2020]**

The Company shall at all times be in compliance with Las Vegas Municipal Code 1.08.050, and shall not publish or sell any information from or about this Contract without the prior written consent of the City. This restriction does not apply to the use of the City's name in a general list of customers, so long as the list does not represent an express or implied endorsement of the Company or its services. The City logo shall not be used without the prior written consent of the City.

#### **E-20 Intellectual Property Rights [CAO-4/2020] [R]**

All deliverables produced under this Contract, as well as all data, notes and documentation collected on behalf of the City, are exclusively the property of the City. The Company shall have no property interest in, and may assert no claim or lien on, or right to withhold from the City, or right to use said data other than in performance of its obligations pursuant to this Contract, any data it receives from, receives access to, or stores on behalf of the City. Notwithstanding the foregoing any preexisting intellectual property rights shall remain with the original owner. Subject to Section E-18, at any time during the term of this Contract, and within thirty (30) days of the expiration or termination of this Contract, the Company will upon request return the data to the City at no charge in the format held by Company. On City request, the Company will delete all City data and will provide appropriate certification to the City to document the disposal. The Company shall promptly notify the City if the Company becomes aware of any unauthorized access, acquisition, disclosure, use, modification, destruction or other misuse of the City's data or other confidential information, and shall fully cooperate with the City in any legal action taken by the City to enforce its rights therein. This Section shall survive termination or expiration of this Contract, for a period of six (6) years.

#### **E-21 Taxes/Compliance with Laws [CAO-08/01/13]**

- (a) The City is exempt from paying Sales and Use Taxes under the provisions of Nevada Revised Statutes 372.325(4), and Federal Excise Tax, under Registry Number 88-87-0003k. The Company shall pay all taxes, levies, duties and assessments of every nature and kind which may be applicable to any work under this Contract. The Company shall make any and all payroll deductions required by law. The Company agrees to indemnify and hold the City harmless from any liability on account of any and all such taxes, levies, duties, assessments, and deductions.
- (b) The Company, in the performance of the obligations of this Contract, shall comply with all applicable laws, rules and regulations of all governmental authorities having jurisdiction over the performance of this Contract including, but not limited to, the Federal Occupational Safety and Health Act.

#### **E-22 Licenses/Registrations [CAO-01/20/16]**

During the entire performance period of this Contract, the Company shall maintain all federal, state, and local licenses, certifications and registrations applicable to the work performed under this Contract, including maintaining an active City of Las Vegas business license if required by Las Vegas Municipal Code 6.02.060.

#### **E-23 Non-Discrimination and Fair Employment Practices [CAO-07/31/13]**

- (a) Discrimination: The City of Las Vegas is committed to promoting full and equal business opportunity for all persons doing business in Las Vegas. The Company acknowledges that the City has an obligation to ensure that public funds

are not used to subsidize private discrimination. Company recognizes that if the Company or their subcontractors or subconsultants are found guilty by an appropriate authority of refusing to hire or do business with an individual or company due to reasons of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, national origin, or any other legally protected status, City may declare the Company in breach of contract and terminate Contract.

- (b) Fair Employment Practices: In connection with the performance of work under this Contract, the Company agrees not to discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, sexual orientation, gender identity or expression, age, disability, national origin, or any other legally protected status. Such agreement shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- (c) The Company further agrees to insert this provision in all subcontracts hereunder. Any violation of such provision by a Company shall constitute a material breach of this Contract.

#### **E-24 Employment of Unauthorized Aliens [CAO-01/20/16]**

In accordance with the Immigration Reform and Control Act of 1986, the Company agrees that it will not employ unauthorized aliens in the performance of this Contract.

#### **E-25 Conforming Services [CAO-4/2020]**

The services performed under this Contract shall conform in all respects with the requirements set forth in this Contract. The Company shall furnish the City with sufficient data and information needed to determine if the services performed conform to all the requirements of this Contract.

#### **E-26 Independent Contractor [CAO-4/2020]**

In the performance of its obligations under this Contract, the Company and any other person employed by it shall be deemed to be an independent contractor and not an agent or employee of the City. The Company shall be liable for the actions of any person, organization, or corporation with which it subcontracts to fulfill this Contract. Accordingly, Company shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Company's activities in accordance with this Contract, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees as required under existing or subsequently enacted laws, rules or regulations. Company shall not be entitled to any benefits afforded to City's employees, including without limitation worker's compensation, disability insurance, health insurance, vacation, or sick pay. Company shall be responsible for providing, at Company's expense, and in Company's name, unemployment, disability, worker's compensation, and other insurance, as well as licenses and permits usual or necessary for performance of its obligations pursuant to this Contract. Company shall hereby defend, indemnify, and hold the City harmless from any claims, losses, costs, fees, attorney's fees, liabilities, damages or injuries suffered by the City arising out of Company's failure with respect to its obligations in this Section. Company, upon request, shall furnish evidence satisfactory to the City that any or all of the foregoing obligations have been fulfilled. During Company's contacts with third parties they shall identify themselves as an independent party and not as an employee for the City. Company understands and agrees that they do not have the power or authority to bind City in any capacity. The City shall hold the Company as the sole responsible party for the performance of this Contract. The Company shall maintain complete control over its employees and all of its subcontractors. Nothing contained in this Contract or any subcontract awarded by the Company shall create a partnership, joint venture, or agency with the City. Neither party shall have the right to obligate or bind the other party in any manner to any third party.

#### **E-27 Official, Agent and Employees of the City Not Personally Liable [CAO-01/20/16]**

It is agreed by and between the parties of this Contract, that in no event shall any official, officer, employee, or agent of the City in any way be personally liable or responsible for any covenant or agreement therein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Contract.

#### **E-28 Conflict of Interest (City Officials) [CAO-4/2020]**

- (a) An official of the City, who is authorized on behalf of the City to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this Contract, payments under this Contract, or work under this Contract, shall not be directly or indirectly interested personally in this Contract or in any part hereof. No officer, employee,

architect, attorney, engineer or inspector of, or for the City, who is authorized on behalf of the City to exercise any legislative, executive, supervisory or other similar functions in connection with this Contract, shall become directly or indirectly interested personally in this Contract or in any part hereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to this Contract.

- (b) Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the City relating to this Contract. Notwithstanding any other provision of this Contract, if such interest becomes known, the City may immediately terminate this Contract for default or convenience, based on the culpability of the parties.
- (c) The Company represents and warrants that it has, in accordance with the current policy of the City, disclosed the ownership and principals of the Company on Attachment 1 (Certificate – Disclosure of Ownership and Principals), and that it has a continuing obligation to update this disclosure whenever there is a material change in the information contained therein. Throughout the Contract Term, Company shall notify City in writing of any material change in the above disclosure within ten (10) days of any such change.

#### **E-29 Public Records [CAO-5/2/12]**

The City is a public agency as defined by state law. As such, it is subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's Records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This Contract and all supporting documents are deemed to be public records.

#### **E-30 Use By Other Government Entities [CAO-01/20/16]**

A governing body or its authorized representative and the State of Nevada may join or use the contracts of local governments located within or outside this State with the authorization of the contracting vendor. In the event the Company allows another governmental entity to join the Contract, it is expressly understood that the City shall in no way be liable for the obligations of the joining governmental entity.

#### **E-31 Certification – No Israel Boycott [CAO-4/2020]**

*(Applicable to contracts with an estimated annual amount over \$100,000)*

By signing this Contract, the Company certifies that it is not engaged in, and agrees for the duration of the Contract not to engage in, a boycott of the State of Israel per NRS 332.065.

"Boycott of Israel" means refusing to deal or conduct business with, abstaining from dealing or conducting business with, terminating business or business activities with or performing any other action that is intended to limit commercial relations with Israel; or a person or entity doing business in Israel or in territories controlled by Israel, if such an action is taken in a manner that discriminates on the basis of nationality, national origin or religion. It does not include an action which is based on a bona fide business or economic reason; is taken pursuant to a boycott against a public entity of Israel if the boycott is applied in a nondiscriminatory manner; or is taken in compliance with or adherence to calls for a boycott of Israel if that action is authorized in 50 U.S.C. § 4607 or any other federal or state law.

"Company" means any domestic or foreign sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited-liability partnership, limited-liability company, or other domestic or foreign entity or business association, including, without limitation, any wholly owned subsidiary, majority owned subsidiary, parent company or affiliate of such an entity or business association, that exists for the purpose of making a profit.

A violation of this Section by Company shall be considered an incurable Event of Default of this Contract, thereby allowing the City to immediately terminate this Contract upon giving Legal Notice to Company.

#### **E-32 Counterpart Signatures [CAO-9/24/08]**

This Contract may be executed in counterparts. All such counterparts will constitute the same contract and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

**E-33 Miscellaneous** [CAO – 4/2020]

- (a) In the event of a dispute under this Contract which results in litigation or other formal dispute resolution proceedings, the prevailing party shall be entitled to reimbursement of its or their actual reasonable attorney's fees and costs in connection with such proceeding.
- (b) Time is of the essence of the Contract and each of its provisions.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK**

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized representatives.

**CITY OF LAS VEGAS****MOUNTAIN WEST SERIES OF LOCKTON  
COMPANIES, LLC**

TONYA KEMBLE  
Manager, Purchasing & Contracts

Date

DocuSigned by:  
Julie Marcello  
8962437E88BE418

August 24, 2022 | 2:50

JULIE MARCELLO  
EVP AND COO

Date

ATTEST:

LUANN D. HOLMES, MMC  
City Clerk

Date

APPROVED AS TO FORM:

Dimitri P. Dalacas  
Deputy City Attorney



Deputy City Attorney

8/22/22

Date



**CERTIFICATE - DISCLOSURE OF OWNERSHIP AND PRINCIPALS****1. Definitions**

"City" means the City of Las Vegas.

"City Council" means the governing body of the City of Las Vegas.

"Contracting Entity," means the individual, partnership, or corporation seeking to enter into a contract with the City of Las Vegas.

"Principal" means, for each type of business organization, the following: (a) sole proprietorship – the owner of the business; (b) corporation – the directors and officers of the corporation; but not any branch managers of offices which are a part of the corporation; (c) partnership – the general partner and limited partners; (d) limited liability company – the managing member as well as all the other members; (e) trust – the trustee and beneficiaries.

**2. Policy**

In accordance with Resolutions 79-99, 105-99 and RA-4-99, adopted by the City Council, Contracting Entities seeking to enter into certain contracts with the City of Las Vegas must disclose information regarding ownership interests and principals. Such disclosure generally is required in conjunction with a Request for Proposals (RFP). In other cases, such disclosure must be made prior to the execution of a contract.

**3. Instructions**

The disclosure required by the Resolutions referenced above shall be made through the completion of this Certificate. The Contracting Entity shall complete Block 1, Block 2, and Block 3. The Contracting Entity shall complete either Block 4 or its alternate in Block 5. Specific information, which must be provided, is highlighted.

**4. Incorporation**

An updated and notarized Certificate shall be incorporated into the resulting contract, if any, between the City and the Contracting entity. Upon execution of such contract, the Contracting Entity is under a continuing obligation to notify the City in writing of any material changes to the information in this Certificate. This notification shall be made within fifteen (15) days of the change. Failure to notify the City of any material change may result, at the option of the City, in a default termination (in whole or in part) of the contract, and/or a withholding of payments due the Contracting Entity.

<b>Block 1: Contracting Entity</b>	
Name: Lockton Companies Mountain West Series	
Address: 8110 E. Union Ave., Ste. 100	City / ST / Zip: Denver, CO 80237
Telephone: (303) 414-6000	EIN or DUNS : 20-3354970
<b>Block 2: Description / Subject Matter of Contract</b>	
Services for: Employee Benefits Broker Consulting Services	Project Number: 220168-JL

<b>Block 3:</b>	<b>Type of Business</b>
<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other:	

**CERTIFICATE – DISCLOSURE OF OWNERSHIP AND PRINCIPALS (CONTINUED)****Block 4: Disclosure of Ownership and Principals**

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1	Thomas F McCoy / President-CEO	8110 E Union Ave Ste 700 Denver, CO 80238	303-414-6000
2	Marc A Beasley / Executive VP	8110 E Union Ave Ste 700 Denver, CO 80238	303-414-6000
3	Stephen A Barlow / Executive VP	8110 E Union Ave Ste 700 Denver, CO 80238	303-414-6000
4	John S Lockton / Executive VP	8110 E Union Ave Ste 700 Denver, CO 80238	303-414-6000
5	Julie Marcello / EVP-COO	8110 E Union Ave Ste 700 Denver, CO 80238	303-414-6000
6			
7			
8			
9			
10			

The Contracting Entity shall continue the above list on a sheet of paper entitled "Disclosure of Ownership and Principals – Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the number of sheets: \_\_\_\_\_

**Block 5: Disclosure of Ownership and Principals – Alternate**

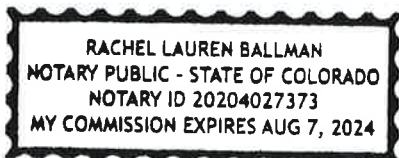
If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: \_\_\_\_\_

Date of Attached Document: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

**Contracting Party Certification (Notarized signature required in event of contract award per section 4, "Incorporation")**

I certify under penalty of perjury, that all the information provided in this Certificate is current, complete and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity.



\_\_\_\_\_  
Signature  
August 17, 2022  
\_\_\_\_\_  
Date

Subscribed and sworn to before me this 17<sup>th</sup> day of August, 2022

\_\_\_\_\_  
Notary Signature

Section 3 –Work plan

Contract No. 220168-JL  
Benefits Broker Consulting Services  
Exhibit A - Excerpted Proposal

IN THIS SECTION, THE OFFEROR IS TO PROVIDE A PROPOSED APPROACH TO SATISFY THE REQUIREMENTS SET FORTH IN ATTACHED – STATEMENT OF WORK. AS PART OF THE WORK PLAN, OFFEROR SHOULD ADDRESS THE FOLLOWING ITEMS:

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## A. Consulting services

### i. Describe your services regarding review, evaluation, and recommendations on potential new benefits plans or providers and related programs, both requested by the City and initiated by your firm.

Over the course of our long relationship with the City of Las Vegas, we have sought to deliver creative solutions, to bring forward new ideas, and to respond to any suggestions regarding potential improvements to the City's benefit program. For example:

- Over the past seventeen years, we have continued to evaluate the City's health plans on both a fully insured and self-funded basis. In 2013, the marketing results and evaluation provided the City with the opportunity to move from a self-funded health plan with one plan design to a fully insured arrangement with three plan design options. This move resulted in significant savings for both the City and employees. In addition, rates were guaranteed for two years with a cap on year three—an almost unheard-of offer in the group health plan industry.
- On the City's behalf, we have continued to press HPN on improving service levels. As a result, City employees now have access to:
 

<ul style="list-style-type: none"> <li>– A dedicated member services email inbox</li> <li>– Dedicated member services phone number</li> <li>– On-site HPN representatives at regularly scheduled times and locations</li> <li>– HPN attendance at all new hire orientation sessions, as requested by the City</li> </ul>	<ul style="list-style-type: none"> <li>– Customized dietitian consultation program</li> <li>– Customized NowClinic registration events and support</li> <li>– Medicine on the Move mobile clinic events</li> <li>– On-site BHO EAP clinician support</li> </ul>
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- With each renewal cycle, we suggest plan design and/or employee contribution options (subject to union negotiation) to keep the plans current and control the City's costs. We complete a comprehensive marketing of all plans at least every two to three years; evaluating the underlying funding vehicle, as well as best-in-class carriers and vendors.
- We continually research emerging trends and all aspects of employee benefits, from coverage for highly specialized medications to local service providers seeking to be added to the City's benefit program offerings.
- In prior years, we supported the introduction of a high-deductible consumer directed health plan when that concept was still very new. We helped to place the plan with Lumenos, an innovative administrator in the CDHP market at the time.
- We have worked with the City on all ancillary benefit plans, adding new plans and replacing others based on the City needs. For example, we helped replace a high-cost voluntary life insurance product with a much more competitively priced plan.

**ii. Describe the process in which your firm will help us interpret our claims data and use this understanding to help us control our costs going forward.**

---

We provide comprehensive financial reporting for the City utilizing paid claims and enrollment data from the carriers, along with large claim detail and prescription drug utilization statistics. We look for trends and enrollment changes, monitor large claims, and build a financial baseline for renewal projections. This reporting and analysis work are the core of our renewal management process. By monitoring the plan's financial performance on an ongoing basis, the City is prepared for renewal actions before the carrier submits the initial renewals; from that point, we then negotiate for final rates and conditions.

**iii. Describe any underwriting analytics you will be providing in order to help us interpret our claims data in detail along with who is providing these analytics and their qualifications.**

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We have extensive independent underwriting capabilities and actuarial tools which we utilize to evaluate insurance carrier health plan renewals. We model renewal calculations utilizing industry standard processes and our own trend and claim assumptions. Our calculation utilizes lower trend and retention factors as well as other claim weighting which usually results in a more favorable (lower) increase for the client. We have been successful in negotiating improved renewals as our carrier partners respect our underwriting knowledge.

We also quantify the financial impact of any plan change as it relates to adverse selection, potential enrollment migration, wellness incentives, and employee contribution strategies. We synthesize all the changes, considerations, and structures under a single, interactive actuarial model that allows us to evaluate any set of parameters and see the impact to the premium structure, employee contributions, and gross and net costs. Our underwriting team and modeling tools are supported by our actuarial team, who are highly qualified in health plan pricing, and often have backgrounds as health plan underwriters.

**iv. Does your firm offer any unique tools that allow employees to research the best cost and quality of care options?**

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Lockton works with many specialty tools and vendors allowing employees to research the best cost and quality of care options. In focusing on our client's specific health plans, we know there is no one solution and that any services offered must integrate with the client's plans.

We believe the critical issue in connecting tools or support for cost and quality must integrate with the City's specific health plan. The analysis must consider integration depending on whether the plan is self funded or insured, and consideration of HMO versus PPO versus high deductible plans.

The 2022 CAA regulations will require employers to provide, or have their insurers/TPAs provide, comprehensive tools to allow employees to access online tools and pricing/quality data. The City will be able to rely on the insurer to provide these tools specific to the plan's specific providers within the health plan. The most important point we focus on: how can we help each client create a concierge service for employees that is specific to the employer's needs and the specific plan providers.

**Y. Describe your company's capabilities in regards to employee communications –web, electronic, print, and inperson. Please provide examples with a discussion of any expense outside of brokerage fees.**

Every Lockton client has access to a team of employee communication professionals, including graphic designers and writers. Working with the City's staff, our communication consultants have created easy-to-read enrollment guides and collateral material. We have also worked with you to develop contribution schedules, employee meeting presentation materials, FAQs, and newsletters. Communications are delivered electronically, hard copy, and via video "Brainshark."

We are proud of the communication materials we have produced for the City of Las Vegas, including the Benefit Guide and the Well Being communication campaign focused on how the City's benefit programs enhance employee well-being in the areas of emotional health, career development, social networks, and personal financial security. Though Lockton is not the City's retirement consultant, we worked with City staff to create a pre-recorded video "Brainshark" presentation on the City's retirement plan with PERS.

Our communication services and the printing of the City's Benefit Guide will continue to be provided at no additional expense. Samples of our communication materials were included in the RFP issued by the City.

**vi. Describe any services you offer regarding employee focus groups and/or employee surveys.**

Lockton can assist with developing employee surveys and conducting focus group sessions. While most of our clients choose to use surveys for employee input due to the ability to gather more data efficiently and in a manner that is easily tabulated, we believe that surveys assume that people know how they feel. This often is not the case. There are times when listening to the opinions of others in a small and safe group setting before they form thoughts and opinions can provide more relevant data. Focus groups are well suited for those situations.

Focus groups can reveal a wealth of detailed information and deep insight. When well-executed, a focus group creates an accepting environment that puts participants at ease, allowing them to thoughtfully answer questions in their own words and add meaning to their answers. Surveys are good for collecting information about people's attributes and attitudes, but if you need to understand things at a deeper level, a focus group can be very effective.

A good focus group requires planning - a lot more planning than merely inviting a few key people to casually share their opinions about a topic. Key components that are necessary in the planning of focus group sessions include:

- What is the objective?
- What are you trying to learn from the focus group process?
- Questions should narrowly focus on the objective.
- Questions should not be diluted with off-topic inquiries beyond initial ice breaker information.
- What makes this information important, and what will be done with the data?

Asking for feedback through focus groups takes time and commitment by all parties; if participants feel their time is not valued, they will sabotage future similar efforts or the initiatives that is being explored. Questions should be created that are:

- Short and to the point
- Focused on one dimension each
- Unambiguously worded
- Open-ended or sentence completion types
- Non-threatening or embarrassing

There are three types of focus group questions:

1. Engagement questions: introduce participants to and make them comfortable with the topic of discussion
2. Exploration questions: get to the meat of the discussion
3. Exit question: check to see if anything was missed in the discussion

Our team was very successful with conducting employee focus groups for several clients as part of the needs assessment process when they were exploring the viability of onsite clinics for their population. As part of our on-site clinic assessment process, we conducted employee focus groups for each of the different departments within their organization. We intentionally conducted the meetings to only include employees from the same departments in the groups we met with. We found that the needs, perceptions, and concerns were different within their departments, and we were able to gain valuable insight into what elements would be essential in establishing a successful on-site clinic model.

We also conducted focus group meetings for a local government employer to determine the interest of employees with regard to their allocation of limited resources - their paychecks! While we anticipated employees would prefer to maintain or reduce costs and would consider reducing benefits, employees indicated they were willing to pay more to maintain or increase their benefit levels.

Lockton can create a variety of employee surveys to identify employees' perceptions, satisfaction levels, and needs. Lockton utilizes a proprietary tool called Lockton Survey which provides us the ability to create customized online surveys to gain feedback from a respondent population. Lockton Survey can be used in a number of ways but is most often used to measure employee benefits satisfaction, employee wellness, voluntary benefit interest, and general company satisfaction.

#### **vii. What resources do you use for benchmarking? Provide sample if possible.**

Lockton has access to many national employee benefits surveys and benchmarking tools from both internal and external resources that provide comparative data of plan design and costs by size, region and industry specific standard industrial classification (SIC) codes.

One of our largest databases is BenefitPoint. Lockton offices across the country enter relevant statistics, and BenefitPoint provides benchmarking data based on employer size, geographic location, industry, etc. Our proprietary claims analytics tool, InfoLock, provides additional benchmarking with respect to utilization

trends for more than two million member lives associated with large, experience-rated employers around the country. These benchmarks include chronic condition prevalence, average cost data for 30 chronic conditions, typical utilization statistics, and associated member monthly claim costs. This tool also includes chronic disease modelers that allow our medical directors to monitor compliance by members with appropriate standards of care for 30 chronic conditions.

Because the Las Vegas health care market is unique, national (or even regional) benchmark data is often not completely relevant to employers in southern Nevada. Las Vegas municipalities often request benchmark data on other local municipalities, which we gather directly and create comparative reviews.

**viii. Describe any additional services offered by your company that may be of interest to the City.**

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In addition, Lockton offers the following services/capabilities:

- Retirement plan consulting—vendor selection and analysis, investment selection and monitoring, compliance consulting, employee communication and education, as well as fee and service benchmarking for qualified retirement plans
- Compensation consulting—total rewards consulting for clients in the non-profit, private, and public sectors; focused on a balanced solutions approach to total rewards, including benefits and retirement
- Property and casualty brokerage and consulting services

## **B. Legislative/compliance**

**i. Describe your company's data security policies and procedures to ensure HIPAA compliance when handling or transmitting client records.**

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As a business associate of covered entities, including client health plans, insurance carriers, or benefit service providers, Lockton is committed to HIPAA Title II Privacy and Security compliance. Lockton has taken reasonable steps necessary to safeguard the privacy and security of individually identifiable health information provided to us by or for the benefit of our clients. HIPAA privacy policies and procedures to safeguard protected health information were developed prior to the April 14, 2003 compliance deadline, and these policies and procedures continue to be revised as necessary.

Our benefits Associates receive training on these policies and procedures, and sanctions for non-compliance would be enforced should the need arise. Additionally, Lockton utilizes its information technology services to manage data, and therefore electronically protected health information is protected with data protection protocols including disaster recovery planning and security vulnerability assessments, which are performed annually by an independent firm. Each Lockton office has a HIPAA trained compliance officer.



**ii. Describe how you assist clients with compliance related issues.**

Your local account team, backed by extensive resources and expertise in Lockton's Compliance Services division, works with you to resolve compliance questions. Lockton's Compliance Services practice believes that we should have the courage to tell the client what we think and what we would do if we were in the client's shoes, rather than simply say, "You have options A, B and C...it's up to you." To that end, we adhere to our "client bill of rights." The bill of rights says:

- We will tell the client what we think the client should do.
- We will tell the client what we would do if we were in the client's shoes.

Lockton distributes extensive legislative and compliance communications as detailed in the following VII. and VIII. responses. We take pride in the scope of our communication, however, we always remind our clients that they can simply call us with any questions and we will provide a specific answer from our compliance team.

Please note that, with respect to Lockton clients, the attorney in the Compliance Services division does not act as legal counsel, and therefore, communications between the attorney and firm clients are not privileged under the attorney-client privilege.

**iii. Do you have internal benefits Counsel or access to external resources? Please describe the qualifications of the person or firm.**

Lockton's Compliance Services Division is staffed by full-time ERISA attorneys and former Department of Labor investigators. Our in-house compliance team has more than 150 years of ERISA-related legal experience combined, dealing with the complex regulatory and compliance issues that arise under ERISA, HIPAA, COBRA, the Affordable Care Act and more. These talented professionals are assisted on an as-needed basis by compliance consultants in the field.

**iv. Is your legal/compliance resource available for client questions?**

Yes.

**v. Are there any limitations on the amount of questions or time spent working with this resource?**

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No.

**vi. Are there any additional fees associated for accessing these services?**

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No.

**vii. What does the entire compliance service offering entail?**

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The Compliance Services division serves a variety of support functions, including:

- Analysis and advice concerning the full range of employee benefit issues arising under ERISA, the tax code, COBRA, HIPAA, and the ACA.
- Analysis and advice related to (and to the extent they implicate employee benefits programs) federal employment discrimination laws (Title VII generally, FMLA, Americans with Disabilities Act, Pregnancy Discrimination Act, Age Discrimination in Employment Act, USERRA, Soldiers and Sailors Civil Relief Act, etc.).
- A wide variety of tools including compliance calendars, checklists, grids, and other materials to help clients keep their benefit programs and administration in compliance.
- Wrap and cafeteria plan document preparation, amendment, and restatement.
- Ancillary plan document preparation, including health reimbursement arrangements, prescription drug carve-out documents, and more.
- Summary plan description preparation and review.
- ACA filing review (snapshot of Forms 1095-C, and review Form 1094-C).
- Form 5500 preparation and review.
- Health plan and cafeteria plan nondiscrimination testing, in conjunction with Lockton Benefits Group (LBG) Actuarial Services.
- HIPAA privacy and security compliance services.

**viii. Describe methods you employ to disseminate information about current trends and legislation.**

When the Compliance Services team determines that a new development should be shared with clients, dissemination of the information is accomplished through:

- Electronic Lockton Compliance Alert.
- Lockton Benefit Group/Compliance Services blog postings.
- Lockton Employer Guides, which are detailed explanations of regulatory issues, legislation, or compliance aspects of industry trends.
- Lockton Benefits Insights & Guidance, white papers exploring specific employee benefit compliance topics.
- ERISA is a friend of mine, a podcast series by the Compliance Services team, addressing (in humorous fashion) contemporary employee benefits compliance trends and topics.
- A systematic webcast series called “CLASS” (Client Advisory Seminar Series) offering eight webcasts annually addressing basic ERISA issues of interest to clients. Typical CLASS offerings include Getting Ready for Renewal, ERISA 101, Reporting and Disclosure, HIPAA Privacy Training, Wellness Programs, HSAs, COBRA, Cafeteria Plan Qualifying Events, Domestic Partner Benefits, etc.
- A wide variety of seminars and webcasts on matters of interest, as they arise.

**ix. Describe your firm’s experience with the Nevada legislative process and analyzing the potential impact of both pending and final legislation to the City’s health plans.**

Our local office follows the Nevada legislative process when in session and monitors the bill drafts and proposed Nevada Revised Statutes (NRS) amendments that may impact our clients. During the drafting process, we review each bill to provide our input and expertise on the possible cost and other ramifications of legislation. When final legislation is passed, we again utilize both our national resources in our Compliance and Health Care Advisory practices to advise our clients, as well as applying our local knowledge of the Nevada market to provide insight and information.

We coordinated with City staff in 2021 and in prior years to provide input, background, specific information, and advice on the impact to the City specific to proposed and final Nevada laws and regulations.

**x. Do you provide immediate access to a team of compliance experts for questions regarding Section 125, COBRA, HIPAA, etc. and routine consistent ongoing compliance updates?**

Yes, a member of the Compliance Services team is always available to help in resolving compliance questions. Compliance Alerts are distributed frequently as compliance issues emerge or key deadlines (PCORI fee filings, CMS disclosures, required annual notices, etc.) arise.

## C. Client support

i. Describe your organization's involvement in the annual renewal process. Include information regarding process timeframes, negotiation of rates and vendor selection.

We monitor the health plan's financial performance on a quarterly basis and update financial projections throughout the year so that we can anticipate renewal actions well before the renewal date. We use our leverage with HPN to obtain January 1 renewal numbers by mid-August to give the City time to consider plan changes and model employee contribution scenarios.

We develop our own renewal projections using standard underwriting methods and negotiate based on technical aspects of the renewal such as:

- Experience period weightings.
- Whether large claims over the pooling point have been handled appropriately.
- If appropriate, removing certain large claims from the claims baseline.
- The application of trend factors.
- Whether trend factors are appropriate based on the City's actual experience versus the HPN book of business trend.
- Whether certain underwriting assumptions (such as completion factors) are appropriate. Based on our long history with HPN, they respect our underwriting assessments and appreciate we are focused on a renewal that is fair to them, the City, and health plan members. We handle all aspects of renewal negotiations. We initiate the renewal request, the renewal comes to us for initial evaluation, and we negotiate trend factors and other adjustments. Once we've completed our initial review, we present the renewal to the City and then go back to HPN for final negotiations.

ii. Describe your preferred carrier relationships and the benefits of these relationships to your clients. Describe any blocks or pools of business that your firm has access to and what the benefits are to your clients, if with UHC, SHL and/or HPN, please emphasize.

Lockton preferred carrier relationships are built on the needs of our clients, and depending on the type of coverage, can be national or local. Lockton's national relationships with the top life and disability carriers in the country provide our clients with improved rates, service teams and rate guarantees based on our size and leverage of our national book of business. Medical coverage is often based on geography because, as is often stated, health care is local. Our local presence in Las Vegas, coupled with our large block of business with Health Plan of Nevada, gives us access to executives and underwriting teams at the insurer, so that we can negotiate the best possible costs for the City. **One important note: Lockton does not accept override or contingency payments from Health Plan of Nevada.**

**iii. Please provide a case study on a recent client that has begun working with your firm in the past three years and show the financial impact on claims/premiums that your firm has made through benefit consulting. Describe your recommendations and how these related to the financial impact on their plan.**

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Lockton recently had the opportunity to propose broker services to a Las Vegas company. The employer provided Lockton and four other prospective brokers the client's most recent medical renewal and asked each to present on how the broker/consultant would have managed the renewal. We provided background on the interview and research we would do to understand the client's philosophy, priorities, and goals. We then defined our underwriting process whereby our staff develops our own medical renewal calculation using industry standard actuarial and underwriting method which we use to negotiate with the insurer. We provided the client with detailed elements of our calculation which resulted in a 7% reduction in the renewal premium. The employer found our approach most valuable and hired us, and the insurer agreed with our analysis resulting in a 7% rate reduction in the client's medical premiums.

**iv. What training resources does your organization provide to assist your clients in educating and training their benefit staff?**

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Lockton has a comprehensive library of benefits industry training tools we use with our own associates as well as a vast catalog of legislative and compliance information to assist our clients in training benefits staff.

Most recently, based on input from the city, we provided two training sessions for city benefits staff including the following topics: new CAA surprise billing regulations, COVID employer checklists and communications, Medicare information and an overview of trends and costs in health insurance, including how rates are set. A prior training with the city benefits staff focused on subjects including FSA plans and rules, group life insurance complexities, FMLA and 457 public employee retiree plans.

We have also participated in staff training with the city's HR Administrators and Senior HR Analysts. In an HR Academy meeting with the human resources team last year, we presented an overview of broker/consultant responsibilities and services, including our in depth compliance service support. We also provided a Federal Legislative update which has significant impact on both HR and Benefits.

In addition, Lockton provides our clients subscriptions to ThinkHR, which is a cloud-based HR platform that provides live HR advice and answers to complex HR questions, training, and resources such as:

- 1,000s of forms, documents, tools and templates available to your HR department
- State and Federal level employment law, compliance guides and checklists
- Web-based and on-demand courses for management and employees
- Live HR Advisor accessible for 11 hours of every business day

**V. Detail how you develop a benefit communication strategy with your clients. Include what tools or resources you have available to assist your clients in effectively communicating not only the specific plan details but also the value of the benefits offered.**

Employee benefit communication is a core function for Lockton. We understand that your program must be communicated effectively so that it is perceived positively. We have worked with the city as follows:

We began by asking questions to learn about the City's philosophy and objectives.

- We worked with you to determine the best communication methods for your workforce. Our communications have included vendor fairs, employee meetings, email campaigns, newsletters, and custom direct outreach based on critical health issues (telemedicine, EAP, and wellness).
- We prepared a communication plan for your review and approval based on our understanding of your objectives, your specific audience, and your key messages.
- We worked with you over the years and chose various communication channels, such as:
  - Personal (face-to-face, small group meetings)
  - Print (enrollment guides, summary plan descriptions, posters, flyers, postcards and newsletters)
  - Online communication (intranet posting)
  - Audio/video (Brainshark custom development)

Examples of our communication materials were included in your RFP.

**vi. Briefly describe the level of service and support to be provided to the City by your broker(s) and account management team on a day-to-day basis.**

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Your Lockton team has daily interactions with the City and a response from a team member is always provided within 24 hours or less. Depending on the nature of the question, we sometimes need additional time to research the issue or engage an internal subject matter expert. When we need more time, we are in touch with regular updates on our progress.

A member of your account team is always accessible to you. As she has continuously demonstrated over the years, Tanna monitors client email communication when she is out of the office. If she is not able to answer a question, she directs the issue to someone who can. On a day-to-day basis, Tanna is responsible for overseeing and organizing the ongoing work for the City. This includes everything from renewal negotiations, research, vendor management, and in general, keeping the City updated on regulation and legislative updates.

As your Account Manager, Ashley provides the City with annual notices and coordinates editing, printing, and shipping of open enrollment materials. She processes renewal and/or new business paperwork with carriers and updates carriers with any changes to the City's information. Ashley also attends vendor/carrier meetings and presentations to summarize and report information back to the City and to remain informed on the City's satisfaction with carrier service and administration.

As your Account Administrator, Blanca delivers employee monthly newsletters and provides employee communication support including "Brainshark" presentations, custom employee flyers, and benefit guide plan summary information. She also assists with special requests, such as providing the City with a current benefit package snapshot and contribution visuals.

Lockton offers the local, high-touch service model of a local agency combined with the world-class resources of national consulting firms and brokers. These resources include actuaries, data analysts, stop-loss experts, pharmacists, medical directors, population health management experts, communication specialists, and legal compliance staff knowledgeable in ERISA, COBRA, HIPAA, FMLA, wellness incentives, non-discrimination issues, and, of course, health care reform. Access to these resources is available to all clients and is included in our fee.

**vii. How does your firm provide continuing education to ensure that each broker is educated on current market trends and legislative developments? How is this information communicated to your clients?**

Lockton possesses a comprehensive and structured professional development process to ensure our Associates are keenly aware of industry emerging trends and business practices to service our clients at the highest levels. Internal training is performed at local, regional, and national levels and covers many areas including Lockton Best Practices by Specialty; Professional Standards; Tools, Technology and Techniques; Internal Client Management and Lockton proprietary systems. External industry conferences, webinars and other professional development opportunities are encouraged.

The examples below outline how Lockton benefits Associates are kept informed of industry information and trends.

**CLIENT CONSULTING RESOURCES**

Lockton maintains a Strategic Initiatives Workgroup (SIWG) of national practice leaders whose goal is to: a) develop consultative tools, and b) foster interoffice sharing of best work product. The SIWG group develops and maintains a Client Consulting Resources document site which contains consulting tools and content information on more than 300 topics in the following four categories:

- Plan Management: e.g., purchasing efficiencies, eligibility management, wellness and plan design/contributions
- Other Coverage: e.g., dental, vision, life, voluntary products and more
- Operations: e.g., compliance, technology and communications
- Human Resources: e.g., global benefits, leave management and other HR trends and topics
- Lockton National Training & Development

Lockton's Human Resources Services provides new hire onboarding and ongoing training and professional development through an internal Learning Management System (LMS).

**NATIONAL CONSULTANTS CONFERENCE**

Lockton hosts an annual conference for timely and topical sessions on a variety of topics and trends. Experts from within Lockton practices as well as national thought leaders are invited to present lectures and/or breakout sessions. These conferences enhance relationships between offices and foster a greater understanding of the national scope of healthcare and compliance trends.

**INDUSTRY TRAINING**

Lockton strongly supports Associates continuing their education through the pursuit of industry related credentials, designations and continuing education for programs such as CEBS, SPHR, SHRM-SCP, Advanced Degrees, etc.



## MARKET TRENDS AND LEGISLATIVE DEVELOPMENTS

The regulatory coattails of health reform are growing daily. But the health reform law is just a fraction of the many federal and state laws with which employee benefits programs must comply. Lockton continues to support the City of Las Vegas in understanding the dazzling array of rules and regulations governing their benefit offerings. Lockton's Compliance Services supplies clients and the Lockton Associates who serve them with a broad range of compliance-related support for employee benefit issues arising under Healthcare Reform, HIPAA, COBRA, the Internal Revenue Code, and other select federal and state statutes and regulations. Lockton's attorneys, paralegals, and other professionals offer specific recommendations to the City of Las Vegas by way of:

- Direct Legal Access\*\*
  - As a Lockton client, you will have direct access to our compliance team, led by Ed Fensholt, in addition to your knowledgeable team of consultants.
- Health reform updates: Comprehensive coverage presented in a variety of electronic formats that provides information, advice, and assistance with analysis and implementation of health reform legislation requirements.
- WebEx presentations
  - Online programs presented by our top experts on topics such as:
  - HIPAA privacy training – Wellness programs
  - Domestic partner benefits
  - Health reform
  - Many Others
- Compliance alerts and e-blasts:
  - Timely legislative alerts by Lockton experts addressing compliance issues and changing regulations.
- Access to ThinkHR™ - an online platform providing a broad range of content and support across the HR spectrum, including sample forms, a chat function, access to survey data, etc.
- Compliance newsletters:
  - Online newsletters that go into greater detail about compliance-related developments and information.
- Employer guides:
  - Employer handbooks that cover such diverse topics as wellness, benefits for same-sex spouses and domestic partners, and Medicare benefits.
- Calendars and notice matrices:
  - Tools to pinpoint the many and varied notices and reporting obligations your plan must meet, including deadlines, summary of the notice or report, who gets it, and how they receive it.

\*\*While Lockton is not licensed to offer legal advice, our compliance attorneys remain active, as a dedicated resource, to provide situation support as needed.

Lockton's team of in-house attorneys has decades of experience and training in the areas of ERISA, Tax Code, Affordable Care Act, HIPAA, COBRA, USERRA, Section 125, all areas of benefits, discrimination testing, state insurance laws, and legislative regulatory issues at the state and federal levels, etc. Members of the team frequently speak to groups on employee benefits and HR topics, publish articles, author textbooks and

appear before federal regulatory and legislative bodies to represent and testify regarding benefit and HR issues. The team is also represented by a former Senior Investigator for the U.S. Department of Labor. As a Lockton client, you will be supported and have direct access to this team of compliance experts in addition to your account management team, subject matter experts and executives. This team will serve as your Trusted Advisor to help ensure the City of Las Vegas is compliant.

**viii. Describe how you build an understanding of the direction and priorities of the City's employee benefit program and how you would utilize this information to recommend changes and project future trends.**

As the City's benefits consultant for many years, we have a deep understanding of the City's program and direction. We understand that employee well-being is a guiding principle of the benefit program, the role of the CEA and other unions in shaping the City's benefit plan offerings, and the importance of balancing cost and quality so that the benefit program remains affordable for both the City and its employees.

We understand the City's current environment, including existing budget cycles, policies, procedures, and other internal guidelines. This understanding assists us with providing meaningful analysis and cost containment strategies and cost-sharing alternatives within the context of your organization. We will continue to assist your HR team with educating collective bargaining representatives about issues affecting pricing and plan designs so that your communications and negotiations practice are more effective. We pride ourselves in understanding your organization, your industry, and the resources of Lockton. With this combined knowledge comes the empowerment to deliver solutions that optimize the City's benefit programs.

**ASSESSING THE FUTURE NEEDS & RISK TO CITY OF LAS VEGAS**

Our team will continue to do more than provide employee benefit brokerage, consulting and actuarial support services for the city. We plan to continue to be your strategic partner and trusted advisor, and to function as an extension of the City's benefit and financial management teams. We understand the public sector in Nevada and insurance marketplace on both the local and national levels, but most importantly, we know the environment and nature of your organization and the community within which you operate. We take into consideration not only your specific situation and strategy, but also current trends and anticipated economic, demographic, labor, and legislative developments. Our counsel will continue to include innovative and progressive recommendations to help the City provide the most competitive benefit programs within its management, human resource, labor, and financial objectives.

As we have reviewed with the City in prior years, Lockton's IDEAL profile program is a tool to bring further clarity to your benefits strategy by assessing and aligning philosophies of your decision makers. This strategic plan involves gathering input from senior staff and other key constituents to develop a specific tactical plan utilizing Lockton's proprietary GPS tool whereby we develop multi-year plan strategies and financial opportunities. This would serve as a refresh of the ongoing work we have been doing for the city.

**ix. Detail how your organization assists clients in developing a strategic benefit plan.**

Should you wish to refresh and complete a comprehensive strategic plan, we welcome the opportunity to work with City staff and our IDEAL profile/GPS evaluation.

Our IDEAL profile described above in item (viii) begins with Lockton initiating a pre-strategy session using an IDEAL survey for key stakeholders such as the Human Resources Director, Finance Director, Budget Director, Executive Director and others to gain important data to bring clarity to your overall benefits strategy. This process will work by assessing and aligning philosophies of City of Las Vegas and will be followed up with a meeting to leverage our GPS Tool for Group Planning Strategy.

Lockton's Group Plan Strategy (GPS) is an actuarial tool that uses your data and current tactics to project an interactive dashboard of savings for facilitation of strategy development. GPS identifies:

1. the range of opportunities available to your organization
2. the relative savings potential and
3. the relative friction for employee engagement. This tool is customized to each client and is highly interactive to facilitate the transition from information to effective strategy.

**x. How would your firm assist the City in developing or adopting alternative plan specifications? Explain your process, analysis, and reasoning for providing plan recommendations to your clients.**

Our process in assisting the City with alternative plan specifications has focused on several key elements: needs of the client's workforce, bargaining and union issues, availability of geographic options, and in depth analysis of overall costs, both short- and long-term. Over the many years working for the City, we approach each year with a short- and long-term view. After many years of the City self-funding the health plans, including various vendors and designs including consumer driven approaches, there reached a point where cost increases were escalating at such a rapid pace, that an insured approach was examined. We completed a thorough marketing analysis, reasoning that we must deliver a solution that would reduce both employer and employee costs, offer multiple plan designs and options, and lock in multi-year rate and service guarantees. At Lockton, our job is to continue to evaluate market options and alternative plan reviews on an ongoing basis with a focus on employer goals and objectives.

**xi. Explain the process your organization would utilize to assist the City in selecting an insurance vendor. How would your company's experience and expertise benefit the City in this process?**

Vendor selection begins with Lockton's understanding of the client's priorities and goals. Whether the priority is price, service, local access or a weighted combination, our recommendation must focus on the client's needs. Our many years of experience in the local Southern Nevada market provides us with the critical knowledge of vendors that have performed in this market with consistency. Additionally, based on client direction, formal ratings, performance guarantees and KPIs can be established for ongoing monitoring.

**xii. Describe how your organization strives to streamline benefit administration for your clients. Include any services you provide for automation of the benefits process (i.e. electronic capabilities, outsourcing options).**

Lockton provides client support for employee benefit needs in a wide variety of ways to provide efficiencies, economies, thoughtful guidance and expertise. If the City were to be interested in exploring other alternative solutions to Oracle, we are poised to provide extensive support in that process. Lockton's HR Technology and Outsourcing Practice helps clients find solutions to manage their Human Resources, Payroll, Benefits Administration and other back-office needs. This practice serves as an objective advisor to our clients; working to understand each client's unique needs and identifying the customized solution and mix of vendor service options to meet those needs.

Helping a client find the right solution to meet business needs and ROI requirements is a process that can require several weeks to months of engagement. Our services may include: facilitated needs analysis, customized RFP development and evaluation of vendors, job shadowing, vendor selection, ROI calculation, and implementation support depending on the needs of the client.

**xiii. Describe your employee benefit survey capabilities and show the results of a recent client survey.**

We develop, distribute, and analyze employee surveys on behalf of our clients. Our Lockton survey technology is a web-based application that is utilized for surveying all employees or subsets of particular interest, i.e., company locations, employee classes, departments, etc. A respondent is provided survey access through a login ID and password. Since the survey is completed online in a structured format, analysis of the responses can be completed in a timely and efficient manner. Survey results are then distributed back to the appropriate management team for review and consideration.

Please see Appendix for the results of recent client survey.

**xiv. What makes your organization unique from other organizations that may submit proposals to the City?**

Lockton offers a unique combination of local responsive service, coupled with sophisticated resources for financial analysis, employee communication, legal compliance, clinical insights, and wellness/health promotion. We offer the high-touch service model you expect from a local broker as well as the expert resources of a national consulting firm. When we enter into an engagement, we agree upon an all-in fee that can be built out in any number of ways: commissions, fee for service, or a combination of the two. No matter how the fee agreement is constructed, we do not "upsell" additional services or limit your access to subject matter experts.

Lockton's commitment to excellent client service is fundamental; it is an essential organizing principle in the way we structure our business. Our account teams are here to help you with complex decision-making and financial analysis, as well as to solve day-to-day problems and act as your advocate. We also offer deep knowledge of and experience in the Las Vegas group health plan market. We understand the unique complexities of the Las Vegas market with its limited pool of providers, and we have strong working relationships with Health Plan of Nevada and other insurers. Carriers are familiar with our financial expertise and understand that we critically evaluate rate projections based on solid underwriting knowledge. We strive to strike a balance between aggressive rate negotiation and sound financials to ensure that funding is adequate and that rates do not increase dramatically from one rating cycle to the next.

**XV. Provide any additional information regarding your organization or services that you feel would be beneficial in helping the City to select a benefits broker/consultant.**

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**As the City evaluates the selection of a benefits broker/consultant, the additional information Lockton would like to provide is a summary of why we believe our organization and services best meets the needs of the City of Las Vegas:**

**Local and national:** With Lockton, the City will get the best of both worlds: an international broker with the experience and expertise to provide the broadest scope of advisory services combined with a local presence in Nevada. Our senior staff has been working with Nevada clients for over 25 years and has the market knowledge and relationships to negotiate on behalf of the City. Lockton works closely with management and underwriting staff at local Nevada insurers as well as the largest national insurers.

**Expertise:** Creating a long-term strategic plan takes talented subject matter experts working together. Our clients have access to experts across departments and around the globe who provide the best possible solutions.

**Largest privately owned brokerage:** Our private ownership means our clients are our highest priority, not shareholders. We reinvest in resources that give you access to a broader spectrum of strategic tools and resources. For Lockton, growth is an outcome of doing good work for our clients, and we have enjoyed industry-leading growth. Our clients get the responsive service, deep resources, and robust relationships with leading insurers and vendors that our size and reputation provide.

**Integrated approach:** Our approach aligns our clients' organizational objectives and employee benefits strategies. The result is a multi-year strategic plan focused on the key metrics that ensure positive outcomes for our clients' organizations. We develop the plan using a robust set of business intelligence tools and analytics.

**Entrepreneurial culture:** Our clients receive innovative and creative solutions because our culture values flexibility and independent decision-making. We encourage Associates to focus on doing what is best for our clients.

**Associates who market are Associates who service:** Our teams are organized around our clients' needs. The associates involved in negotiation and strategy development are the same people who will service your organization. Lockton's client-centric model and resources revolve around your day-to-day service team.

**Marketplace Leverage:** Lockton's structure operates nationally but emphasizes a one-firm environment regardless of location. Therefore, we can leverage Lockton's scale in a number of ways to benefit our clients. The best results are achieved through a combination of volume, trust, relationships, and professionalism. This translates to better terms, contracts, and selection of service teams. Lockton has the breadth of expertise to assess your organization's needs and the depth of resources to implement a plan structured to meet those needs. Marketplace leverage is one component of our consulting strategy.

**xvi. Describe your organization's methods of preparing and reviewing various documents for applicability, accuracy, understandability, and legal compliance.**

Lockton's employee benefits consulting group maintains a Compliance Services Division staffed by full-time ERISA attorneys and former Department of Labor investigators. We have identified an attorney, Ed Fensholt who will be dedicated to supporting the City and has provided assistance over the past five years. Our in-house professional staff has more than 150 years of ERISA-related legal experience combined, dealing with the complex regulatory and other compliance issues that arise under ERISA, HIPAA, COBRA, the Affordable Care Act and more. These talented professionals are assisted on an "as needed" basis by additional long-tenured compliance consultants in the field. There is no charge to the City for the compliance resources described in our proposal.

The regulatory coattails of health reform, Covid-19, PPACA are growing daily, and there are many federal and state laws with which employee benefits programs must comply. Lockton helps organizations understand and adhere to the dazzling array of rules and regulations governing their benefit offerings. Lockton's Compliance Services supplies clients and the Associates who serve them with a broad range of compliance-related support for employee benefits issues arising under ERISA, HIPAA, COBRA, the Internal Revenue Code, and other select federal and state statutes and regulations. As a public entity, there are sometimes options or exclusions that also apply and are critical for compliance.

The Compliance Services division serves a variety of support functions, including:

- Analysis and advice concerning the full range of employee benefits issues arising under ERISA, the tax code, COBRA, HIPAA and the ACA.
- Analysis and advice related to and to the extent they implicate employee benefits programs federal employment discrimination laws title VII generally, FMLA, Americans with Disabilities Act, Pregnancy Discrimination Act, Age Discrimination in Employment Act, USERRA, Soldiers and Sailors Civil Relief Act, etc.
- A wide variety of tools including compliance calendars, checklists, grids and other materials to help clients keep their benefits programs and administration in compliance.
- Wrap and cafeteria plan document preparation, amendment and restatement.
- Ancillary plan document preparation, including health reimbursement arrangements, prescription drug carve-out documents, and more.
- Summary plan description preparation and review.
- ACA filing review snapshot of Forms 1095-C, and review Form 1094-C.

Lockton has also developed some unique compliance resources. For example, our Lockton Compliance team will provide comprehensive assistance to support HIPAA administrative training and to better understand and expedite the DOL investigation process.

## D. Tools

**i. Describe how you keep your clients abreast of relevant benefits and tax laws in a timely manner.**

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Lockton's Compliance Services division provides regular updates on regulatory developments and key compliance deadlines. Please see our answer to Legislative/Compliance questions in Section 3(b). Answers to questions (vii) and (viii) are directly responsive to this question.

**ii. Do you have any Internet-based employee communication tools?**

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Yes. Our Benefits Engagement Practice will work with you to develop a customized benefits website that will effectively connect your employees to all of their benefit plans, process for enrollment, and more. Lockton can arm your employees with a centralized resource for all things benefits. Our websites host all benefit information, educational videos, carrier links, and contact numbers. Additionally, our benefit websites host a new, Lockton approved, perk program and other discount opportunities for employees like auto, home, and pet insurance. Best of all, a customized benefit website is available at no cost to the City of Las Vegas.

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