



## SPRINGFIELD CITY COUNCIL MEETING

**Tuesday, June 16, 2015, 5:30 P.M.**

JAMES O. LANGFELDER  
*MAYOR*

FRANK J. LESKO  
*CITY CLERK*

MISTY BUSCHER  
*CITY TREASURER*

### *ALDERMEN*

WARD 1     CHUCK REDPATH  
WARD 2     HERMAN SENOR  
WARD 3     DORIS TURNER  
WARD 4     JOHN FULGENZI  
WARD 5     ANDREW PROCTOR

WARD 6     CORY JOBE  
WARD 7     JOE MCMENAMIN  
WARD 8     KRIS THEILEN  
WARD 9     JIM DONELAN  
WARD 10    RALPH HANAUER

### ORDER OF BUSINESS

- |                                                |                                             |
|------------------------------------------------|---------------------------------------------|
| 1. Call to Order                               | 9. Debate Agenda                            |
| 2. Pledge of Allegiance                        | 10. Emergency Passage                       |
| 3. Proclamations                               | 11. Ordinances on First Reading             |
| 4. Zoning Agenda                               | 12. Unfinished Business                     |
| 5. Presentations                               | 13. New Business                            |
| 6. Approval of the City Council Minutes        | 14. Citizens Request to Address the Council |
| 7. Consent Agenda                              | 15. Executive Session                       |
| 8. Ordinances Tabled or Remaining In Committee | 16. Adjournment                             |

## **ZONING AGENDA**

**DOCKET 2015-026** 300 East Madison and 227 North 4<sup>th</sup> Street (**Ward 5**)  
(Continued from May 19, 2015)

**DOCKET 2015-027** 3400 Block Freedom Drive (**Ward 10**)

**DOCKET 2015-028** 1861 Sangamon Avenue (**Ward 4**)

**DOCKET 2015-030** 2125 Clearlake Avenue (**Ward 3**)

**DOCKET 2015-031** 3000 Lenhart (**Ward 10**)

**DOCKET 2015-032** 216 South 6<sup>th</sup> Street (**Ward 5**)

**DOCKET 2015-033** 121-123 Astoria Road (**Ward 8**)

**DOCKET 2015-035** 900 Rutledge (**Ward 5**)

**DOCKET 2015-036** 1120 East Capitol, 411 & 427 South 12<sup>th</sup> Street (**Ward 2**)

**DOCKET 2015-037** Lot 2 Blackstone Subdivision  
(2301 West Monroe) (**Ward 8**)

**DOCKET 2015-039** 2800 West Lawrence (**Ward 8**)

**DOCKET 2015-040** 1237 North 9<sup>th</sup> Street (**Ward 5**)

**DOCKET 2015-041** 3151 Dotmar Drive (**Ward 3**)

## **CONSENT AGENDA**

**2015-190** AN ORDINANCE TO INCREASE THE NUMBER OF CLASS "B" LIQUOR LICENSES BY ONE FOR GAS AND WASH I, LLC, D/B/A GAS N WASH, 1900 W. JEFFERSON STREET (Requested by Mayor James O. Langfelder)

**2015-191** AN ORDINANCE AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF ILLINOIS DEPARTMENT OF NATURAL RESOURCES FOR THE NATCHEZ TRACE SANITARY SEWER REPAIR PROJECT, FOR THE OFFICE OF PUBLIC WORKS (Requested by Mayor James O. Langfelder)

**2015-192** AN ORDINANCE ACCEPTING THE LOWEST BID AND AUTHORIZING EXECUTION OF CONTRACT NUMBER PW 15-01-93 WITH PERRY BROUGHTON TRUCKING & EXCAVATING, INC. FOR THE NATCHEZ TRACE SEWER REPLACEMENT PROJECT IN AN AMOUNT NOT TO EXCEED \$1,357,202.00 FOR THE OFFICE OF PUBLIC WORKS (Requested by Mayor James O. Langfelder)

**2015-193** AN ORDINANCE AUTHORIZING EXECUTION OF A CONTRACT FOR PURCHASE AND SALE OF REAL ESTATE BETWEEN THE CITY OF SPRINGFIELD AND BARDO INC. IN AN AMOUNT NOT TO EXCEED \$85,765.00 (Requested by Mayor James O. Langfelder)

**2015-194** A RESOLUTION NOTIFYING THE STATE OF ILLINOIS DEPARTMENT OF TRANSPORTATION THAT MOTOR FUEL TAX FUNDS IN THE AMOUNT OF \$85,765.00 MAY BE USED TO PURCHASE REAL PROPERTY FOR THE ASH STREET UNDERPASS, MFT SECTION NO. 14-00477-00-BR, FOR THE OFFICE OF PUBLIC WORKS (Requested by Mayor James O. Langfelder)

**2015-195** AN ORDINANCE AUTHORIZING A ONE-YEAR EXTENSION OF CONTRACT CS14-04-20 WITH, AND ADDITIONAL PAYMENT OF \$125,000.00 FOR A TOTAL AMOUNT NOT TO EXCEED \$176,825.95 UNDER CONTRACT CS14-04-20 TO, TRIAD INDUSTRIAL SUPPLY CORP, MASCO PACKAGING & INDUSTRIAL SUPPLY INC. AND BLACK & COMPANY FOR THE PURCHASE OF JANITORIAL SUPPLIES FROM JULY 1, 2015, THROUGH JUNE 30, 2016, FOR THE OFFICE OF BUDGET AND MANAGEMENT (Requested by Mayor James O. Langfelder)

**2015-198** AN ORDINANCE ACCEPTING BIDS AND AUTHORIZING THE EXECUTION OF CONTRACT UE16-04-15 – METER DEPARTMENT BUCKET TRUCK WITH LANDMARK FORD, INC. IN AN AMOUNT NOT TO EXCEED \$113,602.00 FOR THE OFFICE OF PUBLIC UTILITIES (Requested by Mayor James O. Langfelder)

**2015-199** AN ORDINANCE AUTHORIZING ADDITIONAL FUNDING IN AN AMOUNT NOT TO EXCEED \$125,000.00 UNDER CONTRACT NO. UE15-03-02 WITH MARTIN EQUIPMENT OF ILLINOIS, INC. FOR MAINTENANCE AND REPAIRS OF HEAVY EQUIPMENT FOR A TOTAL AMOUNT PAYABLE OF \$400,000.00 FOR THE OFFICE OF PUBLIC UTILITIES (Requested by Mayor James O. Langfelder)

**2015-200** AN ORDINANCE AUTHORIZING THE EXECUTION OF A ONE YEAR AGREEMENT WITH LISA CLEMMONS STOTT FOR PLANNING AND DESIGN SERVICES FOR THE OFFICE OF PLAINING & ECONOMIC DEVELOPMENT FOR THE TIME PERIOD COVERING JULY 1, 2015 THROUGH JUNE 30, 2016 IN AN AMOUNT NOT TO EXCEED \$65,000.00 (Requested by Mayor James O. Langfelder)

**ORDINANCES AND RESOLUTIONS**  
**TABLED OR REMAINING IN COMMITTEE**

**2015-089** AN ORDINANCE AMENDING CHAPTER 36, SECTION 36.58(b)(13), THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES, AS AMENDED, BY ELIMINATING THE IMRF LUMP SUM VACATION PAYOUT PROVISION EFFECTIVE JUNE 1, 2016 (Alderman Cory Jobe, Alderman Joe McMenamin, Alderman Kris Theilen and Alderman Steve Dove) (Tabled 3/31/15)

**2015-116** AN ORDINANCE AMENDING CHAPTER 170 OF THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES BY REDUCING THE TIME A VACANT BUILDING MAY BE REGISTERED BEFORE IT IS BROUGHT INTO CONFORMITY WITH CITY CODE OR DEMOLISHED, AS AMENDED (Requested by Alderman Doris Turner and Alderman Sam Cahnman) (Remains in Committee 4/14/15)

**2015-121** AN ORDINANCE AMENDING TITLE IX OF THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES, AS AMENDED, BY ADDING CHAPTER 106 ESTABLISHING A MINIMUM WAGE IN THE CITY OF SPRINGFIELD, AS AMENDED (Requested by Alderman Doris Turner and Alderman Sam Cahnman) (Remains in Committee 4/28/15)



**2015-156** AN ORDINANCE AUTHORIZING EXECUTION OF A REDEVELOPMENT AGREEMENT WITH THE VILLAS DOWNTOWN SPRINGFIELD, LLC, FOR REDEVELOPMENT ASSISTANCE FOR THE PROPERTY LOCATED AT 300 EAST MADISON AND 227 NORTH 4<sup>TH</sup> STREET UTILIZING CENTRAL AREA TAX INCREMENT FINANCE FUNDS IN AN AMOUNT NOT TO EXCEED \$700,000.00 (**Requested by Mayor J. Michael Houston**) (**Remains in Committee 4/28/15**)

### **DEBATE AGENDA**

**2015-196** AN ORDINANCE AUTHORIZING THE EXECUTION OF A TEN YEAR AGREEMENT BETWEEN THE CITY OF SPRINGFIELD AND THE STATE OF ILLINOIS DEPARTMENT OF TRANSPORTATION, FOR THE CITY TO PERFORM MAINTENANCE ON ROADWAYS UNDER STATE JURISDICTION FOR THE OFFICE OF PUBLIC WORKS (**Requested by Mayor James O. Langfelder**)

**2015-197** AN ORDINANCE AMENDING CHAPTER 90, SECTIONS 90.36 AND 90.36.1 OF THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES, AS AMENDED, TO PROVIDE THAT A WARD ALDERMAN MAY SELECT A DESIGNEE TO SIGN OUTSIDE SALES AND EXTENDED HOURS PERMITS (**Requested by Mayor James O. Langfelder**)

### **EMERGENCY PASSAGE**

**2015-201** AN ORDINANCE AUTHORIZING PAYMENT TO THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY IN THE AMOUNT OF \$294,000.00 FOR ANNUAL AIR POLLUTION CONTROL TITLE V PERMIT FEES FOR THE REGULATORY AFFAIRS DIVISION FOR THE OFFICE OF PUBLIC UTILITIES, **FOR EMERGENCY PASSAGE** (**Requested by Mayor James O. Langfelder**)

**2015-202** AN ORDINANCE ACCEPTING AND AUTHORIZING EXECUTION OF AN ILLINOIS LIQUOR CONTROL COMMISSION GRANT FOR THE "KIDS CAN'T BUY 'EM HERE" CAMPAIGN, FROM AUGUST 1, 2015, THROUGH JUNE 30, 2016, IN THE AMOUNT OF \$11,440.00 AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$8,109.00 FOR FY16 FOR THE SPRINGFIELD POLICE DEPARTMENT, **FOR EMERGENCY PASSAGE** (**Requested by Mayor James O. Langfelder**)

**ORDINANCES & RESOLUTIONS ON FIRST READING**  
**ASSIGNED TO COMMITTEE OF THE WHOLE**

**PUBLIC SAFETY**

**2015-203** AN ORDINANCE AUTHORIZING MUNICIPAL EMERGENCY SERVICES, INC. FOR PURCHASE OF SCOTT CYLINDER-AIR BOTTLES IN AN AMOUNT NOT TO EXCEED \$58,170.00 FOR THE SPRINGFIELD FIRE DEPARTMENT (Requested by Mayor James O. Langfelder)

**2015-204** AN ORDINANCE AUTHORIZING GLOBAL EMERGENCY PRODUCTS TO REFURBISH A 1999 PIERCE DASH TRUCK IN AN AMOUNT NOT TO EXCEED \$248,523.00 FOR THE SPRINGFIELD FIRE DEPARTMENT (Requested by Mayor James O. Langfelder)

**PUBLIC WORKS**

**2015-205** AN ORDINANCE AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF ILLINOIS DEPARTMENT OF TRANSPORTATION FOR AN ITEP DOWNTOWN STREETSCAPE PROJECT (MFT SECTION NO. 13-00473-00-LS) FOR THE OFFICE OF PUBLIC WORKS (Requested by Mayor James O. Langfelder)

**FINANCE**

**2015-206** AN ORDINANCE AUTHORIZING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$110,400.00 FROM UNAPPROPRIATED FUND BALANCE TO COVER EXPENSES RELATED TO THE CHILLER REPLACEMENT PROJECT FOR LINCOLN LIBRARY (Requested by Mayor James O. Langfelder)

**2015-207** AN ORDINANCE ASCERTAINING THE PREVAILING RATES OF WAGES FOR SANGAMON COUNTY AS REQUIRED BY THE ILLINOIS PREVAILING WAGE ACT (Requested by Mayor James O. Langfelder)

**2015-208** AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES (Requested by Mayor James O. Langfelder)

## GENERAL CITY BUSINESS

**2015-209** AN ORDINANCE TO DECREASE THE NUMBER OF CLASS "B1" LIQUOR LICENSES BY ONE AND INCREASE THE NUMBER OF CLASS "B" LIQUOR LICENSES BY ONE FOR S & A LIQUOR INC., 2001 E. JACKSON (**Requested by Mayor James O. Langfelder**)

### CWLP

**2015-210** AN ORDINANCE AUTHORIZING THE PURCHASE OF CHEMICALS FOR MERCURY OXIDATION, CAPTURE AND REMOVAL AT DALLMAN FROM NALCO COMPANY IN AN AMOUNT NOT TO EXCEED \$3,558,600.00 FOR THE OFFICE OF PUBLIC UTILITIES (**Requested by Mayor James O. Langfelder**)

**2015-211** AN ORDINANCE ACCEPTING BIDS AND AUTHORIZING THE EXECUTION OF CONTRACT UW16-04-14 – COLD WATER METERS WITH MIDWEST METER, INC. AND ILLINOIS METER, INC. IN THE AMOUNT OF \$802,738.00 FOR THE WATER DIVISION FOR THE OFFICE OF PUBLIC UTILITIES (**Requested by Mayor James O. Langfelder**)

**2015-212** AN ORDINANCE APPROVING PAYMENT TO CONSTELLATION NEW ENERGY-GAS DIVISION, LLC IN AN AMOUNT NOT TO EXCEED \$720,200.00 FOR THE PURCHASE OF NATURAL GAS THROUGH FISCAL YEAR 2016 UNDER AN EXISTING CONTRACT FOR THE OFFICE OF PUBLIC UTILITIES (**Requested by Mayor James O. Langfelder**)

**2015-213** AN ORDINANCE AUTHORIZING CHANGE ORDER #1 AND ADDITIONAL FUNDING IN AN AMOUNT NOT TO EXCEED \$88,491.00 WITH TOSHIBA INTERNATIONAL CORPORATION FOR INSPECTION AND MAINTENANCE OF THE UNIT 4 TURBINE FOR A TOTAL AMOUNT PAYABLE OF \$530,591.00 FOR THE OFFICE OF PUBLIC UTILITIES (**Requested by Mayor James O. Langfelder**)

**2015-214** AN ORDINANCE AUTHORIZING PAYMENT TO AMEREN ILLINOIS UNDER AN EXISTING RATE SCHEDULE IN AN AMOUNT NOT TO EXCEED \$428,400.00 FOR NATURAL GAS TRANSPORTATION CHARGES FOR DALLMAN POWER PLANT UNIT NO. 4 FOR THE OFFICE OF PUBLIC UTILITIES (**Requested by Mayor James O. Langfelder**)

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**CITIZEN REQUESTS TO ADDRESS CITY COUNCIL**

**EXECUTIVE SESSION**

**ADJOURNMENT**

*Frank J. Lesko*

**Frank J. Lesko**  
**City Clerk**

**City Council Rules and Procedure:**

Rule 8.1. Addressing the Council. Any person desiring to address the Council shall first be recognized by the presiding officer. Except for zoning matters and emergency ordinances, all requests by members of the public to address the Council during the Council's consideration of "Ordinances and resolutions - final action," shall be made to the Clerk in writing with the subject matter stated, not less than one (1) working day before the next scheduled Council meeting. Persons addressing the Council shall limit their statements to five minutes unless further time is granted by the presiding officer. This Rule shall not apply to officers and employees of the City of Springfield, Illinois. Any other comments by the public pertaining to City business shall be made during the Council's Order of Business under "Public forum addressing City business."

AN ORDINANCE AUTHORIZING PAYMENT TO THE ILLINOIS ENVIRONMENTAL  
PROTECTION AGENCY IN THE AMOUNT OF \$294,000.00 FOR ANNUAL AIR POLLUTION  
CONTROL TITLE V PERMIT FEES FOR THE REGULATORY AFFAIRS DIVISION  
FOR THE OFFICE OF PUBLIC UTILITIES, FOR EMERGENCY PASSAGE

WHEREAS, this Ordinance authorizes payment to the Illinois Environmental Protection Agency (IEPA) for annual air pollution control Title V permit fees for the Regulatory Affairs Division for the Office of Public Utilities, and

WHEREAS, the 1990 Amendments of the Clean Air Act required the State of Illinois to develop a comprehensive operating permit program for stationary sources of air pollution, including the City of Springfield Office of Public Utilities' Power Plant facility at 3100 Stevenson Drive to include Dallman Units 31, 32, 33 and 4, and

WHEREAS, pursuant to the Clean Air Act Amendments, the State has implemented an annual permit fee program sufficient to raise funds to run the permit program and enforce the provisions, and

WHEREAS, the IEPA bills all major sources for fees in accordance with Title V regulations, and

WHEREAS, Illinois established a fee of \$21.50 per ton of regulated emissions up to a maximum of \$294,000.00, and

WHEREAS, the utility must pay the maximum permit fee for its Power Plant facilities since the regulated emissions, based on tonnage, would exceed \$294,000.00.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby approves payment to the Illinois Environmental Protection Agency for the total maximum amount of Two Hundred Ninety-Four Thousand Dollars and No Cents (\$294,000.00) for annual air pollution control Title V permit fees on behalf of the City of Springfield Office Public Utilities' Regulatory Affairs Division.

Section 2. The Mayor and the City Clerk are hereby authorized and empowered to execute all necessary documents with regard to payment to said vendor on behalf of the City of Springfield Office of Public Utilities.

Section 3. The Payment by the City of Springfield Office of Budget and Management to the Illinois Environmental Protection Agency for the total maximum amount of Two Hundred Ninety-Four Thousand Dollars and No Cents (\$294,000.00) from Account No. 102-400-FD-7872-1232 is hereby authorized, approved and directed.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City of Springfield Office of the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_

Approved as to legal sufficiency:

\_\_\_\_\_  
Office of the Corporation Counsel/Date

Requested by the Office of Public Utilities/Mayor Langfelder

# ORDINANCE FACT SHEET

AGENDA NUMBER: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

06-16-15

ORDINANCE REQUEST NUMBER: \_\_\_\_\_

## DEPARTMENTAL INFORMATION

OFFICE REQUESTING: PUBLIC UTILITIES

STAFF MEMBER: TRACY JOHANSSON

EMERGENCY PASSAGE: YES/NO If yes, list justification.

Payment is due by July 1, 2015. If not for emergency passage, we won't be able to pay on time & we may face penalties.

## BUDGETARY/STAFFING INFORMATION

FISCAL IMPACT: \$ 294,000.00 BUDGETED: YES/NO NEW POSITION: YES/NO

STAFFING IMPACT: The Office of Public Utilities Regulatory Affairs Division Environmental monitors compliance with the utility's operating permit for the Office of Public Utilities' Power Plants.

TYPE OF ORDINANCE: IEPA Fee

ACCOUNTING INFORMATION: Account No. 102-400-FD-7872-1232

CLAIM/CASE NUMBERS: (Not Applicable to the Office of Public Utilities)

PRIOR ORDINANCE INFORMATION: Not Applicable.

## VENDOR/AWARD INFORMATION

CONTRACTOR NAME: Illinois Environmental Protection Agency

CONTRACT AMOUNT: \$ 294,000.00  
(Original Amount if Change Order)

CONTRACT TERM: One Year

TYPE OF AWARD: Sole Source

CHANGE IN SCOPE Y X N CHANGE ORDER # N/A ADDT'L AMOUNT \$ 0.00

**STAFF ANALYSIS:** (This includes description of work, background on issue and the justification of why the ordinance was not low bid. If you need additional space, please continue on the back of this form.)

This is an annual, recurring ordinance for an air pollution control permit from the Illinois Environmental Protection Agency (IEPA).

This Ordinance authorizes payment in the amount of \$294,000.00 to the for air pollution control Title V permit fees for the City of Springfield Office of Public Utilities Regulatory Affairs Division.

The 1990 Amendments of the Clean Air Act required the State of Illinois to develop a comprehensive operating permit program for stationary sources of air pollution. This fee covers the Office of Public Utilities' Power Plant facility at 3100 Stevenson Drive to include Dallman Units 31, 32, 33 and 4. Pursuant to the Clean Air Act Amendments, the State has implemented an annual permit fee program sufficient to raise funds to run the permit program and enforce permit provisions. We paid the same amount last year.

SIGN OFF: \_\_\_\_\_ Mayor's Office rcv OBM  
(When Applicable)

**AN ORDINANCE ACCEPTING AND AUTHORIZING EXECUTION OF AN ILLINOIS LIQUOR CONTROL COMMISSION GRANT FOR THE "KIDS CAN'T BUY 'EM HERE" CAMPAIGN, FROM AUGUST 1, 2015, THROUGH JUNE 30, 2016, IN THE AMOUNT OF \$11,440.00 AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$8,109.00 FOR FY16 FOR THE SPRINGFIELD POLICE DEPARTMENT, FOR EMERGENCY PASSAGE**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the Illinois Liquor Control Commission has approved a grant for the Springfield Police Department in the amount of \$11,440.00 to enforce the "KIDS CAN'T BUY 'EM HERE" campaign, for the period of August 1, 2015, through June 30, 2016; and

**WHEREAS**, it is in the best interest of the City to accept this grant in the amount of \$11,440.00; and

**WHEREAS**, a copy of the grant shall be located in the Office of the City Clerk; and

**WHEREAS**, the Springfield Police Department is requesting a supplemental appropriation in the amount of \$8,109.00 from funds received from this grant for FY16 be used for overtime for officers to check vendors that sell tobacco to ensure that vendors are not selling to underage persons; and

**WHEREAS**, the remaining funds will be budgeted in FY17; and

**WHEREAS**, a copy of the grant shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby accepts the Illinois Liquor Control Commission Grant in the amount of \$11,440.00 beginning August 1, 2015, through June 30, 2016. The Mayor and City Clerk are hereby authorized to execute any documents necessary to effectuate this grant on behalf of the City.

**Section 2:** That the City Council hereby authorizes a supplemental appropriation in the amount of \$8,109.00 from funds received from the Illinois Liquor Control Commission grant to be used to fund overtime for officers to check vendors who sell tobacco.

**Section 3:** That the Office of Budget and Management is hereby directed to effectuate a supplemental appropriation in the amount of \$8,109 as follows:

|                                  |                   |
|----------------------------------|-------------------|
| <b>FROM REVENUE ACCOUNT</b>      | <b>AMOUNT</b>     |
| 001-112-POLC-POPR-0181           | \$11,440.00       |
| <b>INTO EXPENDITURE ACCOUNTS</b> | <b>AMOUNTS</b>    |
| 001-112-POLC-POPR-1104           | \$6,860.00        |
| 001-112-POLC-POPR-1108           | 99.00             |
| 001-112-POLC-ILCC-1416           | 1,150.00          |
| <b>TOTAL</b>                     | <b>\$8,109.00</b> |

**Section 4:** That the City Clerk is hereby directed to publish this ordinance in pamphlet form.





**Section 5:** That this ordinance shall be in full force and effect from and after its passage, recording and publication in pamphlet form.

**Section 6:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



- EMERGENCY PASSAGE -

2015-202

ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: SPDGrantFY16.01

DATE OF 1ST READING: June 23, 2015

OFFICE REQUESTING: Police Department

CONTACT PERSON: Dyle Stokes, Deputy Chief

PHONE NUMBER: 788.8331

EMERGENCY PASSAGE: No ☐ Yes ☒ If yes, explain justification.

Grant commences on Aug. 1, 2015, therefore it is necessary to process on emergency passage due to time it takes to obtain signatures and ILCC to return a final contract grant, and execution of the grant.

TYPE OF ORDINANCE: Grant FISCAL IMPACT: \$ 11,440.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

SUGGESTED TITLE:

An ordinance authorizing the acceptance and execution and supplemental appropriation, for a grant from the IL. Liquor Control Commission in the amount of \$11,440.00 for the Springfield Police Department.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

Grant Agreement

CONTRACTOR / VENDOR NAME

VENDOR NO:

CONTRACT TERM:

Change in Scope Yes ☐ No ☐

CONTRACT AMOUNT:

(Original amount if change order)

Change Order #

Additional Amount

Method of Purchase (check one)

☐ Low Bid

☐ Other:

☐ Low Bid Meeting Specs

☐ Exception:

☐ Low Evaluated Bid

Code Provision:

Previous Ord #'s

Is Purchasing Agent approval required? No ☒ Yes ☐

Is Purchasing Agent approval attached? No ☒ Yes ☐

Accounting information (if more than four accounts, please attach list)

REVENUE

|   | Fund | Agency | Org  | Activity | Object | Amount       |
|---|------|--------|------|----------|--------|--------------|
| 1 | 001  | 112    | POLC | POPR     | 0181   | \$ 11,440.00 |
| 2 |      |        |      |          |        |              |
| 3 |      |        |      |          |        |              |
| 4 |      |        |      |          |        |              |

EXPENDITURE

|   | Fund | Agency | Org  | Activity | Object | Amount      |
|---|------|--------|------|----------|--------|-------------|
| 1 | 001  | 112    | POLC | POPR     | 1104   | \$ 6,860.00 |
| 2 | 001  | 112    | POLC | POPR     | 1108   | \$ 99.00    |
| 3 | 001  | 112    | POLC | ILCC     | 1416   | \$ 1,150.00 |
| 4 |      |        |      | Total    |        | \$ 8,109.00 |

FUNDS CHECK BY:

Date:

DIRECTOR / SUPERVISOR SIGNATURE

Date:

CITY PURCHASING AGENT:

Date:

COMMENTS

This ordinance will authorize the City of Springfield, Springfield Police Department to accept and execute a grant from the Illinois Liquor Control Commission for the "Kids Can't Buy 'em Here" program (tobacco stings on retailers). The grant will commence on August 1, 2015 and end on June 30, 2016. There is no grant number and no C.F.D.A. #. State Grant from Tobacco Settlement Funds. PROGRAM CODE "IL15" We are only budgeting FY16 portion of the stings, the remaining funds will be budgeted in FY17. All of the revenue is paid to us in advance of the grant, therefore is budgeted in FY16.

SIGN OFF:

(Mayor's Signature)

(Director of OBM)

\*9677





# Illinois Liquor Control Commission

Governor Bruce Rauner

May 5, 2015

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701  
37-6002037

Dear Lt. Carl Crawford,

The Illinois Liquor Control Commission is pleased to announce that your application for the FY 2016 Tobacco Enforcement Program is approved. You will receive \$11440 to educate your tobacco retailers on minimum-age tobacco laws and enforce those laws accordingly. The Commission believes your participation will positively impact youth access to tobacco in our state.

Enclosed you will find the contract for the FY 16 grant year. Please sign and return to me as soon as possible; you may return it electronically. You will receive a fully executed contract and instructions for reporting and participating in this grant. In addition, you will receive a diskette with all the information needed to met the grant requirements. You must return the enclosed contract to participate in the grant.

We look forward to working with you on this comprehensive program. If you have any questions, please contact me at (312) 814-3083.

Sincerely,

*Laura Murphy*

Tobacco Manager  
ILCC

Commissioners: Cynthia Cronin Cahill • Amy Kurson • Bill Morris • Donald G. O'Connell • James Pandolfi • Maria Saldana

Illinois Liquor Control Commission • 400 West Randolph Street, Suite 7501 • Chicago, Illinois 60601  
Phone: 312-814-2206 • Fax: 312-814-2241 • Email: [ILCC@illinois.gov](mailto:ILCC@illinois.gov) • Website: [ILCC.illinois.gov](http://ILCC.illinois.gov)

4. The fourth part of the document provides a summary of the key findings and conclusions. It highlights the strengths and limitations of the study and offers suggestions for further research.

5. The fifth part of the document contains a list of references to the literature cited in the study. It includes both primary and secondary sources, as well as relevant books and articles.

6. The sixth part of the document includes a list of figures and tables that are used to present the data and results. Each figure and table is accompanied by a brief description of its content.

7. The seventh part of the document contains a list of appendices that provide additional information and data. These appendices are organized into sections that correspond to the main body of the document.

8. The eighth part of the document includes a list of footnotes and a list of references. It also contains a list of acknowledgments and a list of authors.

ILLINOIS DEPARTMENT OF REVENUE  
CONTRACTUAL AGREEMENT

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701

Federal Employers Identification No: 37-6002037 hereinafter referred to as Contractor or Contractor, and the State of Illinois, Department of Revenue, herein referred to as the Department, in consideration of the mutual covenant herein contained, agree as follows:

1. NATURE AND CONDITIONS OF ASSIGNMENT

The Contractor agrees to provide the following goods and/or services to the Department; which goods and/or services shall be expected to meet acceptable levels of performance:

In the event of a conflict between the State's and the Contractor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

A. The number of tobacco retailers affected by this Agreement is determined to be 104.

B. A Contractor not participating in the FY 2015 Tobacco Enforcement Program (July 1, 2014 - June 30, 2015) is required to participate in an Annual Conference Call to review program assurances. Conference calls will be scheduled for the beginning of August 2015. A Contractor participating in the FY 2015 Tobacco Enforcement Program will be given the opportunity to participate if it desires.

C. The Contractor is required to contact each tobacco retailer, informing them of their participation in the program and that minimum-age tobacco laws will be enforced. This contact may be in person or in writing. A Contractor not participating in the FY 2015 Tobacco Enforcement Program is not allowed to initiate this contact until after their participation in the Annual Conference Call which will review the Tobacco Enforcement Program in detail.

D. the Contractor is required to distribute the Commission's Tobacco Retailer Kit to each tobacco retailer. A Contractor not participating in the FY 2015 Tobacco Enforcement Program must wait until after their participation in the Annual Conference Call to distribute the kits. A contractor must distribute the kits prior to the first round of compliance checks, regardless if the kits were distributed the previous year(s).

E. the Contractor will conduct three compliance checks on each tobacco retailer. The first round of compliance checks is due November 30, 2015; the second round of compliance checks is due February 28, 2016 and the third round of compliance checks is due May 31, 2016. Upon completion of each round of compliance checks, the Contractor will submit a Tobacco Enforcement Program Summary Report.

i) Contractors not participating in the program from the time period between July 1, 2014 and June 30, 2015 are required to issue written warnings for first round violations.

ii) Contractors participating in the program from the time period between July 1, 2014 and June 30, 2015 may elect to issue warnings or citations for first round violations.

iii) After the first round, all Contractors must assess monetary fines to all violators regardless if the tobacco retailer's first round compliance check resulted in a non-violation, warning or citation.





iv) The Contractor will recruit youth workers that are 16 or 17 years of age as the underage minor when conducting the required compliance checks.

v) Contractors receiving written permission from the Commission may elect to replace one round of retail compliance checks with one round of possession enforcement. Written permission from the Commission will include: the round of retail compliance checks which is to be replaced with possession enforcement; and the number of hours the Contractor will dedicate to possession enforcement. During possession enforcement, any minor found in possession will be given an "Illinois Tobacco Quitline" card to encourage access to cessation classes. The "Illinois Tobacco Quitline" cards will be provided to the Contractor by the Department.

F. Mandatory attendance or documentation of prior attendance at an Illinois Law Enforcement Training and Standards Board (ILETSB) state certified class for conducting compliance checks is required by at least one individual supervising your compliance checks every three years. The Contractor may elect to attend a Commission sponsored class which meets the Tobacco Enforcement Program requirements and timelines. For Commission sponsored classes, the Commission assumes responsibility for all registration fees, however Contractors are responsible for their travel related costs.

G. As required by state law, Contractors must have written procedures for conducting compliance checks. Written procedures can be submitted after attending an ILETSB certified compliance check training class and are due no later than October 28, 2015.

H. The Contractor is required to show proof of insurance meeting the requirements in section "12. Liability and Insurance" of this contract. If during the contract time period the proof of insurance document provided expires, the Contractor will provide updated proof of insurance.

I. Request for Grant Payment will be made by the Commission immediately after the Contractor's scheduled time for the Annual Conference Call provided the Contractor is compliant with grant requirements.

i) Permissible expenditures of the grant payment include but are not limited to: payroll and payroll related expenses incurred individuals conducting work related to the grant requirements with the individuals including Administrative staff, enforcement officers and minors; travel related expenses including vehicle costs/maintenance; training cost for officers and/or minors; purchase of tobacco products and meal allowances; software and/or equipment purchase for training; equipment purchases for inspections; and educational and/or training materials to supplement the Tobacco Retailer Kit or other youth access prevention materials. Questions regarding acceptable expenditures should be directed to Laura Murphy of the Commission.

ii) Contractors receiving grants in excess of \$25,000 must submit quarterly reports describing the progress of the program and the expenditure of grant funds.

iii) Any funds not expended by June 30, 2016 must be returned to the Commission within 45 days.

## 2. PAYMENT FOR SERVICES

The amount payable for the services rendered shall be \$11440. No other charge by the Contractor may be paid for services rendered under this agreement without the written approval of the Department.

## 3. REIMBURSEMENT FOR EXPENSES



The Contractor will not be eligible for reimbursement by the Department of any expenses that the Contractor accrues in performance of this Agreement.

4. GEOGRAPHIC AREA SERVED

The Contractor shall accept assignments within the following geographic area: State of Illinois.

5. DURATION OF AGREEMENT

This agreement shall begin on August 1, 2015, and remain in effect until June 30, 2016. No payment shall be made for services rendered prior to the effective date of this agreement.

6. TERMINATION

Each party reserves the right to terminate this contract at any time on 30 days written notice to the other party. In the event of default or non-compliance with the terms of this contract, it may be terminated immediately. In the event of termination, the Department shall not be liable for amounts other than payments for services hereunder which have accrued up to the date of termination.

7. TAX LAW COMPLIANCE

The Contractor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

8. VOUCHERS

The Department shall submit, on behalf of the Contractor, vouchers for payments under this agreement monthly, semi-annually, or annually; the Contractor shall account for the completion of work on such forms and under such procedures as are required by the Department. Vouchers submitted more than thirty (30) days following termination of this agreement or later than thirty (30) days following the end of the fiscal year (June 30, 2016), will not be honored by the Department.

9. EMPLOYMENT STATUS

Contractor acknowledges that for purposes of the Illinois Pension Code, the State Employees' Group Insurance Program and other benefits provided to persons who are on the regular payroll of the State, the services rendered pursuant to this agreement are not rendered as an employee of the State and amounts paid pursuant to this agreement do not constitute compensation paid to an employee for such purposes.

10. LAWS OF ILLINOIS

This contract shall be governed by Illinois law and administrative rule including the Standard Procurement Rules. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims, or if jurisdiction is not accepted, then with the appropriate state or federal court located in Sangamon County, Illinois (705 ILCS 505/1).

11. CONFIDENTIALITY

1. CONFIDENTIALITY OF TAX RETURN INFORMATION. Services provided to the Department by Contractor may require Contractor to have access to and use of



documents and data which may contain tax return information. Tax returns and tax return information are confidential and may not be disclosed under Illinois or federal law, including, but not limited to, 35 ILCS 5/917, 35 ILCS 120/11, 26 U.S.C. 7213, and 26 U.S.C. 7431. These statutes provide for the imposition of criminal penalties for improper disclosure of confidential tax return information. Contractor agrees that it shall keep confidential all tax returns and tax return information that it accesses and uses in performance of its services to the Department and will not provide it to any third party unless approved in writing by the Department. Contractor agrees to protect such information from unauthorized disclosure by it and its employees and by its corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties. Contractor further agrees to inform its personnel having access to such information of the confidential and statutorily protected nature of tax information and of the penalties associated with improper use or disclosure of such information.

2. CONFIDENTIALITY OF PROCESSES AND PROCEDURES. Services provided to the Department by Contractor may require Contractor to have access to and use of processes and procedures employed by the Department in its administration of the Illinois tax acts. These processes and procedures are the property of the Department and are highly confidential. Contractor agrees that it shall keep confidential any and all information concerning such systems, processes, and procedures and will not provide it to any third party. Contractor further agrees to protect such information from unauthorized disclosure by Contractor and its employees and by Contractor's corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties.

## 12. LIABILITY AND INSURANCE

The State does not assume any liability for acts or omissions of Contractor and such liability rests solely with Contractor. The State is unable to indemnify or hold harmless any contractor for claims based on the State's use of the contractor provided goods and services including software. Any liability for damages that the State might have is expressly limited by and subject to the provisions of the Illinois Court of Claims Act and to the availability of suitable appropriations. Contractor shall carry public liability, casualty and auto insurance in sufficient amount to protect the State from liability for acts of Contractor. Minimum acceptable coverage for bodily injury shall be \$250,000 per person and \$500,000 per occurrence and for property damage, \$100,000 per occurrence. Contractor shall carry Worker's Compensation Insurance in amount required by law. Contractor shall provide proof of insurance prior to the first payment by the Department to the Contractor.

If risk of loss transfers before delivery and installation at State's site, Contractor shall procure insurance chargeable to the State to cover all reasonable risks.

The State may self-insure against any and all risks.

## 13. APPLICABLE LAW

This agreement and contractor's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and state laws. This agreement shall be construed in accordance with the laws of the State of Illinois.



14. **LEGAL ABILITY TO CONTRACT:** Contractor certifies it is under no legal prohibition on contracting with the State of Illinois, has no known conflicts of interest and further specifically certifies that:
- a. Contractor, its employees and subcontractors will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Contract.
  - b. Contractor is not in default on an educational loan (5 ILCS 385/3).
  - c. Contractor (if an individual, sole proprietor, or partner) has informed the Director of the Department in writing if he/she was formerly employed by the Department and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. Contractor has not received an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).
  - d. Contractor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80).
  - e. Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Contractor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).
  - f. If Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
  - g. If Contractor, or any officer, director, partner, or other managerial agent of Contractor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, at least five years have passed since the date of the conviction. Contractor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the Contract void if this certification is false (30 ILCS 500/50-10.5).
  - h. Contractor and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Contractor and its affiliates acknowledge the State may declare the Contract void if this certification is false (30 ILCS 500/50-11) or if Contractor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).





- i. Contractor and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the Contract being declared void.
- j. Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five years, and is therefore not barred from being awarded a contract. If the State later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that the State may declare the Contract void (30 ILCS 500/50-14).
- k. Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Contractor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- l. Contractor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- m. Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
- n. In accordance with the Steel Products Procurement Act, steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Department grants an exception (30 ILCS 565).
- o. Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace and Contractor and its employees shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the Contract. This certification applies to contracts of \$5000 or more with individuals; and to entities with 25 or more employees (30 ILCS 580).
- p. Neither Contractor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- q. Contractor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
- r. Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- s. Contractor does not pay dues to, or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).



- t. Contractor complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- u. Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- v. Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
- w. Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- x. In accordance with Public Act 095-0307, all information technology, including electronic information, software, systems and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at [www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa).
- y. Contractor has disclosed if required, on forms provided by the State, and agrees it is under a continuing obligation to disclose to the State, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit Contractor from having or continuing the Contract. This includes, but is not limited to conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50), or those which may conflict in any manner with the Contractor's obligation under this Contract. Contractor shall not employ any person with a conflict to perform under this Contract. If any elected or appointed State officer or employee, or the spouse or minor child of same has any ownership or financial interest in the Contractor or the Contract, Contractor certifies it has disclosed that information to the State if required, on forms provided by the State, and any waiver of the conflict has been issued in accordance with applicable law and rule. A waiver is required if:
  - a) the person intending to contract with the State, their spouse or child: (i) holds an elective office in Illinois; (ii) holds a seat in the Illinois General Assembly; (iii) is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority; or holds an appointed position or is employed in any of the offices or agencies of the State government and who receives compensation for such employment in excess of 60% of the salary of the Governor (currently \$106,447.20). (The conflict of interest threshold of 60% of the Governor's salary set forth in Section 50-13 does not apply to elective office holders, legislators, and



officers or employees of the Capital Development Board or the Illinois Toll Highway Authority.);

b) the contract is with a firm, partnership, association or corporation in which a person referenced in a) above receives more than 7.5% of the total distributable income or an amount in excess of the salary of the Governor (currently \$177,412.00).

c) the contract is with a firm, partnership, association or corporation in which a person referenced in b) above, together with their spouse or minor child, receives more than 15% in the aggregate of the total distributable income or an amount in excess of 2 times the salary of the Governor (currently \$354,824.00) from the firm, partnership, association or corporation.

- z. Contractor, as defined in Public Act 95-971, certifies that it has read, understands, and is in compliance with the Act and will not make a contribution that will violate the Act. In general, Public Act 95-971 contains new registration and reporting requirements for certain Contractors, as well as limitations on political contributions by certain Contractors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

Contractor certifies, in accordance with Public Act 95-971, as applicable:

☐ Contractor is not required to register as a business entity with the State Board of Elections.

or

☐ Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the certificate of registration is attached.

Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this foregoing certification is false or if the Contractor (or any of its Affiliated Persons or Entities) engages in conduct that violates Public Act 95-971.

15. BACKGROUND CHECK

The State may conduct criminal and driver history background checks of CONTRACTOR'S officers, employees or agents who would directly supervise or physically perform the CONTRACT requirements at State facilities. Any such officer, employee or agent deemed unsuitable by the State must be replaced immediately.

16. AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60)

The Department shall use its best efforts to secure sufficient appropriations to fund this CONTRACT. However, the Department's obligations hereunder shall cease immediately, without penalty or further payment being required, if the Illinois General Assembly or federal funding source fails to make an appropriation sufficient to pay such obligation. The Department shall determine whether amounts appropriated are sufficient. The Department shall give CONTRACTOR notice of insufficient funding as soon as practicable. CONTRACTOR'S obligation to perform shall cease upon receipt of the notice.



17. SOLICITATION AND EMPLOYMENT

CONTRACTOR shall not employ any person employed by the Department at any time during the term of this CONTRACT to perform any work required by the terms of this CONTRACT. As a condition of this CONTRACT, the CONTRACTOR shall give notice immediately to the Department's director if CONTRACTOR solicits or intends to solicit for employment any of the Department's employees during the term of this CONTRACT. The Department has no authority to contractually refuse to hire CONTRACTOR'S employees who apply to the State for employment.

18. FISCAL FUNDING

Obligations of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly funding source fails to appropriate or otherwise make available sufficient funds for this agreement.

19. SUBCONTRACTING AND ASSIGNMENTS

Subcontracting, assignment or transfer of all or part of the interests of contractor in the work covered by this agreement shall be prohibited without prior written consent of the Department. In the event the Department gives such consent, the terms and conditions of this agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as contractor is hereby bound and obligated. Any contract with a subcontractor shall provide that the subcontractor shall maintain, for a minimum of five (5) years after the completion of the subcontract, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract and that the Department of Revenue and Auditor General shall have the right to audit the books, records and supporting documents of any subcontractor within said five (5) year period. The contract shall also provide, that the subcontractor will fully cooperate with the department or Auditor General during the course of any audit.

20. BREACH

Failure of Contractor to perform as specified is cause for immediate termination of the contract at the option of the Department, without limitation upon any other relief available to the Department.

21. RIGHT TO AUDIT

The Contractor is required to permit the grantor Department, the Auditor General, or the Attorney General to inspect and audit any books, records, or papers related to the program, project, or use of which grant funds were provided.

AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): Contractor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Contractor and its subcontractors must retain its records for five years. Books and records





required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Manager, Department of Revenue

\_\_\_\_\_  
Contractor, (printed name)

Laura Murphy  
\_\_\_\_\_  
Manager, Department of Revenue

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Department of Revenue

\_\_\_\_\_  
Date



required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."

Executed this 10th day of June, 2015.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Manager, Department of Revenue

James O. Langfelder  
\_\_\_\_\_  
Contractor, (printed name)

Laura Murphy  
\_\_\_\_\_  
Manager, Department of Revenue

Mayor  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Department of Revenue

\_\_\_\_\_  
Date



TAXPAYER IDENTIFICATION NUMBER

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name:

Business Name City of Springfield

Taxpayer Identification Number 37-6002037

Social Security Number

or

Employer Identification Number:

Legal Status (check one):

- |                                                                                                   |                                                                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Individual                                                               | <input checked="" type="checkbox"/> Governmental                                          |
| <input type="checkbox"/> Sole Proprietor                                                          | <input type="checkbox"/> Nonresident alien                                                |
| <input type="checkbox"/> Partnership                                                              | <input type="checkbox"/> Estate or trust                                                  |
| <input type="checkbox"/> Legal Services Corporation                                               | <input type="checkbox"/> Pharmacy (Non-Corp.)                                             |
| <input type="checkbox"/> Tax-exempt                                                               | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.)                           |
| <input type="checkbox"/> Corporation providing or billing medical and/or health care services     | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services | <input type="checkbox"/> D = disregarded entity                                           |
|                                                                                                   | <input type="checkbox"/> C = corporation                                                  |
|                                                                                                   | <input type="checkbox"/> P = partnership                                                  |

Signature: \_\_\_\_\_ Date: \_\_\_\_\_





# Illinois Liquor Control Commission

Governor Bruce Rauner

May 5, 2015

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701  
37-6002037

Dear Lt. Carl Crawford,

The Illinois Liquor Control Commission is pleased to announce that your application for the FY 2016 Tobacco Enforcement Program is approved. You will receive \$11440 to educate your tobacco retailers on minimum-age tobacco laws and enforce those laws accordingly. The Commission believes your participation will positively impact youth access to tobacco in our state.

Enclosed you will find the contract for the FY 16 grant year. Please sign and return to me as soon as possible; you may return it electronically. You will receive a fully executed contract and instructions for reporting and participating in this grant. In addition, you will receive a diskette with all the information needed to met the grant requirements. You must return the enclosed contract to participate in the grant.

We look forward to working with you on this comprehensive program. If you have any questions, please contact me at (312) 814-3083.

Sincerely,

*Laura Murphy*

Tobacco Manager  
ILCC

Commissioners: Cynthia Cronin Cahill • Amy Kurson • Bill Morris • Donald G. O'Connell • James Pandolfi • Maria Saldana

Illinois Liquor Control Commission • 100 West Randolph Street, Suite 7801 • Chicago, Illinois 60601  
Phone: 312-814-2206 • Fax: 312-814-2241 • Email: ILCC@illinois.gov • Website: ILCC.illinois.gov





ILLINOIS DEPARTMENT OF REVENUE  
CONTRACTUAL AGREEMENT

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701

Federal Employers Identification No: 37-6002037 hereinafter referred to as Contractor or Contractor, and the State of Illinois, Department of Revenue, herein referred to as the Department, in consideration of the mutual covenant herein contained, agree as follows:

1. NATURE AND CONDITIONS OF ASSIGNMENT

The Contractor agrees to provide the following goods and/or services to the Department; which goods and/or services shall be expected to meet acceptable levels of performance:

In the event of a conflict between the State's and the Contractor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

A. The number of tobacco retailers affected by this Agreement is determined to be 104.

B. A Contractor not participating in the FY 2015 Tobacco Enforcement Program (July 1, 2014 - June 30, 2015) is required to participate in an Annual Conference Call to review program assurances. Conference calls will be scheduled for the beginning of August 2015. A Contractor participating in the FY 2015 Tobacco Enforcement Program will be given the opportunity to participate if it desires.

C. The Contractor is required to contact each tobacco retailer, informing them of their participation in the program and that minimum-age tobacco laws will be enforced. This contact may be in person or in writing. A Contractor not participating in the FY 2015 Tobacco Enforcement Program is not allowed to initiate this contact until after their participation in the Annual Conference Call which will review the Tobacco Enforcement Program in detail.

D. the Contractor is required to distribute the Commission's Tobacco Retailer Kit to each tobacco retailer. A Contractor not participating in the FY 2015 Tobacco Enforcement Program must wait until after their participation in the Annual Conference Call to distribute the kits. A contractor must distribute the kits prior to the first round of compliance checks, regardless if the kits were distributed the previous year(s).

E. the Contractor will conduct three compliance checks on each tobacco retailer. The first round of compliance checks is due November 30, 2015; the second round of compliance checks is due February 28, 2016 and the third round of compliance checks is due May 31, 2016. Upon completion of each round of compliance checks, the Contractor will submit a *Tobacco Enforcement Program Summary Report*.

i) Contractors not participating in the program from the time period between July 1, 2014 and June 30, 2015 are required to issue written warnings for first round violations.

ii) Contractors participating in the program from the time period between July 1, 2014 and June 30, 2015 may elect to issue warnings or citations for first round violations.

iii) After the first round, all Contractors must assess monetary fines to all violators regardless if the tobacco retailer's first round compliance check resulted in a non-violation, warning or citation.



iv) The Contractor will recruit youth workers that are 16 or 17 years of age as the underage minor when conducting the required compliance checks.

v) Contractors receiving written permission from the Commission may elect to replace one round of retail compliance checks with one round of possession enforcement. Written permission from the Commission will include; the round of retail compliance checks which is to be replaced with possession enforcement; and the number of hours the Contractor will dedicate to possession enforcement. During possession enforcement, any minor found in possession will be given an "Illinois Tobacco Quitline" card to encourage access to cessation classes. The "Illinois Tobacco Quitline" cards will be provided to the Contractor by the Department.

F. Mandatory attendance or documentation of prior attendance at an Illinois Law Enforcement Training and Standards Board (ILETSB) state certified class for conducting compliance checks is required by at least one individual supervising your compliance checks every three years. The Contractor may elect to attend a Commission sponsored class which meets the Tobacco Enforcement Program requirements and timelines. For Commission sponsored classes, the Commission assumes responsibility for all registration fees, however Contractors are responsible for their travel related costs.

G. As required by state law, Contractors must have written procedures for conducting compliance checks. Written procedures can be submitted after attending an ILETSB certified compliance check training class and are due no later than October 28, 2015.

H. The Contractor is required to show proof of insurance meeting the requirements in section "12. Liability and Insurance" of this contract. If during the contract time period the proof of insurance document provided expires, the Contractor will provide updated proof of insurance.

I. Request for Grant Payment will be made by the Commission immediately after the Contractor's scheduled time for the Annual Conference Call provided the Contractor is compliant with grant requirements.

i) Permissible expenditures of the grant payment include but are not limited to: payroll and payroll related expenses incurred individuals conducting work related to the grant requirements with the individuals including Administrative staff, enforcement officers and minors; travel related expenses including vehicle costs/maintenance; training cost for officers and/or minors; purchase of tobacco products and meal allowances; software and/or equipment purchase for training; equipment purchases for inspections; and educational and/or training materials to supplement the Tobacco Retailer Kit or other youth access prevention materials. Questions regarding acceptable expenditures should be directed to Laura Murphy of the Commission.

ii) Contractors receiving grants in excess of \$25,000 must submit quarterly reports describing the progress of the program and the expenditure of grant funds.

iii) Any funds not expended by June 30, 2016 must be returned to the Commission within 45 days.

## 2. PAYMENT FOR SERVICES

The amount payable for the services rendered shall be \$11440. No other charge by the Contractor may be paid for services rendered under this agreement without the written approval of the Department.

## 3. REIMBURSEMENT FOR EXPENSES



The Contractor will not be eligible for reimbursement by the Department of any expenses that the Contractor accrues in performance of this Agreement.

4. GEOGRAPHIC AREA SERVED

The Contractor shall accept assignments within the following geographic area: State of Illinois.

5. DURATION OF AGREEMENT

This agreement shall begin on August 1, 2015, and remain in effect until June 30, 2016. No payment shall be made for services rendered prior to the effective date of this agreement.

6. TERMINATION

Each party reserves the right to terminate this contract at any time on 30 days written notice to the other party. In the event of default or non-compliance with the terms of this contract, it may be terminated immediately. In the event of termination, the Department shall not be liable for amounts other than payments for services hereunder which have accrued up to the date of termination.

7. TAX LAW COMPLIANCE

The Contractor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

8. VOUCHERS

The Department shall submit, on behalf of the Contractor, vouchers for payments under this agreement monthly, semi-annually, or annually; the Contractor shall account for the completion of work on such forms and under such procedures as are required by the Department. Vouchers submitted more than thirty (30) days following termination of this agreement or later than thirty (30) days following the end of the fiscal year (June 30, 2016), will not be honored by the Department.

9. EMPLOYMENT STATUS

Contractor acknowledges that for purposes of the Illinois Pension Code, the State Employees' Group Insurance Program and other benefits provided to persons who are on the regular payroll of the State, the services rendered pursuant to this agreement are not rendered as an employee of the State and amounts paid pursuant to this agreement do not constitute compensation paid to an employee for such purposes.

10. LAWS OF ILLINOIS

This contract shall be governed by Illinois law and administrative rule including the Standard Procurement Rules. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims, or if jurisdiction is not accepted, then with the appropriate state or federal court located in Sangamon County, Illinois (705 ILCS 505/1).

11. CONFIDENTIALITY

1. CONFIDENTIALITY OF TAX RETURN INFORMATION. Services provided to the Department by Contractor may require Contractor to have access to and use of



documents and data which may contain tax return information. Tax returns and tax return information are confidential and may not be disclosed under Illinois or federal law, including, but not limited to, 35 ILCS 5/917, 35 ILCS 120/11, 26 U.S.C. 7213, and 26 U.S.C. 7431. These statutes provide for the imposition of criminal penalties for improper disclosure of confidential tax return information. Contractor agrees that it shall keep confidential all tax returns and tax return information that it accesses and uses in performance of its services to the Department and will not provide it to any third party unless approved in writing by the Department. Contractor agrees to protect such information from unauthorized disclosure by it and its employees and by its corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties. Contractor further agrees to inform its personnel having access to such information of the confidential and statutorily protected nature of tax information and of the penalties associated with improper use or disclosure of such information.

2. CONFIDENTIALITY OF PROCESSES AND PROCEDURES. Services provided to the Department by Contractor may require Contractor to have access to and use of processes and procedures employed by the Department in its administration of the Illinois tax acts. These processes and procedures are the property of the Department and are highly confidential. Contractor agrees that it shall keep confidential any and all information concerning such systems, processes, and procedures and will not provide it to any third party. Contractor further agrees to protect such information from unauthorized disclosure by Contractor and its employees and by Contractor's corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties.

## 12. LIABILITY AND INSURANCE

The State does not assume any liability for acts or omissions of Contractor and such liability rests solely with Contractor. The State is unable to indemnify or hold harmless any contractor for claims based on the State's use of the contractor provided goods and services including software. Any liability for damages that the State might have is expressly limited by and subject to the provisions of the Illinois Court of Claims Act and to the availability of suitable appropriations. Contractor shall carry public liability, casualty and auto insurance in sufficient amount to protect the State from liability for acts of Contractor. Minimum acceptable coverage for bodily injury shall be \$250,000 per person and \$500,000 per occurrence and for property damage, \$100,000 per occurrence. Contractor shall carry Worker's Compensation Insurance in amount required by law. Contractor shall provide proof of insurance prior to the first payment by the Department to the Contractor.

If risk of loss transfers before delivery and installation at State's site, Contractor shall procure insurance chargeable to the State to cover all reasonable risks.

The State may self-insure against any and all risks.

## 13. APPLICABLE LAW

This agreement and contractor's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and state laws. This agreement shall be construed in accordance with the laws of the State of Illinois.





14. **LEGAL ABILITY TO CONTRACT:** Contractor certifies it is under no legal prohibition on contracting with the State of Illinois, has no known conflicts of interest and further specifically certifies that:
- a. Contractor, its employees and subcontractors will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Contract.
  - b. Contractor is not in default on an educational loan (5 ILCS 385/3).
  - c. Contractor (if an individual, sole proprietor, or partner) has informed the Director of the Department in writing if he/she was formerly employed by the Department and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. Contractor has not received an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).
  - d. Contractor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80).
  - e. Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Contractor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).
  - f. If Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
  - g. If Contractor, or any officer, director, partner, or other managerial agent of Contractor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, at least five years have passed since the date of the conviction. Contractor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the Contract void if this certification is false (30 ILCS 500/50-10.5).
  - h. Contractor and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Contractor and its affiliates acknowledge the State may declare the Contract void if this certification is false (30 ILCS 500/50-11) or if Contractor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).



- i. Contractor and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the Contract being declared void.
- j. Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five years, and is therefore not barred from being awarded a contract. If the State later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that the State may declare the Contract void (30 ILCS 500/50-14).
- k. Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Contractor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- l. Contractor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- m. Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
- n. In accordance with the Steel Products Procurement Act, steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Department grants an exception (30 ILCS 565).
- o. Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace and Contractor and its employees shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the Contract. This certification applies to contracts of \$5000 or more with individuals; and to entities with 25 or more employees (30 ILCS 580).
- p. Neither Contractor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- q. Contractor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
- r. Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- s. Contractor does not pay dues to, or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).



- t. Contractor complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- u. Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- v. Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
- w. Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- x. In accordance with Public Act 095-0307, all information technology, including electronic information, software, systems and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at [www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa).
- y. Contractor has disclosed if required, on forms provided by the State, and agrees it is under a continuing obligation to disclose to the State, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit Contractor from having or continuing the Contract. This includes, but is not limited to conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50), or those which may conflict in any manner with the Contractor's obligation under this Contract. Contractor shall not employ any person with a conflict to perform under this Contract. If any elected or appointed State officer or employee, or the spouse or minor child of same has any ownership or financial interest in the Contractor or the Contract, Contractor certifies it has disclosed that information to the State if required, on forms provided by the State, and any waiver of the conflict has been issued in accordance with applicable law and rule. A waiver is required if:
  - a) the person intending to contract with the State, their spouse or child: (i) holds an elective office in Illinois; (ii) holds a seat in the Illinois General Assembly; (iii) is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority; or holds an appointed position or is employed in any of the offices or agencies of the State government and who receives compensation for such employment in excess of 60% of the salary of the Governor (currently \$106,447.20). (The conflict of interest threshold of 60% of the Governor's salary set forth in Section 50-13 does not apply to elective office holders, legislators, and



officers or employees of the Capital Development Board or the Illinois Toll Highway Authority.);

b) the contract is with a firm, partnership, association or corporation in which a person referenced in a) above receives more than 7.5% of the total distributable income or an amount in excess of the salary of the Governor (currently \$177,412.00).

c) the contract is with a firm, partnership, association or corporation in which a person referenced in b) above, together with their spouse or minor child, receives more than 15% in the aggregate of the total distributable income or an amount in excess of 2 times the salary of the Governor (currently \$354,824.00) from the firm, partnership, association or corporation.

z: Contractor, as defined in Public Act 95-971, certifies that it has read, understands, and is in compliance with the Act and will not make a contribution that will violate the Act. In general, Public Act 95-0971 contains new registration and reporting requirements for certain Contractors, as well as limitations on political contributions by certain Contractors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

Contractor certifies, in accordance with Public Act 95-971, as applicable:

☐ Contractor is not required to register as a business entity with the State Board of Elections.

or

☐ Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the certificate of registration is attached.

Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this foregoing certification is false or if the Contractor (or any of its Affiliated Persons or Entities) engages in conduct that violates Public Act 95-0971.

#### 15. BACKGROUND CHECK

The State may conduct criminal and driver history background checks of CONTRACTOR'S officers, employees or agents who would directly supervise or physically perform the CONTRACT requirements at State facilities. Any such officer, employee or agent deemed unsuitable by the State must be replaced immediately.

#### 16. AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60)

The Department shall use its best efforts to secure sufficient appropriations to fund this CONTRACT. However, the Department's obligations hereunder shall cease immediately, without penalty or further payment being required, if the Illinois General Assembly or federal funding source fails to make an appropriation sufficient to pay such obligation. The Department shall determine whether amounts appropriated are sufficient. The Department shall give CONTRACTOR notice of insufficient funding as soon as practicable. CONTRACTOR'S obligation to perform shall cease upon receipt of the notice.





17. SOLICITATION AND EMPLOYMENT

CONTRACTOR shall not employ any person employed by the Department at any time during the term of this CONTRACT to perform any work required by the terms of this CONTRACT. As a condition of this CONTRACT, the CONTRACTOR shall give notice immediately to the Department's director if CONTRACTOR solicits or intends to solicit for employment any of the Department's employees during the term of this CONTRACT. The Department has no authority to contractually refuse to hire CONTRACTOR'S employees who apply to the State for employment.

18. FISCAL FUNDING

Obligations of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly funding source fails to appropriate or otherwise make available sufficient funds for this agreement.

19. SUBCONTRACTING AND ASSIGNMENTS

Subcontracting, assignment or transfer of all or part of the interests of contractor in the work covered by this agreement shall be prohibited without prior written consent of the Department. In the event the Department gives such consent, the terms and conditions of this agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as contractor is hereby bound and obligated. Any contract with a subcontractor shall provide that the subcontractor shall maintain, for a minimum of five (5) years after the completion of the subcontract, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract and that the Department of Revenue and Auditor General shall have the right to audit the books, records and supporting documents of any subcontractor within said five (5) year period. The contract shall also provide, that the subcontractor will fully cooperate with the department or Auditor General during the course of any audit.

20. BREACH

Failure of Contractor to perform as specified is cause for immediate termination of the contract at the option of the Department, without limitation upon any other relief available to the Department.

21. RIGHT TO AUDIT

The Contractor is required to permit the grantor Department, the Auditor General, or the Attorney General to inspect and audit any books, records, or papers related to the program, project, or use of which grant funds were provided.

AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): Contractor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Contractor and its subcontractors must retain its records for five years. Books and records



required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."

Executed this 10th day of June, 2015.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Manager, Department of Revenue

James O. Langfelder  
\_\_\_\_\_  
Contractor, (printed name)

Laura Murphy  
\_\_\_\_\_  
Manager, Department of Revenue

Mayor  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Department of Revenue

\_\_\_\_\_  
Date



### TAXPAYER IDENTIFICATION NUMBER

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name:

Business Name City of Springfield

Taxpayer Identification Number 37-6002037

Social Security Number

or

Employer Identification Number:

Legal Status (check one):

- |                                                                                                   |                                                                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Individual                                                               | <input checked="" type="checkbox"/> Governmental                                          |
| <input type="checkbox"/> Sole Proprietor                                                          | <input type="checkbox"/> Nonresident alien                                                |
| <input type="checkbox"/> Partnership                                                              | <input type="checkbox"/> Estate or trust                                                  |
| <input type="checkbox"/> Legal Services Corporation                                               | <input type="checkbox"/> Pharmacy (Non-Corp.)                                             |
| <input type="checkbox"/> Tax-exempt                                                               | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.)                           |
| <input type="checkbox"/> Corporation providing or billing medical and/or health care services     | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services | <input type="checkbox"/> D = disregarded entity                                           |
|                                                                                                   | <input type="checkbox"/> C = corporation                                                  |
|                                                                                                   | <input type="checkbox"/> P = partnership                                                  |

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**AN ORDINANCE ACCEPTING AND AUTHORIZING EXECUTION OF AN ILLINOIS LIQUOR CONTROL COMMISSION GRANT FOR THE "KIDS CAN'T BUY 'EM HERE" CAMPAIGN, FROM AUGUST 1, 2015, THROUGH JUNE 30, 2016, IN THE AMOUNT OF \$11,440.00 AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$8,109.00 FOR FY16 FOR THE SPRINGFIELD POLICE DEPARTMENT, FOR EMERGENCY PASSAGE**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the Illinois Liquor Control Commission has approved a grant for the Springfield Police Department in the amount of \$11,440.00 to enforce the "KIDS CAN'T BUY 'EM HERE" campaign, for the period of August 1, 2015, through June 30, 2016; and

**WHEREAS**, it is in the best interest of the City to accept this grant in the amount of \$11,440.00; and

**WHEREAS**, a copy of the grant shall be located in the Office of the City Clerk; and

**WHEREAS**, the Springfield Police Department is requesting a supplemental appropriation in the amount of \$8,109.00 from funds received from this grant for FY16 be used for overtime for officers to check vendors that sell tobacco to ensure that vendors are not selling to underage persons; and

**WHEREAS**, the remaining funds will be budgeted in FY17; and

**WHEREAS**, a copy of the grant shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby accepts the Illinois Liquor Control Commission Grant in the amount of \$11,440.00 beginning August 1, 2015, through June 30, 2016. The Mayor and City Clerk are hereby authorized to execute any documents necessary to effectuate this grant on behalf of the City.

**Section 2:** That the City Council hereby authorizes a supplemental appropriation in the amount of \$8,109.00 from funds received from the Illinois Liquor Control Commission grant to be used to fund overtime for officers to check vendors who sell tobacco.

**Section 3:** That the Office of Budget and Management is hereby directed to effectuate a supplemental appropriation in the amount of \$8,109 as follows:

|                                  |                   |
|----------------------------------|-------------------|
| <b>FROM REVENUE ACCOUNT</b>      | <b>AMOUNT</b>     |
| 001-112-POLC-POPR-0181           | \$11,440.00       |
| <b>INTO EXPENDITURE ACCOUNTS</b> | <b>AMOUNTS</b>    |
| 001-112-POLC-POPR-1104           | \$6,860.00        |
| 001-112-POLC-POPR-1108           | 99.00             |
| 001-112-POLC-ILCC-1416           | 1,150.00          |
| <b>TOTAL</b>                     | <b>\$8,109.00</b> |

**Section 4:** That the City Clerk is hereby directed to publish this ordinance in pamphlet form.





**Section 5:** That this ordinance shall be in full force and effect from and after its passage, recording and publication in pamphlet form.

**Section 6:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

\_\_\_\_\_  
Mayor James O. Langfelder

**Requested by: Mayor James O. Langfelder**

**Approved as to legal sufficiency:**

\_\_\_\_\_  
Office of Corporation Counsel / Date



- EMERGENCY PASSAGE -

2015-202

ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: SPDGrantFY16.01

DATE OF 1ST READING: June 23, 2015

OFFICE REQUESTING: Police Department

CONTACT PERSON: Dyle Stokes, Deputy Chief

PHONE NUMBER: 788.8331

EMERGENCY PASSAGE: No ☐ Yes ☒ If yes, explain justification.

Grant commences on Aug. 1, 2015, therefore it is necessary to process on emergency passage due to time it takes to obtain signatures and ILCC to return a final contract grant, and execution of the grant.

TYPE OF ORDINANCE: Grant FISCAL IMPACT: \$ 11,440.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

SUGGESTED TITLE:

An ordinance authorizing the acceptance and execution and supplemental appropriation, for a grant from the IL. Liquor Control Commission in the amount of \$11,440.00 for the Springfield Police Department.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

Grant Agreement

CONTRACTOR / VENDOR NAME

VENDOR NO:

CONTRACT TERM:

Change in Scope Yes ☐ No ☐

CONTRACT AMOUNT:

(Original amount if change order)

Change Order #

Additional Amount

Method of Purchase (check one)

☐ Low Bid

☐ Other:

☐ Low Bid Meeting Specs

☐ Exception:

☐ Low Evaluated Bid

Code Provision:

Previous Ord #'s

Is Purchasing Agent approval required? No ☒ Yes ☐

Is Purchasing Agent approval attached? No ☒ Yes ☐

Accounting information (if more than four accounts, please attach list)

REVENUE

| Fund | Agency | Org | Activity | Object | Amount            |
|------|--------|-----|----------|--------|-------------------|
| 1    | 001    | 112 | POLC     | POPR   | 0181 \$ 11,440.00 |
| 2    |        |     |          |        |                   |
| 3    |        |     |          |        |                   |
| 4    |        |     |          |        |                   |

EXPENDITURE

| Fund | Agency | Org | Activity | Object | Amount           |
|------|--------|-----|----------|--------|------------------|
| 1    | 001    | 112 | POLC     | POPR   | 1104 \$ 6,860.00 |
| 2    | 001    | 112 | POLC     | POPR   | 1108 \$ 99.00    |
| 3    | 001    | 112 | POLC     | ILCC   | 1416 \$ 1,150.00 |
| 4    |        |     |          | Total  | \$ 8,109.00      |

FUNDS CHECK BY:

Date:

DIRECTOR / SUPERVISOR SIGNATURE

Date:

CITY PURCHASING AGENT:

Date:

COMMENTS

This ordinance will authorize the City of Springfield, Springfield Police Department to accept and execute a grant from the Illinois Liquor Control Commission for the "Kids Can't Buy 'em Here" program (tobacco stings on retailers). The grant will commence on August 1, 2015 and end on June 30, 2016. There is no grant number and no C.F.D.A. #. State Grant from Tobacco Settlement Funds. PROGRAM CODE "IL15" We are only budgeting FY16 portion of the stings, the remaining funds will be budgeted in FY17. All of the revenue is paid to us in advance of the grant, therefore is budgeted in FY16.

SIGN OFF:

(Mayor's Signature)

(Director of OBM)

\*9677





# Illinois Liquor Control Commission

Governor Bruce Rauner

May 5, 2015

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701  
37-6002037

Dear Lt. Carl Crawford,

The Illinois Liquor Control Commission is pleased to announce that your application for the FY 2016 Tobacco Enforcement Program is approved. You will receive \$11440 to educate your tobacco retailers on minimum-age tobacco laws and enforce those laws accordingly. The Commission believes your participation will positively impact youth access to tobacco in our state.

Enclosed you will find the contract for the FY 16 grant year. Please sign and return to me as soon as possible; you may return it electronically. You will receive a fully executed contract and instructions for reporting and participating in this grant. In addition, you will receive a diskette with all the information needed to met the grant requirements. You must return the enclosed contract to participate in the grant.

We look forward to working with you on this comprehensive program. If you have any questions, please contact me at (312) 814-3083.

Sincerely,

*Laura Murphy*

Tobacco Manager  
ILCC

Commissioners: Cynthia Cronin Cahill • Amy Kurson • Bill Morris • Donald G. O'Connell • James Pandolfi • Maria Saldana

Illinois Liquor Control Commission • 400 West Randolph Street, Suite 7801 • Chicago, Illinois 60601  
Phone: 312-814-2206 • Fax: 312-814-2241 • Email: ILCC@illinois.gov • Website: ILCC.illinois.gov



ILLINOIS DEPARTMENT OF REVENUE  
CONTRACTUAL AGREEMENT

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701

Federal Employers Identification No: 37-6002037 hereinafter referred to as Contractor or Contractor, and the State of Illinois, Department of Revenue, herein referred to as the Department, in consideration of the mutual covenant herein contained, agree as follows:

1. NATURE AND CONDITIONS OF ASSIGNMENT

The Contractor agrees to provide the following goods and/or services to the Department; which goods and/or services shall be expected to meet acceptable levels of performance:

In the event of a conflict between the State's and the Contractor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

A. The number of tobacco retailers affected by this Agreement is determined to be 104.

B. A Contractor not participating in the FY 2015 Tobacco Enforcement Program (July 1, 2014 - June 30, 2015) is required to participate in an Annual Conference Call to review program assurances. Conference calls will be scheduled for the beginning of August 2015. A Contractor participating in the FY 2015 Tobacco Enforcement Program will be given the opportunity to participate if it desires.

C. The Contractor is required to contact each tobacco retailer, informing them of their participation in the program and that minimum-age tobacco laws will be enforced. This contact may be in person or in writing. A Contractor not participating in the FY 2015 Tobacco Enforcement Program is not allowed to initiate this contact until after their participation in the Annual Conference Call which will review the Tobacco Enforcement Program in detail.

D. the Contractor is required to distribute the Commission's Tobacco Retailer Kit to each tobacco retailer. A Contractor not participating in the FY 2015 Tobacco Enforcement Program must wait until after their participation in the Annual Conference Call to distribute the kits. A contractor must distribute the kits prior to the first round of compliance checks, regardless if the kits were distributed the previous year(s).

E. the Contractor will conduct three compliance checks on each tobacco retailer. The first round of compliance checks is due November 30, 2015; the second round of compliance checks is due February 28, 2016 and the third round of compliance checks is due May 31, 2016. Upon completion of each round of compliance checks, the Contractor will submit a *Tobacco Enforcement Program Summary Report*.

i) Contractors not participating in the program from the time period between July 1, 2014 and June 30, 2015 are required to issue written warnings for first round violations.

ii) Contractors participating in the program from the time period between July 1, 2014 and June 30, 2015 may elect to issue warnings or citations for first round violations.

iii) After the first round, all Contractors must assess monetary fines to all violators regardless if the tobacco retailer's first round compliance check resulted in a non-violation, warning or citation.





iv) The Contractor will recruit youth workers that are 16 or 17 years of age as the underage minor when conducting the required compliance checks.

v) Contractors receiving written permission from the Commission may elect to replace one round of retail compliance checks with one round of possession enforcement. Written permission from the Commission will include: the round of retail compliance checks which is to be replaced with possession enforcement; and the number of hours the Contractor will dedicate to possession enforcement. During possession enforcement, any minor found in possession will be given an "Illinois Tobacco Quitline" card to encourage access to cessation classes. The "Illinois Tobacco Quitline" cards will be provided to the Contractor by the Department.

F. Mandatory attendance or documentation of prior attendance at an Illinois Law Enforcement Training and Standards Board (ILETSB) state certified class for conducting compliance checks is required by at least one individual supervising your compliance checks every three years. The Contractor may elect to attend a Commission sponsored class which meets the Tobacco Enforcement Program requirements and timelines. For Commission sponsored classes, the Commission assumes responsibility for all registration fees, however Contractors are responsible for their travel related costs.

G. As required by state law, Contractors must have written procedures for conducting compliance checks. Written procedures can be submitted after attending an ILETSB certified compliance check training class and are due no later than October 28, 2015.

H. The Contractor is required to show proof of insurance meeting the requirements in section "12. Liability and Insurance" of this contract. If during the contract time period the proof of insurance document provided expires, the Contractor will provide updated proof of insurance.

I. Request for Grant Payment will be made by the Commission immediately after the Contractor's scheduled time for the Annual Conference Call provided the Contractor is compliant with grant requirements.

i) Permissible expenditures of the grant payment include but are not limited to: payroll and payroll related expenses incurred individuals conducting work related to the grant requirements with the individuals including Administrative staff, enforcement officers and minors; travel related expenses including vehicle costs/maintenance; training cost for officers and/or minors; purchase of tobacco products and meal allowances; software and/or equipment purchase for training; equipment purchases for inspections; and educational and/or training materials to supplement the Tobacco Retailer Kit or other youth access prevention materials. Questions regarding acceptable expenditures should be directed to Laura Murphy of the Commission.

ii) Contractors receiving grants in excess of \$25,000 must submit quarterly reports describing the progress of the program and the expenditure of grant funds.

iii) Any funds not expended by June 30, 2016 must be returned to the Commission within 45 days.

## 2. PAYMENT FOR SERVICES

The amount payable for the services rendered shall be \$11440. No other charge by the Contractor may be paid for services rendered under this agreement without the written approval of the Department.

## 3. REIMBURSEMENT FOR EXPENSES



The Contractor will not be eligible for reimbursement by the Department of any expenses that the Contractor accrues in performance of this Agreement.

4. GEOGRAPHIC AREA SERVED

The Contractor shall accept assignments within the following geographic area: State of Illinois.

5. DURATION OF AGREEMENT

This agreement shall begin on August 1, 2015, and remain in effect until June 30, 2016. No payment shall be made for services rendered prior to the effective date of this agreement.

6. TERMINATION

Each party reserves the right to terminate this contract at any time on 30 days written notice to the other party. In the event of default or non-compliance with the terms of this contract, it may be terminated immediately. In the event of termination, the Department shall not be liable for amounts other than payments for services hereunder which have accrued up to the date of termination.

7. TAX LAW COMPLIANCE

The Contractor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

8. VOUCHERS

The Department shall submit, on behalf of the Contractor, vouchers for payments under this agreement monthly, semi-annually, or annually; the Contractor shall account for the completion of work on such forms and under such procedures as are required by the Department. Vouchers submitted more than thirty (30) days following termination of this agreement or later than thirty (30) days following the end of the fiscal year (June 30, 2016), will not be honored by the Department.

9. EMPLOYMENT STATUS

Contractor acknowledges that for purposes of the Illinois Pension Code, the State Employees' Group Insurance Program and other benefits provided to persons who are on the regular payroll of the State, the services rendered pursuant to this agreement are not rendered as an employee of the State and amounts paid pursuant to this agreement do not constitute compensation paid to an employee for such purposes.

10. LAWS OF ILLINOIS

This contract shall be governed by Illinois law and administrative rule including the Standard Procurement Rules. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims, or if jurisdiction is not accepted, then with the appropriate state or federal court located in Sangamon County, Illinois (705 ILCS 505/1).

11. CONFIDENTIALITY

1. CONFIDENTIALITY OF TAX RETURN INFORMATION. Services provided to the Department by Contractor may require Contractor to have access to and use of



documents and data which may contain tax return information. Tax returns and tax return information are confidential and may not be disclosed under Illinois or federal law, including, but not limited to, 35 ILCS 5/917, 35 ILCS 120/11, 26 U.S.C. 7213, and 26 U.S.C. 7431. These statutes provide for the imposition of criminal penalties for improper disclosure of confidential tax return information. Contractor agrees that it shall keep confidential all tax returns and tax return information that it accesses and uses in performance of its services to the Department and will not provide it to any third party unless approved in writing by the Department. Contractor agrees to protect such information from unauthorized disclosure by it and its employees and by its corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties. Contractor further agrees to inform its personnel having access to such information of the confidential and statutorily protected nature of tax information and of the penalties associated with improper use or disclosure of such information.

2. CONFIDENTIALITY OF PROCESSES AND PROCEDURES. Services provided to the Department by Contractor may require Contractor to have access to and use of processes and procedures employed by the Department in its administration of the Illinois tax acts. These processes and procedures are the property of the Department and are highly confidential. Contractor agrees that it shall keep confidential any and all information concerning such systems, processes, and procedures and will not provide it to any third party. Contractor further agrees to protect such information from unauthorized disclosure by Contractor and its employees and by Contractor's corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties.

## 12. LIABILITY AND INSURANCE

The State does not assume any liability for acts or omissions of Contractor and such liability rests solely with Contractor. The State is unable to indemnify or hold harmless any contractor for claims based on the State's use of the contractor provided goods and services including software. Any liability for damages that the State might have is expressly limited by and subject to the provisions of the Illinois Court of Claims Act and to the availability of suitable appropriations. Contractor shall carry public liability, casualty and auto insurance in sufficient amount to protect the State from liability for acts of Contractor. Minimum acceptable coverage for bodily injury shall be \$250,000 per person and \$500,000 per occurrence and for property damage, \$100,000 per occurrence. Contractor shall carry Worker's Compensation Insurance in amount required by law. Contractor shall provide proof of insurance prior to the first payment by the Department to the Contractor.

If risk of loss transfers before delivery and installation at State's site, Contractor shall procure insurance chargeable to the State to cover all reasonable risks.

The State may self-insure against any and all risks.

## 13. APPLICABLE LAW

This agreement and contractor's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and state laws. This agreement shall be construed in accordance with the laws of the State of Illinois.



14. **LEGAL ABILITY TO CONTRACT:** Contractor certifies it is under no legal prohibition on contracting with the State of Illinois, has no known conflicts of interest and further specifically certifies that:
- a. Contractor, its employees and subcontractors will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Contract.
  - b. Contractor is not in default on an educational loan (5 ILCS 385/3).
  - c. Contractor (if an individual, sole proprietor, or partner) has informed the Director of the Department in writing if he/she was formerly employed by the Department and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. Contractor has not received an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).
  - d. Contractor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80).
  - e. Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Contractor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).
  - f. If Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
  - g. If Contractor, or any officer, director, partner, or other managerial agent of Contractor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, at least five years have passed since the date of the conviction. Contractor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the Contract void if this certification is false (30 ILCS 500/50-10.5).
  - h. Contractor and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Contractor and its affiliates acknowledge the State may declare the Contract void if this certification is false (30 ILCS 500/50-11) or if Contractor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).





- i. Contractor and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the Contract being declared void.
- j. Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five years, and is therefore not barred from being awarded a contract. If the State later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that the State may declare the Contract void (30 ILCS 500/50-14).
- k. Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Contractor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- l. Contractor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- m. Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
- n. In accordance with the Steel Products Procurement Act, steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Department grants an exception (30 ILCS 565).
- o. Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace and Contractor and its employees shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the Contract. This certification applies to contracts of \$5000 or more with individuals; and to entities with 25 or more employees (30 ILCS 580).
- p. Neither Contractor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- q. Contractor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
- r. Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- s. Contractor does not pay dues to, or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).



- t. Contractor complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- u. Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- v. Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
- w. Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- x. In accordance with Public Act 095-0307, all information technology, including electronic information, software, systems and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at [www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa).
- y. Contractor has disclosed if required, on forms provided by the State, and agrees it is under a continuing obligation to disclose to the State, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit Contractor from having or continuing the Contract. This includes, but is not limited to conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50), or those which may conflict in any manner with the Contractor's obligation under this Contract. Contractor shall not employ any person with a conflict to perform under this Contract. If any elected or appointed State officer or employee, or the spouse or minor child of same has any ownership or financial interest in the Contractor or the Contract, Contractor certifies it has disclosed that information to the State if required, on forms provided by the State, and any waiver of the conflict has been issued in accordance with applicable law and rule. A waiver is required if:
  - a) the person intending to contract with the State, their spouse or child: (i) holds an elective office in Illinois; (ii) holds a seat in the Illinois General Assembly; (iii) is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority; or holds an appointed position or is employed in any of the offices or agencies of the State government and who receives compensation for such employment in excess of 60% of the salary of the Governor (currently \$106,447.20). (The conflict of interest threshold of 60% of the Governor's salary set forth in Section 50-13 does not apply to elective office holders, legislators, and



officers or employees of the Capital Development Board or the Illinois Toll Highway Authority.);

b) the contract is with a firm, partnership, association or corporation in which a person referenced in a) above receives more than 7.5% of the total distributable income or an amount in excess of the salary of the Governor (currently \$177,412.00).

c) the contract is with a firm, partnership, association or corporation in which a person referenced in b) above, together with their spouse or minor child, receives more than 15% in the aggregate of the total distributable income or an amount in excess of 2 times the salary of the Governor (currently \$354,824.00) from the firm, partnership, association or corporation.

- z. Contractor, as defined in Public Act 95-971, certifies that it has read, understands, and is in compliance with the Act and will not make a contribution that will violate the Act. In general, Public Act 95-0971 contains new registration and reporting requirements for certain Contractors, as well as limitations on political contributions by certain Contractors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

Contractor certifies, in accordance with Public Act 95-971, as applicable:

☐ Contractor is not required to register as a business entity with the State Board of Elections.

or

☐ Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the certificate of registration is attached.

Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this foregoing certification is false or if the Contractor (or any of its Affiliated Persons or Entities) engages in conduct that violates Public Act 95-0971.

#### 15. BACKGROUND CHECK

The State may conduct criminal and driver history background checks of CONTRACTOR'S officers, employees or agents who would directly supervise or physically perform the CONTRACT requirements at State facilities. Any such officer, employee or agent deemed unsuitable by the State must be replaced immediately.

#### 16. AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60)

The Department shall use its best efforts to secure sufficient appropriations to fund this CONTRACT. However, the Department's obligations hereunder shall cease immediately, without penalty or further payment being required, if the Illinois General Assembly or federal funding source fails to make an appropriation sufficient to pay such obligation. The Department shall determine whether amounts appropriated are sufficient. The Department shall give CONTRACTOR notice of insufficient funding as soon as practicable. CONTRACTOR'S obligation to perform shall cease upon receipt of the notice.



17. SOLICITATION AND EMPLOYMENT

CONTRACTOR shall not employ any person employed by the Department at any time during the term of this CONTRACT to perform any work required by the terms of this CONTRACT. As a condition of this CONTRACT, the CONTRACTOR shall give notice immediately to the Department's director if CONTRACTOR solicits or intends to solicit for employment any of the Department's employees during the term of this CONTRACT. The Department has no authority to contractually refuse to hire CONTRACTOR'S employees who apply to the State for employment.

18. FISCAL FUNDING

Obligations of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly funding source fails to appropriate or otherwise make available sufficient funds for this agreement.

19. SUBCONTRACTING AND ASSIGNMENTS

Subcontracting, assignment or transfer of all or part of the interests of contractor in the work covered by this agreement shall be prohibited without prior written consent of the Department. In the event the Department gives such consent, the terms and conditions of this agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as contractor is hereby bound and obligated. Any contract with a subcontractor shall provide that the subcontractor shall maintain, for a minimum of five (5) years after the completion of the subcontract, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract and that the Department of Revenue and Auditor General shall have the right to audit the books, records and supporting documents of any subcontractor within said five (5) year period. The contract shall also provide, that the subcontractor will fully cooperate with the department or Auditor General during the course of any audit.

20. BREACH

Failure of Contractor to perform as specified is cause for immediate termination of the contract at the option of the Department, without limitation upon any other relief available to the Department.

21. RIGHT TO AUDIT

The Contractor is required to permit the grantor Department, the Auditor General, or the Attorney General to inspect and audit any books, records, or papers related to the program, project, or use of which grant funds were provided.

AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): Contractor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Contractor and its subcontractors must retain its records for five years. Books and records





required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Manager, Department of Revenue

\_\_\_\_\_  
Contractor, (printed name)

\_\_\_\_\_  
Laura Murphy  
Manager, Department of Revenue

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Department of Revenue

\_\_\_\_\_  
Date



required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."

Executed this June day of June, 2015.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Manager, Department of Revenue

James O. Langfelder  
\_\_\_\_\_  
Contractor, (printed name)

Laura Murphy  
\_\_\_\_\_  
Manager, Department of Revenue

Mayor  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Department of Revenue

\_\_\_\_\_  
Date



**TAXPAYER IDENTIFICATION NUMBER**

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name:

Business Name City of Springfield

Taxpayer Identification Number 37-6002037

Social Security Number

or

Employer Identification Number:

Legal Status (check one):

☐ Individual

☒ Governmental

☐ Sole Proprietor

☐ Nonresident alien

☐ Partnership

☐ Estate or trust

☐ Legal Services Corporation

☐ Pharmacy (Non-Corp.)

☐ Tax-exempt

☐ Pharmacy/Funeral Home/Cemetery (Corp.)

☐ Corporation providing or billing  
medical and/or health care services

☐ Limited Liability Company (select applicable tax classification)

☐ D = disregarded entity

☐ C = corporation

☐ P = partnership

☐ Corporation NOT providing or billing  
medical and/or health care services

Signature: \_\_\_\_\_ Date: \_\_\_\_\_





# Illinois Liquor Control Commission

(Governor Bruce Rauner)

May 5, 2015

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701  
37-6002037

Dear Lt. Carl Crawford,

The Illinois Liquor Control Commission is pleased to announce that your application for the FY 2016 Tobacco Enforcement Program is approved. You will receive \$11440 to educate your tobacco retailers on minimum-age tobacco laws and enforce those laws accordingly. The Commission believes your participation will positively impact youth access to tobacco in our state.

Enclosed you will find the contract for the FY 16 grant year. Please sign and return to me as soon as possible; you may return it electronically. You will receive a fully executed contract and instructions for reporting and participating in this grant. In addition, you will receive a diskette with all the information needed to met the grant requirements. You must return the enclosed contract to participate in the grant.

We look forward to working with you on this comprehensive program. If you have any questions, please contact me at (312) 814-3083.

Sincerely,

*Laura Murphy*

Tobacco Manager  
ILCC

Commissioners: Cynthia Cronin Cahill • Amy Kurson • Bill Morris • Donald G. O'Connell • James Pandolfi • Maria Saldana

Illinois Liquor Control Commission • 100 West Randolph Street, Suite 17801 • Chicago, Illinois 60601  
Phone: 312-814-2206 • Fax: 312-814-2241 • Email: ILCC@illinois.gov • Website: ILCC.illinois.gov





ILLINOIS DEPARTMENT OF REVENUE  
CONTRACTUAL AGREEMENT

City of Springfield  
800 East Monroe Street  
Springfield, IL 62701

Federal Employers Identification No: 37-6002037 hereinafter referred to as Contractor or Contractor, and the State of Illinois, Department of Revenue, herein referred to as the Department, in consideration of the mutual covenant herein contained, agree as follows:

1. NATURE AND CONDITIONS OF ASSIGNMENT

The Contractor agrees to provide the following goods and/or services to the Department; which goods and/or services shall be expected to meet acceptable levels of performance:

In the event of a conflict between the State's and the Contractor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

A. The number of tobacco retailers affected by this Agreement is determined to be 104.

B. A Contractor not participating in the FY 2015 Tobacco Enforcement Program (July 1, 2014 - June 30, 2015) is required to participate in an Annual Conference Call to review program assurances. Conference calls will be scheduled for the beginning of August 2015. A Contractor participating in the FY 2015 Tobacco Enforcement Program will be given the opportunity to participate if it desires.

C. The Contractor is required to contact each tobacco retailer, informing them of their participation in the program and that minimum-age tobacco laws will be enforced. This contact may be in person or in writing. A Contractor not participating in the FY 2015 Tobacco Enforcement Program is not allowed to initiate this contact until after their participation in the Annual Conference Call which will review the Tobacco Enforcement Program in detail.

D. the Contractor is required to distribute the Commission's Tobacco Retailer Kit to each tobacco retailer. A Contractor not participating in the FY 2015 Tobacco Enforcement Program must wait until after their participation in the Annual Conference Call to distribute the kits. A contractor must distribute the kits prior to the first round of compliance checks, regardless if the kits were distributed the previous year(s).

E. the Contractor will conduct three compliance checks on each tobacco retailer. The first round of compliance checks is due November 30, 2015; the second round of compliance checks is due February 28, 2016 and the third round of compliance checks is due May 31, 2016. Upon completion of each round of compliance checks, the Contractor will submit a *Tobacco Enforcement Program Summary Report*.

i) Contractors not participating in the program from the time period between July 1, 2014 and June 30, 2015 are required to issue written warnings for first round violations.

ii) Contractors participating in the program from the time period between July 1, 2014 and June 30, 2015 may elect to issue warnings or citations for first round violations.

iii) After the first round, all Contractors must assess monetary fines to all violators regardless if the tobacco retailer's first round compliance check resulted in a non-violation, warning or citation.



iv) The Contractor will recruit youth workers that are 16 or 17 years of age as the underage minor when conducting the required compliance checks.

v) Contractors receiving written permission from the Commission may elect to replace one round of retail compliance checks with one round of possession enforcement. Written permission from the Commission will include; the round of retail compliance checks which is to be replaced with possession enforcement; and the number of hours the Contractor will dedicate to possession enforcement. During possession enforcement, any minor found in possession will be given an "Illinois Tobacco Quitline" card to encourage access to cessation classes. The "Illinois Tobacco Quitline" cards will be provided to the Contractor by the Department.

F. Mandatory attendance or documentation of prior attendance at an Illinois Law Enforcement Training and Standards Board (ILETSB) state certified class for conducting compliance checks is required by at least one individual supervising your compliance checks every three years. The Contractor may elect to attend a Commission sponsored class which meets the Tobacco Enforcement Program requirements and timelines. For Commission sponsored classes, the Commission assumes responsibility for all registration fees, however Contractors are responsible for their travel related costs.

G. As required by state law, Contractors must have written procedures for conducting compliance checks. Written procedures can be submitted after attending an ILETSB certified compliance check training class and are due no later than October 28, 2015.

H. The Contractor is required to show proof of insurance meeting the requirements in section "12. Liability and Insurance" of this contract. If during the contract time period the proof of insurance document provided expires, the Contractor will provide updated proof of insurance.

I. Request for Grant Payment will be made by the Commission immediately after the Contractor's scheduled time for the Annual Conference Call provided the Contractor is compliant with grant requirements.

i) Permissible expenditures of the grant payment include but are not limited to: payroll and payroll related expenses incurred individuals conducting work related to the grant requirements with the individuals including Administrative staff, enforcement officers and minors; travel related expenses including vehicle costs/maintenance; training cost for officers and/or minors; purchase of tobacco products and meal allowances; software and/or equipment purchase for training; equipment purchases for inspections; and educational and/or training materials to supplement the Tobacco Retailer Kit or other youth access prevention materials. Questions regarding acceptable expenditures should be directed to Laura Murphy of the Commission.

ii) Contractors receiving grants in excess of \$25,000 must submit quarterly reports describing the progress of the program and the expenditure of grant funds.

iii) Any funds not expended by June 30, 2016 must be returned to the Commission within 45 days.

## 2. PAYMENT FOR SERVICES

The amount payable for the services rendered shall be \$11440. No other charge by the Contractor may be paid for services rendered under this agreement without the written approval of the Department.

## 3. REIMBURSEMENT FOR EXPENSES



The Contractor will not be eligible for reimbursement by the Department of any expenses that the Contractor accrues in performance of this Agreement.

4. GEOGRAPHIC AREA SERVED

The Contractor shall accept assignments within the following geographic area: State of Illinois.

5. DURATION OF AGREEMENT

This agreement shall begin on August 1, 2015, and remain in effect until June 30, 2016. No payment shall be made for services rendered prior to the effective date of this agreement.

6. TERMINATION

Each party reserves the right to terminate this contract at any time on 30 days written notice to the other party. In the event of default or non-compliance with the terms of this contract, it may be terminated immediately. In the event of termination, the Department shall not be liable for amounts other than payments for services hereunder which have accrued up to the date of termination.

7. TAX LAW COMPLIANCE

The Contractor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

8. VOUCHERS

The Department shall submit, on behalf of the Contractor, vouchers for payments under this agreement monthly, semi-annually, or annually; the Contractor shall account for the completion of work on such forms and under such procedures as are required by the Department. Vouchers submitted more than thirty (30) days following termination of this agreement or later than thirty (30) days following the end of the fiscal year (June 30, 2016), will not be honored by the Department.

9. EMPLOYMENT STATUS

Contractor acknowledges that for purposes of the Illinois Pension Code, the State Employees' Group Insurance Program and other benefits provided to persons who are on the regular payroll of the State, the services rendered pursuant to this agreement are not rendered as an employee of the State and amounts paid pursuant to this agreement do not constitute compensation paid to an employee for such purposes.

10. LAWS OF ILLINOIS

This contract shall be governed by Illinois law and administrative rule including the Standard Procurement Rules. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims, or if jurisdiction is not accepted, then with the appropriate state or federal court located in Sangamon County, Illinois (705 ILCS 505/1).

11. CONFIDENTIALITY

1. CONFIDENTIALITY OF TAX RETURN INFORMATION. Services provided to the Department by Contractor may require Contractor to have access to and use of



documents and data which may contain tax return information. Tax returns and tax return information are confidential and may not be disclosed under Illinois or federal law, including, but not limited to, 35 ILCS 5/917, 35 ILCS 120/11, 26 U.S.C. 7213, and 26 U.S.C. 7431. These statutes provide for the imposition of criminal penalties for improper disclosure of confidential tax return information. Contractor agrees that it shall keep confidential all tax returns and tax return information that it accesses and uses in performance of its services to the Department and will not provide it to any third party unless approved in writing by the Department. Contractor agrees to protect such information from unauthorized disclosure by it and its employees and by its corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties. Contractor further agrees to inform its personnel having access to such information of the confidential and statutorily protected nature of tax information and of the penalties associated with improper use or disclosure of such information.

2. CONFIDENTIALITY OF PROCESSES AND PROCEDURES. Services provided to the Department by Contractor may require Contractor to have access to and use of processes and procedures employed by the Department in its administration of the Illinois tax acts. These processes and procedures are the property of the Department and are highly confidential. Contractor agrees that it shall keep confidential any and all information concerning such systems, processes, and procedures and will not provide it to any third party. Contractor further agrees to protect such information from unauthorized disclosure by Contractor and its employees and by Contractor's corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties.

## 12. LIABILITY AND INSURANCE

The State does not assume any liability for acts or omissions of Contractor and such liability rests solely with Contractor. The State is unable to indemnify or hold harmless any contractor for claims based on the State's use of the contractor provided goods and services including software. Any liability for damages that the State might have is expressly limited by and subject to the provisions of the Illinois Court of Claims Act and to the availability of suitable appropriations. Contractor shall carry public liability, casualty and auto insurance in sufficient amount to protect the State from liability for acts of Contractor. Minimum acceptable coverage for bodily injury shall be \$250,000 per person and \$500,000 per occurrence and for property damage, \$100,000 per occurrence. Contractor shall carry Worker's Compensation Insurance in amount required by law. Contractor shall provide proof of insurance prior to the first payment by the Department to the Contractor.

If risk of loss transfers before delivery and installation at State's site, Contractor shall procure insurance chargeable to the State to cover all reasonable risks.

The State may self-insure against any and all risks.

## 13. APPLICABLE LAW

This agreement and contractor's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and state laws. This agreement shall be construed in accordance with the laws of the State of Illinois.





14. **LEGAL ABILITY TO CONTRACT:** Contractor certifies it is under no legal prohibition on contracting with the State of Illinois, has no known conflicts of interest and further specifically certifies that:

- a. Contractor, its employees and subcontractors will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Contract.
- b. Contractor is not in default on an educational loan (5 ILCS 385/3).
- c. Contractor (if an individual, sole proprietor, or partner) has informed the Director of the Department in writing if he/she was formerly employed by the Department and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. Contractor has not received an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).
- d. Contractor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80).
- e. Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Contractor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).
- f. If Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
- g. If Contractor, or any officer, director, partner, or other managerial agent of Contractor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, at least five years have passed since the date of the conviction. Contractor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the Contract void if this certification is false (30 ILCS 500/50-10.5).
- h. Contractor and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Contractor and its affiliates acknowledge the State may declare the Contract void if this certification is false (30 ILCS 500/50-11) or if Contractor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).



- i. Contractor and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the Contract being declared void.
- j. Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five years, and is therefore not barred from being awarded a contract. If the State later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that the State may declare the Contract void (30 ILCS 500/50-14).
- k. Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Contractor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- l. Contractor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- m. Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
- n. In accordance with the Steel Products Procurement Act, steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Department grants an exception (30 ILCS 565).
- o. Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace and Contractor and its employees shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the Contract. This certification applies to contracts of \$5000 or more with individuals; and to entities with 25 or more employees (30 ILCS 580).
- p. Neither Contractor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- q. Contractor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
- r. Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- s. Contractor does not pay dues to, or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).



- t. Contractor complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- u. Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- v. Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
- w. Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- x. In accordance with Public Act 095-0307, all information technology, including electronic information, software, systems and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at [www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa).
- y. Contractor has disclosed if required, on forms provided by the State, and agrees it is under a continuing obligation to disclose to the State, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit Contractor from having or continuing the Contract. This includes, but is not limited to conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50), or those which may conflict in any manner with the Contractor's obligation under this Contract. Contractor shall not employ any person with a conflict to perform under this Contract. If any elected or appointed State officer or employee, or the spouse or minor child of same has any ownership or financial interest in the Contractor or the Contract, Contractor certifies it has disclosed that information to the State if required, on forms provided by the State, and any waiver of the conflict has been issued in accordance with applicable law and rule. A waiver is required if:
  - a) the person intending to contract with the State, their spouse or child: (i) holds an elective office in Illinois; (ii) holds a seat in the Illinois General Assembly; (iii) is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority; or holds an appointed position or is employed in any of the offices or agencies of the State government and who receives compensation for such employment in excess of 60% of the salary of the Governor (currently \$106,447.20). (The conflict of interest threshold of 60% of the Governor's salary set forth in Section 50-13 does not apply to elective office holders, legislators, and



officers or employees of the Capital Development Board or the Illinois Toll Highway Authority.);

b) the contract is with a firm, partnership, association or corporation in which a person referenced in a) above receives more than 7.5% of the total distributable income or an amount in excess of the salary of the Governor (currently \$177,412.00).

c) the contract is with a firm, partnership, association or corporation in which a person referenced in b) above, together with their spouse or minor child, receives more than 15% in the aggregate of the total distributable income or an amount in excess of 2 times the salary of the Governor (currently \$354,824.00) from the firm, partnership, association or corporation.

z: Contractor, as defined in Public Act 95-971, certifies that it has read, understands, and is in compliance with the Act and will not make a contribution that will violate the Act. In general, Public Act 95-971 contains new registration and reporting requirements for certain Contractors, as well as limitations on political contributions by certain Contractors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

Contractor certifies, in accordance with Public Act 95-971, as applicable:

☐ Contractor is not required to register as a business entity with the State Board of Elections.

or

☐ Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the certificate of registration is attached.

Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this foregoing certification is false or if the Contractor (or any of its Affiliated Persons or Entities) engages in conduct that violates Public Act 95-971.

#### 15. BACKGROUND CHECK

The State may conduct criminal and driver history background checks of CONTRACTOR'S officers, employees or agents who would directly supervise or physically perform the CONTRACT requirements at State facilities. Any such officer, employee or agent deemed unsuitable by the State must be replaced immediately.

#### 16. AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60)

The Department shall use its best efforts to secure sufficient appropriations to fund this CONTRACT. However, the Department's obligations hereunder shall cease immediately, without penalty or further payment being required, if the Illinois General Assembly or federal funding source fails to make an appropriation sufficient to pay such obligation. The Department shall determine whether amounts appropriated are sufficient. The Department shall give CONTRACTOR notice of insufficient funding as soon as practicable. CONTRACTOR'S obligation to perform shall cease upon receipt of the notice.





17. SOLICITATION AND EMPLOYMENT

CONTRACTOR shall not employ any person employed by the Department at any time during the term of this CONTRACT to perform any work required by the terms of this CONTRACT. As a condition of this CONTRACT, the CONTRACTOR shall give notice immediately to the Department's director if CONTRACTOR solicits or intends to solicit for employment any of the Department's employees during the term of this CONTRACT. The Department has no authority to contractually refuse to hire CONTRACTOR'S employees who apply to the State for employment.

18. FISCAL FUNDING

Obligations of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly funding source fails to appropriate or otherwise make available sufficient funds for this agreement.

19. SUBCONTRACTING AND ASSIGNMENTS

Subcontracting, assignment or transfer of all or part of the interests of contractor in the work covered by this agreement shall be prohibited without prior written consent of the Department. In the event the Department gives such consent, the terms and conditions of this agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as contractor is hereby bound and obligated. Any contract with a subcontractor shall provide that the subcontractor shall maintain, for a minimum of five (5) years after the completion of the subcontract, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract and that the Department of Revenue and Auditor General shall have the right to audit the books, records and supporting documents of any subcontractor within said five (5) year period. The contract shall also provide, that the subcontractor will fully cooperate with the department or Auditor General during the course of any audit.

20. BREACH

Failure of Contractor to perform as specified is cause for immediate termination of the contract at the option of the Department, without limitation upon any other relief available to the Department.

21. RIGHT TO AUDIT

The Contractor is required to permit the grantor Department, the Auditor General, or the Attorney General to inspect and audit any books, records, or papers related to the program, project, or use of which grant funds were provided.

AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): Contractor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Contractor and its subcontractors must retain its records for five years. Books and records



required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."

Executed this 10th day of June, 2015.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Manager, Department of Revenue

James O. Langfelder  
\_\_\_\_\_  
Contractor, (printed name)

Laura Murphy  
\_\_\_\_\_  
Manager, Department of Revenue

Mayor  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Department of Revenue

\_\_\_\_\_  
Date



### TAXPAYER IDENTIFICATION NUMBER

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name:

Business Name City of Springfield

Taxpayer Identification Number 37-6002037

Social Security Number

or

Employer Identification Number:

Legal Status (check one):

☐ Individual

☐ Sole Proprietor

☐ Partnership

☐ Legal Services Corporation

☐ Tax-exempt

☐ Corporation providing or billing  
medical and/or health care services

☐ Corporation NOT providing or billing  
medical and/or health care services

☒ Governmental

☐ Nonresident alien

☐ Estate or trust

☐ Pharmacy (Non-Corp.)

☐ Pharmacy/Funeral Home/Cemetery (Corp.)

☐ Limited Liability Company (select applicable tax classification)

☐ D = disregarded entity

☐ C = corporation

☐ P = partnership

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**AN ORDINANCE AUTHORIZING MUNICIPAL EMERGENCY SERVICES, INC.  
FOR PURCHASE OF SCOTT CYLINDER-AIR BOTTLES IN AN AMOUNT NOT  
TO EXCEED \$58,170.00 FOR THE SPRINGFIELD FIRE DEPARTMENT**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the Springfield Fire Department desires to purchase Scott cylinder-air bottles;

**WHEREAS**, Municipal Emergency Services, Inc. is willing to provide the Scott cylinder-air bottles for an amount not to exceed \$58,170.00; and

**WHEREAS**, the City Purchasing Agent has made a determination, in writing, that Municipal Emergency Services, Inc. is a sole source vendor for this purchase and, therefore, is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.40 pertaining to Sole Source Procurement; and

**WHEREAS**, pursuant to the above determination, the City Purchasing Agent recommends Municipal Emergency Services, Inc. to provide Scott cylinder-air bottles for the Springfield Fire Department.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the purchase of Scott cylinder-air bottles from Municipal Emergency Services, Inc. for the Springfield Fire Department in an amount not to exceed \$58,170.00. The Mayor and City Clerk are hereby authorized to execute any necessary documents on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Municipal Emergency Services, Inc. (0MUN2855) in an amount not to exceed \$58,170.00 from account number 001-108-FIRE-FOPR-1505.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

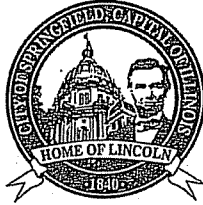
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by: Mayor James O. Langfelder**

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Mark Hart

**FROM:** Sandy E. Robinson II 

**DATE:** June 9, 2015

**SUBJECT:** Request for Sole Source Determination

I have reviewed the Ordinance Fact Sheet with MES, Inc. for Scott Cylinder-air Bottles (SCBA) in an amount not to exceed \$58,170.00 for the Springfield Fire Department. It is my understanding that MES is the only vendor to provide this equipment within the required specifications.

Based on the information provided, MES Inc., therefore, is the sole source. Pursuant to Article 38.40 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive bids.

copy: file



MES - Illinois  
124 East First Street  
Deer Creek, IL 61733

Telephone.....: (309) 447-6780  
Fax.....: (309) 447-6903



**Ship To:**  
SPRINGFIELD, CITY OF (FD)  
C/O FIRE GARAGE  
1475 GROTH ST.  
Springfield, IL 62703

Contact: D/C MARK HART  
Phone:

**Bill To:**  
SPRINGFIELD, CITY OF (FD)  
825 E. CAPITOL  
SPRINGFIELD, IL 62701

## Quotation

Number.....: QT\_00308357-2  
Date.....: 11/28/2014  
Page.....: 1 of 1  
Sales order.....  
Requisition.....  
Your ref.....  
Our ref.....: daoldham  
Quotation deadline.....: 12/28/2014  
Payment.....  
Sales Rep.....: daoldham  
Terms of delivery.....: Supplier Pays Freight

| Item number | Description                                                     | Size | Color | Quantity | Unit | Unit price | Amount    |
|-------------|-----------------------------------------------------------------|------|-------|----------|------|------------|-----------|
| 804722-01   | SCOTT, CYLINDER & VALVE<br>ASSY, CARBON, 45 MINUTE,<br>4500 PSI |      |       | 60.00    | EA   | 969.50     | 58,170.00 |

This Quotation is subject to any applicable sales tax and shipping & handling charges that may apply.  
Tax and shipping charges are considered estimated and will be re-calculated at the time of shipment to ensure they take into account the most current local tax information.

*ordered  
5-21-15*

|               |                |      |           |               |
|---------------|----------------|------|-----------|---------------|
| Sales balance | Total discount | S&H  | Sales tax | Total         |
| 58,170.00     | 0.00           | 0.00 | 0.00      | 58,170.00 USD |

All returns must be processed within 30 days of receipt and require a return authorization number and are subject to a restocking fee.  
Custom orders are not returnable. Effective tax rate will be applicable at the time of invoice.



MES - Illinois  
124 East First Street  
Deer Creek, IL 61733

Telephone : (309) 447-6780  
Fax : (309) 447-6903

Bill To:  
SPRINGFIELD, CITY OF (FD)  
825 E. CAPITOL  
SPRINGFIELD, IL 62701

Reggie Carbonell

## Invoice

Number ..... 00637619\_SNV  
Date ..... 6/3/2015  
Page ..... 1 of 2  
Sales order ... SO\_553189  
Requisition ...  
Your ref. ....  
Our ref. .... daoldham  
Payment .....  
Sales Rep .... daoldham  
Inv Acct ..... 36217

Ship To:  
SPRINGFIELD, CITY OF (FD)  
C/O FIRE GARAGE  
1475 GROTH ST.  
Springfield, IL 62703

| Item number | Size | Color | Description                                                     | Quantity | Unit | Unit price | Amount    |
|-------------|------|-------|-----------------------------------------------------------------|----------|------|------------|-----------|
| 804722-01   |      |       | SCOTT, CYLINDER & VALVE<br>ASSY, CARBON, 45 MINUTE,<br>4500 PSI | 60.00    | EA   | 969.50     | 58,170.00 |

345800160-1505

MAN 2855

|             |                |      |           |          |               |
|-------------|----------------|------|-----------|----------|---------------|
| Merchandise | Restocking Fee | S&H  | Sales tax | Discount | Total due     |
| 58,170.00   | 0.00           | 0.00 | 0.00      | 0.00     | 58,170.00 USD |

**Thank You For Your Order !**

All returns must be processed within 30 days of receipt and require a return authorization number and are subject to a restocking fee.  
Custom orders are not returnable. Effective tax rate will be applicable at the time of invoice.



Invoice # 00637619\_SNV

### **Payment Remittance Slip**

To insure proper processing, please return this slip with your payment.

#### **Please Send Payments To:**

Municipal Emergency Services  
Depository Account  
75 Remittance Drive  
Suite 3135  
Chicago, IL 60675

#### **\* Wire Instructions:**

Routing#: 121000248  
Acco#: 2000030294606  
Bank Name: Wells Fargo Bank, N.A.  
Co Name: Municipal Emergency Services, Inc.  
PO Box 656  
Southbury, CT 06488  
Remittance Advice: ar@mesfire.com  
Include customer # and Inv #

Amount Due .....: 58,170.00

Amount Enclosed\* :

Customer name ...: SPRINGFIELD, CITY OF (FD)

Customer number ..: 36217

*Additional Payment Notes:*

---

---

---

## ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

OFFICE REQUESTING: Springfield Fire DepartmentCONTACT PERSON: Mark HartPHONE NUMBER: 788-8467EMERGENCY PASSAGE: No ☐ Yes ☒ If yes, explain justification.TYPE OF ORDINANCE: Sole sourceFISCAL IMPACT: \$ 58,170.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

An Ordinance accepting vendor Municipal Emergency Services, Inc for Scott cylinder-air bottles (SCBA)

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

see attached

CONTRACTOR / VENDOR NAME: Municipal Emergency ServicesVENDOR NO: 0MUN2855

CONTRACT TERM: \_\_\_\_\_

Change in Scope Yes ☐ No ☐CONTRACT AMOUNT: \$58,170.00

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☒ Other: Sole SourceIs Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☒☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Object | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|   | Fund | Agency | Org  | Activity | Object | Amount        |
|---|------|--------|------|----------|--------|---------------|
| 1 | 001  | 108    | FIRE | FOPR     | 1505   | \$58,170.00 ✓ |
| 2 |      |        |      |          |        |               |
| 3 |      |        |      |          |        |               |
| 4 |      |        |      |          |        |               |

FUNDS CHECK BY:

Date:

DIRECTOR / SUPERVISOR SIGNATURE

Date:

CITY PURCHASING AGENT:

Date:

COMMENTS:

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

**AN ORDINANCE AUTHORIZING MUNICIPAL EMERGENCY SERVICES, INC.  
FOR PURCHASE OF SCOTT CYLINDER-AIR BOTTLES IN AN AMOUNT NOT  
TO EXCEED \$58,170.00 FOR THE SPRINGFIELD FIRE DEPARTMENT**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the Springfield Fire Department desires to purchase Scott cylinder-air bottles;

**WHEREAS**, Municipal Emergency Services, Inc. is willing to provide the Scott cylinder-air bottles for an amount not to exceed \$58,170.00; and

**WHEREAS**, the City Purchasing Agent has made a determination, in writing, that Municipal Emergency Services, Inc. is a sole source vendor for this purchase and, therefore, is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.40 pertaining to Sole Source Procurement; and

**WHEREAS**, pursuant to the above determination, the City Purchasing Agent recommends Municipal Emergency Services, Inc. to provide Scott cylinder-air bottles for the Springfield Fire Department.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the purchase of Scott cylinder-air bottles from Municipal Emergency Services, Inc. for the Springfield Fire Department in an amount not to exceed \$58,170.00. The Mayor and City Clerk are hereby authorized to execute any necessary documents on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Municipal Emergency Services, Inc. (0MUN2855) in an amount not to exceed \$58,170.00 from account number 001-108-FIRE-FOPR-1505.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by: Mayor James O. Langfelder**

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Mark Hart

**FROM:** Sandy E. Robinson II 

**DATE:** June 9, 2015

**SUBJECT:** Request for Sole Source Determination

I have reviewed the Ordinance Fact Sheet with MES, Inc. for Scott Cylinder-air Bottles (SCBA) in an amount not to exceed \$58,170.00 for the Springfield Fire Department. It is my understanding that MES is the only vendor to provide this equipment within the required specifications.

Based on the information provided, MES Inc., therefore, is the sole source. Pursuant to Article 38.40 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive bids.

copy: file

MES - Illinois  
124 East First Street  
Deer Creek, IL 61733

Telephone.....: (309) 447-6780  
Fax.....: (309) 447-6903



**Ship To:**  
SPRINGFIELD, CITY OF (FD)  
C/O FIRE GARAGE  
1475 GROTH ST.  
Springfield, IL 62703

Contact: D/C MARK HART  
Phone:

**Bill To:**  
SPRINGFIELD, CITY OF (FD)  
825 E. CAPITOL  
SPRINGFIELD, IL 62701

## Quotation

Number.....: QT\_00308357-2  
Date.....: 11/28/2014  
Page.....: 1 of 1  
Sales order.....:  
Requisition.....:  
Your ref.....:  
Our ref.....: daoldham  
Quotation deadline.....: 12/28/2014  
Payment.....:  
Sales Rep.....: daoldham  
Terms of delivery.....: Supplier Pays Freight

| Item number | Description                                                     | Size | Color | Quantity | Unit | Unit price | Amount    |
|-------------|-----------------------------------------------------------------|------|-------|----------|------|------------|-----------|
| 804722-01   | SCOTT, CYLINDER & VALVE<br>ASSY, CARBON, 45 MINUTE,<br>4500 PSI |      |       | 60.00    | EA   | 969.50     | 58,170.00 |

This Quotation is subject to any applicable sales tax and shipping & handling charges that may apply.  
Tax and shipping charges are considered estimated and will be re-calculated at the time of shipment to ensure they take into account the most current local tax information.

*ordered  
5-21-15*

|               |                |      |           |               |
|---------------|----------------|------|-----------|---------------|
| Sales balance | Total discount | S&H  | Sales tax | Total         |
| 58,170.00     | 0.00           | 0.00 | 0.00      | 58,170.00 USD |

All returns must be processed within 30 days of receipt and require a return authorization number and are subject to a restocking fee.  
Custom orders are not returnable. Effective tax rate will be applicable at the time of invoice.



MES - Illinois  
124 East First Street  
Deer Creek, IL 61733

Telephone : (309) 447-6780  
Fax : (309) 447-6903

Bill To:  
SPRINGFIELD, CITY OF (FD)  
825 E. CAPITOL  
SPRINGFIELD, IL 62701

Reggie Carbonell

## Invoice

Number ..... 00637619\_SNV  
Date ..... 6/3/2015  
Page ..... 1 of 2  
Sales order ... SO\_553189  
Requisition ...  
Your ref. ....  
Our ref. .... daoldham  
Payment .....  
Sales Rep .... daoldham  
Inv Acct ..... 36217

Ship To:  
SPRINGFIELD, CITY OF (FD)  
C/O FIRE GARAGE  
1475 GROTH ST.  
Springfield, IL 62703

| Item number | Size | Color | Description                                                     | Quantity | Unit | Unit price | Amount    |
|-------------|------|-------|-----------------------------------------------------------------|----------|------|------------|-----------|
| 804722-01   |      |       | SCOTT, CYLINDER & VALVE<br>ASSY, CARBON, 45 MINUTE,<br>4500 PSI | 60.00    | EA   | 969.50     | 58,170.00 |

MAN 2855

3458001001505

|             |                |      |           |          |               |
|-------------|----------------|------|-----------|----------|---------------|
| Merchandise | Restocking Fee | S&H  | Sales tax | Discount | Total due     |
| 58,170.00   | 0.00           | 0.00 | 0.00      | 0.00     | 58,170.00 USD |

**Thank You For Your Order !**

All returns must be processed within 30 days of receipt and require a return authorization number and are subject to a restocking fee.  
Custom orders are not returnable. Effective tax rate will be applicable at the time of invoice.





Invoice # 00637619\_SNV

### **Payment Remittance Slip**

To insure proper processing, please return this slip with your payment.

#### **Please Send Payments To:**

Municipal Emergency Services  
Depository Account  
75 Remittance Drive  
Suite 3135  
Chicago, IL 60675

#### **\* Wire Instructions:**

Routing#: 121000248  
Acco#: 2000030294606  
Bank Name: Wells Fargo Bank, N.A.  
Co Name: Municipal Emergency Services, Inc.  
PO Box 656  
Southbury, CT 06488  
Remittance Advice: ar@mesfire.com  
Include customer # and Inv #

Amount Due .....: 58,170.00

Amount Enclosed\* :

Customer name ...: SPRINGFIELD, CITY OF (FD)

Customer number .: 36217

*Additional Payment Notes:*

---

---

---

## ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

OFFICE REQUESTING: Springfield Fire DepartmentCONTACT PERSON: Mark HartPHONE NUMBER: 788-8467EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: Sole sourceFISCAL IMPACT: \$ 58,170.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

An Ordinance accepting vendor Municipal Emergency Services, Inc for Scott cylinder-air bottles (SCBA)

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)  
see attachedCONTRACTOR / VENDOR NAME: Municipal Emergency ServicesVENDOR NO: 0MUN2855

CONTRACT TERM: \_\_\_\_\_

Change in Scope Yes ☐ No ☐CONTRACT AMOUNT: \$58,170.00

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

☐ Low Bid☒ Other: Sole Source

Previous Ord #'s \_\_\_\_\_

☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Is Purchasing Agent approval attached? No ☐ Yes ☒

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Object | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|   | Fund | Agency | Org  | Activity | Object | Amount      |
|---|------|--------|------|----------|--------|-------------|
| 1 | 001  | 108    | FIRE | FOPR     | 1505   | \$58,170.00 |
| 2 |      |        |      |          |        |             |
| 3 |      |        |      |          |        |             |
| 4 |      |        |      |          |        |             |

FUNDS CHECK BY: Julie HolmanDate: 6-9-15DIRECTOR / SUPERVISOR SIGNATURE Mark HartDate: 6-8-15CITY PURCHASING AGENT: Sh E. R.Date: 6-9-15

COMMENTS

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

9665

**AN ORDINANCE AUTHORIZING GLOBAL EMERGENCY PRODUCTS TO  
REFURBISH A 1999 PIERCE DASH TRUCK IN AN AMOUNT NOT TO EXCEED  
\$248,523.00 FOR THE SPRINGFIELD FIRE DEPARTMENT**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the Springfield Fire Department desires to refurbish a 1999 Pierce Dash truck;

**WHEREAS**, Global Emergency Products is willing to provide this refurbishment in an amount not to exceed \$248,523.00; and

**WHEREAS**, the City Purchasing Agent has made a determination, in writing, that Global Emergency Products is a sole source vendor for this refurbishment and, therefore, is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.40 pertaining to Sole Source Procurement; and

**WHEREAS**, pursuant to the above determination, the City Purchasing Agent recommends Global Emergency Products to refurbish a 1999 Pierce Dash truck for the Springfield Fire Department.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes Global Emergency Products to refurbish a 1999 Pierce Dash truck for the Springfield Fire Department in an amount not to exceed \$248,523.00. The Mayor and City Clerk are hereby authorized to execute any necessary documents on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Global Emergency Products (OGLO3459) in an amount not to exceed \$248,523.00 from account number 094-108-FIRE-FOPR-1801.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

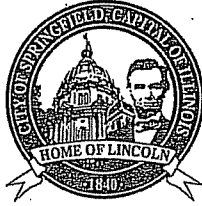
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by: Mayor James O. Langfelder**

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Mark Hart

**FROM:** Sandy E. Robinson II

*(Signature)*

**DATE:** June 9, 2015

**SUBJECT:** Request for Sole Source Determination

I have reviewed the Ordinance Fact Sheet with Global Emergency Products for the refurbishment work on a 1999 Pierce Dash truck in an amount not to exceed \$248,523.00 for the Springfield Fire Department. It is my understanding that Global Emergency Products is the only available vendor to provide this seervice as they are the official vendor for the original manufacturer of the 1999 Pierce Dash truck and can meet the required specifications.

Based on the information provided, Global Emergency Products, therefore, is the sole source. Pursuant to Article 38.40 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive bids.

copy: file



## SALES ORDER CONTRACT

Purchase Order No. \_\_\_\_\_

Order No. MA7108

Date June 5, 2015

Page 1 of 1

SOLD TO: Buyer Springfield Fire Department

Address 1475 Groth Ave. Springfield IL 62703  
(Street) (City) (State) (Zip)

hereby agree to purchase from Global Emergency Products hereinafter called the Seller, the following goods at the prices shown herein to be shipped to:

SHIP TO: User Same as above

Address \_\_\_\_\_  
(Street) (City) (State) (Zip)

SHIP VIA: \_\_\_\_\_ FOB: \_\_\_\_\_

| QTY | DESCRIPTION                                                                               | UNIT PRICE   | EXTENSION    |
|-----|-------------------------------------------------------------------------------------------|--------------|--------------|
| 1   | Refurbishment of One (1) 1999 Pierce Dash 2000 "10258TR" as per proposal Dated 05/29/2015 | \$206,961.00 | \$206,961.00 |
| 1   | Add Option - Rollup Compartment Doors, ROM                                                | \$11,046.00  | \$11,046.00  |
| 1   | Dover bottom rail replacement in base price credit with ROM door option above             | (\$4,514.00) | (\$4,514.00) |
| 1   | Add Option - Command Zone II                                                              | \$29,562.00  | \$29,562.00  |
| 1   | Add Option - Seat Belts                                                                   | \$862.00     | \$862.00     |
| 1   | Add Option - Wheels, Rear Outside, Wheels, Front Axle                                     | \$2,049.00   | \$2,049.00   |
| 1   | Add Option - Wheels Front Axle                                                            | \$2,557.00   | \$2,557.00   |

Sub Total \$ 248,523.00

Total \$ 248,523.00

Sales or Local Tax \$ N/A

Fed. Excise Tax \$ N/A

License & Title \$ N/A

Doc. Fee \$ N/A

TOTAL CONTRACT AMOUNT \$ 248,523.00

Special Notes:

For which the Buyer agrees to pay the sum of:

Two Hundred Forty-Eight Thousand, Five Hundred Twenty-Three and 00/100 Dollars

Financial Terms: Any balance due C.O.D. at factory exit.

Accepted by Seller, Global Emergency Products

By Michael J. Mikoola, Jr.

Title President & CEO Date 6/5/2015

Buyer City of Springfield (Fire Dept)  
(Company Name)

By Mark Hart  
(Signature of Officer, Partner, Owner)

Title Interim Chief Date 6-5-15



# SALES ORDER CONTRACT

Purchase  
Order No. \_\_\_\_\_

Order No. MA7108

Date June 5, 2015

Page 1 of 1

SOLD TO: Buyer Springfield Fire Department

Address 1475 Groth Ave. Springfield IL 62703  
(Street) (City) (State) (Zip)

hereby agree to purchase from Global Emergency Products hereinafter called the Seller, the following goods at the prices shown herein to be shipped to:

SHIP TO: User Same as above

Address \_\_\_\_\_  
(Street) (City) (State) (Zip)

SHIP VIA: \_\_\_\_\_ FOB: \_\_\_\_\_

| QTY | DESCRIPTION                                                                               | UNIT PRICE   | EXTENSION    |
|-----|-------------------------------------------------------------------------------------------|--------------|--------------|
| 1   | Refurbishment of One (1) 1999 Pierce Dash 2000 "10258TR" as per proposal Dated 05/29/2015 | \$206,961.00 | \$206,961.00 |
| 1   | Add Option -- Rollup Compartment Doors, ROM                                               | \$11,046.00  | \$11,046.00  |
| 1   | Dover bottom rail replacement in base price credit with ROM door option above             | (\$4,514.00) | (\$4,514.00) |
| 1   | Add Option -- Command Zone II                                                             | \$29,562.00  | \$29,562.00  |
| 1   | Add Option -- Seat Belts                                                                  | \$862.00     | \$862.00     |
| 1   | Add Option -- Wheels, Rear Outside, Wheels, Front Axle                                    | \$2,049.00   | \$2,049.00   |
| 1   | Add Option -- Wheels Front Axle                                                           | \$2,557.00   | \$2,557.00   |

Sub Total \$ 248,523.00

Total \$ 248,523.00

Sales or Local Tax \$ N/A

Fed. Excise Tax \$ N/A

License & Title \$ N/A

Doc. Fee \$ N/A

TOTAL CONTRACT  
AMOUNT \$ 248,523.00

## Special Notes:

For which the Buyer agrees to pay the sum of:

Two Hundred Forty-Eight Thousand, Five Hundred Twenty-Three and 00/100 Dollars

Financial Terms: Any balance due C.O.D. at factory exit.

Accepted by Seller, Global Emergency Products

By Michael J. Mikoola, Jr.

Title President & CEO Date 6/5/2015

Buyer City of Springfield (Fire Dept)  
(Company Name)

By Mark Hart  
(Signature of Officer, Partner, Owner)

Title Interim Chief Date 6-5-15

## ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

OFFICE REQUESTING: Springfield Fire DepartmentCONTACT PERSON: Mark HartPHONE NUMBER: 788-8467EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: Sole sourceFISCAL IMPACT: \$ 248,523.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

An Ordinance accepting vendor Global Emergency Products refurbishment work of 1999 Pierce Dash truck

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)  
see attachedCONTRACTOR / VENDOR NAME: Global Emergency ProductsVENDOR NO: OGLO3459

CONTRACT TERM: \_\_\_\_\_

Change in Scope Yes ☐ No ☐CONTRACT AMOUNT: \$248,523.00

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

☐ Low Bid☒ Other: Sole Source☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Previous Ord #'s \_\_\_\_\_

Is Purchasing Agent approval required? No ☐ Yes ☒Is Purchasing Agent approval attached? No ☐ Yes ☒

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Object | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|   | Fund | Agency | Org  | Activity | Object | Amount       |
|---|------|--------|------|----------|--------|--------------|
| 1 | 094  | 108    | FIRE | FOPR     | 1801   | \$248,523.00 |
| 2 |      |        |      |          |        |              |
| 3 |      |        |      |          |        |              |
| 4 |      |        |      |          |        |              |

FUNDS CHECK BY: W. McConkeyDate: 6/9/15DIRECTOR / SUPERVISOR SIGNATURE: Mark HartDate: 6-8-15CITY PURCHASING AGENT: SE-RDate: 6-9-15

## COMMENTS

per specs/description-options order #MA7108

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)





**AN ORDINANCE AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF ILLINOIS DEPARTMENT OF TRANSPORTATION FOR AN ITEP DOWNTOWN STREETSCAPE PROJECT (MFT SECTION NO. 13-00473-00-LS) FOR THE OFFICE OF PUBLIC WORKS**

---

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the State of Illinois has Department of Transportation has notified the City that grant funds are available through the Illinois Transportation Enhancement Program (ITEP Project #62006); and

**WHEREAS**, work associated with the project includes, but is not limited to curb ramp, sidewalk, curb, drainage and streetscape improvements from 1<sup>st</sup> Street to 9<sup>th</sup> Street and Edwards to Madison Streets; (the "Project"); and

**WHEREAS**, it is necessary to execute an agreement with the State of Illinois for improvements in the Project area (MFT Section 13-00473-00-LS); and

**WHEREAS**, the State of Illinois will reimburse the City 80% of the final cost of the Project; and

**WHEREAS**, the agreement provides that the City is responsible for \$400,000.00 for its portion of the Project; and

**WHEREAS**, a copy of the Agreement shall be on file in the Office of the City Clerk and identified as Project Number (TE-00D6(122), JobNumber C-96-239-15 and MFT Section Number 13-00473-00-LS.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby approves execution of an Agreement with the State of Illinois Department of Transportation for an ITEP Downtown Streetscape Project consisting of improvements from 1<sup>st</sup> Street to 9<sup>th</sup> Street and Edwards to Madison Streets; (the "Project") identified as Project Number (TE-00D6(122), Job umber C-96-239-15 and MFT Section Number 13-00473-00-LS. The Mayor and the City Clerk are hereby authorized to execute said agreement on behalf of the City.

**Section 2:** That the Office of Budget and Management is authorized to pay the State of Illinois (OSTA4950) 80% of the project costs for an amount not to exceed \$400,000.00 from account number 084-111-DEVL-SPAL-2110.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

ATTEST: \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date

## ORDINANCE FACT SHEET

REQUEST FORM NO: 15-40  
 DATE OF 1ST READING: 6/16/15

OFFICE REQUESTING: Public Works

CONTACT PERSON: Nathan Bottom

PHONE NUMBER: 789-2260

EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.

TYPE OF ORDINANCE: IDOT Agreement

FISCAL IMPACT: \$400,000.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE STATE OF ILLINOIS AND THE CITY OF SPRINGFIELD FOR AN ITEP DOWNTOWN STREETScape PROJECT (MFT SECTION NO. 13-00473-00-LS) FOR THE OFFICE OF PUBLIC WORKS.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)  
 agreements

CONTRACTOR / VENDOR NAME: State of Illinois

VENDOR NO: OSTA 4950

CONTRACT TERM: CONTRACT # Change in Scope Yes ☐ No ☒

CONTRACT AMOUNT: (Original amount if change order) Change Order # Additional Amount

Method of Purchase (check one)

Previous Ord #s

☐ Low Bid ☒ Other: IDOT Agreement Is Purchasing Agent approval required? No ☐ Yes ☒  
☐ Low Bid Meeting Specs ☐ Exception: Is Purchasing Agent approval attached? No ☐ Yes ☒  
☐ Low Evaluated Bid Code Provision:

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Object | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|   | Fund | Agency | Org  | Activity | Object | Amount       |
|---|------|--------|------|----------|--------|--------------|
| 1 | 084  | 111    | DEVL | SPAL     | 2110   | \$400,000.00 |
| 2 |      |        |      |          |        |              |
| 3 |      |        |      |          |        |              |
| 4 |      |        |      |          |        |              |

FUNDS CHECK BY: *[Signature]* Date: 6/8/15  
 DIRECTOR / SUPERVISOR SIGNATURE: *[Signature]* Date: 6/8/15  
 CITY PURCHASING AGENT: *[Signature]* Date: 6/8/15

## COMMENTS

This ordinance is to approve the Springfield Downtown Streetscape Improvements granted by the Illinois Transportation Enhance Program (ITEP Project #620006). Work associated with the projects includes, but not limited to curb ramp, sidewalk, curb, drainage and streetscape improvements. The project is scheduled to be bid through IDOT at the end of July. IDOT will pay the lesser of \$1,000,000 or 80% of the project and bill the City periodically throughout the project for our share.

SIGN OFF:

(Mayor's Signature)

(Director of OBM)

|                                                                                                                                                                                          |                     |                |                         |                |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|-------------------------|----------------|------------------|
|  <b>Illinois Department of Transportation</b><br><b>Local Agency Agreement for Federal Participation</b> | Local Agency        | State Contract | Day Labor               | Local Contract | RR Force Account |
|                                                                                                                                                                                          | City of Springfield | XXX            |                         |                |                  |
|                                                                                                                                                                                          | Section             | Fund Type      | ITEP and/or SRTS Number |                |                  |
|                                                                                                                                                                                          | 13-00473-00-LS      | ITEP           | 620006                  |                |                  |

|              |                |             |                |              |                |
|--------------|----------------|-------------|----------------|--------------|----------------|
| Construction |                | Engineering |                | Right-of-Way |                |
| Job Number   | Project Number | Job Number  | Project Number | Job Number   | Project Number |
| C-96-239-15  | TE-00D6(122)   |             |                |              |                |

This Agreement is made and entered into between the above local agency hereinafter referred to as the "LA" and the state of Illinois, acting by and through its Department of Transportation, hereinafter referred to as "STATE". The STATE and LA jointly propose to improve the designated location as described below. The improvement shall be constructed in accordance with plans prepared by, or on behalf of the LA, approved by the STATE and the STATE's policies and procedures approved and/or required by the Federal Highway Administration hereinafter referred to as "FHWA".

#### Location

Local Name Various Route Various Length   
 Termini Various segments from 1<sup>st</sup> Street to 9<sup>th</sup> Street and Edwards to Madison Street.

Current Jurisdiction City of Springfield TIP Number 02-2013-09 Existing Structure No N/A

#### Project Description

Springfield - Downtown Streetscape Improvements.

#### Division of Cost

| Type of Work                   | ITEP         | %     | %   | LA         | %       | Total        |
|--------------------------------|--------------|-------|-----|------------|---------|--------------|
| Participating Construction     | 1,000,000    | ( * ) | ( ) | 400,000    | ( BAL ) | 1,400,000    |
| Non-Participating Construction |              | ( )   | ( ) |            | ( )     |              |
| Preliminary Engineering        |              | ( )   | ( ) |            | ( )     |              |
| Construction Engineering       |              | ( )   | ( ) |            | ( )     |              |
| Right of Way                   |              | ( )   | ( ) |            | ( )     |              |
| Railroads                      |              | ( )   | ( ) |            | ( )     |              |
| Utilities                      |              | ( )   | ( ) |            | ( )     |              |
| Materials                      |              |       |     |            |         |              |
| TOTAL                          | \$ 1,000,000 |       |     | \$ 400,000 |         | \$ 1,400,000 |

\*Lump Sum \$1,000,000 ITEP Funds NTE 80% of the final cost of the project.

**NOTE:** The costs shown in the Division of Cost table are approximate and subject to change. The final LA share is dependent on the final Federal and State participation. The actual costs will be used in the final division of cost for billing and reimbursement.

If funding is not a percentage of the total, place an asterisk in the space provided for the percentage and explain above.

#### Local Agency Appropriation

By execution of this Agreement, the LA attests that sufficient moneys have been appropriated or reserved by resolution or ordinance to fund the LA share of project costs. A copy of the resolution or ordinance is attached as an addendum.

#### Method of Financing (State Contract Work)

METHOD A—Lump Sum (80% of LA Obligation) \_\_\_\_\_  
 METHOD B—\_\_\_\_\_ Monthly Payments of \_\_\_\_\_ due by the \_\_\_\_\_ of each successive month.  
 METHOD C—LA's Share Balance divided by estimated total cost multiplied by actual progress payment.

(See page two for details of the above methods and the financing of Day Labor and Local Contracts)

## Agreement Provisions

### THE LA AGREES:

- (1) To acquire in its name, or in the name of the state if on the state highway system, all right-of-way necessary for this project in accordance with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and established state policies and procedures. Prior to advertising for bids, the LA shall certify to the STATE that all requirements of Titles II and III of said Uniform Act have been satisfied. The disposition of encroachments, if any, will be cooperatively determined by representatives of the LA, and STATE and the FHWA, if required.
- (2) To provide for all utility adjustments, and to regulate the use of the right-of-way of this improvement by utilities, public and private, in accordance with the current Utility Accommodation Policy for Local Agency Highway and Street Systems.
- (3) To provide for surveys and the preparation of plans for the proposed improvement and engineering supervision during construction of the proposed improvement.
- (4) To retain jurisdiction of the completed improvement unless specified otherwise by addendum (addendum should be accompanied by a location map). If the improvement location is currently under road district jurisdiction, an addendum is required.
- (5) To maintain or cause to be maintained, in a manner satisfactory to the STATE and FHWA, the completed improvement, or that portion of the completed improvement within its jurisdiction as established by addendum referred to in item 4 above.
- (6) To comply with all applicable Executive Orders and Federal Highway Acts pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations required by the U.S. Department of Transportation.
- (7) To maintain, for a minimum of 3 years after the completion of the contract, adequate books, records and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records and supporting documents related to the contract shall be available for review and audit by the Auditor General and the department; and the LA agrees to cooperate fully with any audit conducted by the Auditor General and the department; and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the STATE for the recovery of any funds paid by the STATE under the contract for which adequate books, records and supporting documentation are not available to support their purported disbursement.
- (8) To provide if required, for the improvement of any railroad-highway grade crossing and rail crossing protection within the limits of the proposed improvement.
- (9) To comply with Federal requirements or possibly lose (partial or total) Federal participation as determined by the FHWA.
- (10) (State Contracts Only) That the method of payment designated on page one will be as follows:
  - Method A - Lump Sum Payment. Upon award of the contract for this improvement, the LA will pay to the STATE within thirty (30) calendar days of billing, in lump sum, an amount equal to 80% of the LA's estimated obligation incurred under this Agreement. The LA will pay to the STATE the remainder of the LA's obligation (including any nonparticipating costs) within thirty (30) calendar days of billing in a lump sum, upon completion of the project based upon final costs.
  - Method B - Monthly Payments. Upon award of the contract for this improvement, the LA will pay to the STATE, a specified amount each month for an estimated period of months, or until 80% of the LA's estimated obligation under the provisions of the Agreement has been paid, and will pay to the STATE the remainder of the LA's obligation (including any nonparticipating costs) in a lump sum, upon completion of the project based upon final costs.
  - Method C - Progress Payments. Upon receipt of the contractor's first and subsequent progressive bills for this improvement, the LA will pay to the STATE within thirty (30) calendar days of receipt, an amount equal to the LA's share of the construction cost divided by the estimated total cost, multiplied by the actual payment (appropriately adjusted for nonparticipating costs) made to the contractor until the entire obligation incurred under this Agreement has been paid.

Failure to remit the payment(s) in a timely manner as required under Methods A, B, or C, shall allow the STATE to internally offset, reduce, or deduct the arrearage from any payment or reimbursement due or about to become due and payable from the STATE to LA on this or any other contract. The STATE, at its sole option, upon notice to the LA, may place the debt into the the Illinois Comptroller's Offset System (30 ILCS 105/10.05) or take such other and further action as may be required to recover the debt.
- (11) (Day Labor or Local Contracts) To provide or cause to be provided all of the initial funding, equipment, labor, material and services necessary to construct the complete project.
- (12) (Preliminary Engineering) In the event that right-of-way acquisition for, or actual construction of the project for which this preliminary engineering is undertaken with Federal participation is not started by the close of the tenth fiscal year following the fiscal year in which this agreement is executed, the LA will repay the STATE any Federal funds received under the terms of this Agreement.
- (13) (Right-of-Way Acquisition) In the event that the actual construction of the project on this right-of-way is not undertaken by the close of the twentieth fiscal year following the fiscal year in which this Agreement is executed, the LA will repay the STATE any Federal Funds received under the terms of this Agreement.

- (14) (Railroad Related Work Only) The estimates and general layout plans for at-grade crossing improvements should be forwarded to the Rail Safety and Project Engineer, Room 204, Illinois Department of Transportation, 2300 South Dirksen Parkway, Springfield, Illinois, 62764. Approval of the estimates and general layout plans should be obtained prior to the commencement of railroad related work. All railroad related work is also subject to approval by the Illinois Commerce Commission (ICC). Final inspection for railroad related work should be coordinated through appropriate IDOT District Bureau of Local Roads and Streets office.
- Plans and preemption times for signal related work that will be interconnected with traffic signals shall be submitted to the ICC for review and approval prior to the commencement of work. Signal related work involving interconnects with state maintained traffic signals should also be coordinated with the IDOT's District Bureau of Operations.
- The LA is responsible for the payment of the railroad related expenses in accordance with the LA/railroad agreement prior to requesting reimbursement from IDOT. Requests for reimbursement should be sent to the appropriate IDOT District Bureau of Local Roads and Streets office.
- Engineer's Payment Estimates in accordance with the Division of Cost on page one.
- (15) And certifies to the best of its knowledge and belief its officials:
- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements receiving stolen property;
  - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, local) with commission of any of the offenses enumerated in item (b) of this certification; and
  - (d) have not within a three-year period preceding the Agreement had one or more public transactions (Federal, State, local) terminated for cause or default.
- (16) To include the certifications, listed in item 15 above and all other certifications required by State statutes, in every contract, including procurement of materials and leases of equipment.
- (17) (State Contracts) That execution of this agreement constitutes the LA's concurrence in the award of the construction contract to the responsible low bidder as determined by the STATE.
- (18) That for agreements exceeding \$100,000 in federal funds, execution of this Agreement constitutes the LA's certification that:
- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement;
  - (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress, in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions;
  - (c) The LA shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- (19) To regulate parking and traffic in accordance with the approved project report.
- (20) To regulate encroachments on public right-of-way in accordance with current Illinois Compiled Statutes.
- (21) To regulate the discharge of sanitary sewage into any storm water drainage system constructed with this improvement in accordance with current Illinois Compiled Statutes.
- (22) That the LA may invoice the STATE monthly for the FHWA and/or STATE share of the costs incurred for this phase of the improvement. The LA will submit supporting documentation with each request for reimbursement from the STATE. Supporting documentation is defined as verification of payment, certified time sheets, vendor invoices, vendor receipts, and other documentation supporting the requested reimbursement amount.
- (23) To complete this phase of the project within three years from the date this agreement is approved by the STATE if this portion of the project described in the Project Description does not exceed \$1,000,000 (five years if the project costs exceed \$1,000,000).
- (24) Upon completion of this phase of the improvement, the LA will submit to the STATE a complete and detailed final invoice with all applicable supporting supporting documentation of all incurred costs, less previous payments, no later than one year from the date of completion of this phase of the improvement. If a final invoice is not received within one year of completion of this phase of the improvement, the most recent invoice may be considered the final invoice and the obligation of the funds closed.

- (25) (Single Audit Requirements) That if the LA expends \$500,000 or more a year in federal financial assistance they shall have an audit made in accordance with the Office of Management and Budget (OMB) Circular No. A-133. LA's that expend less than \$500,000 a year shall be exempt from compliance. A copy of the audit report must be submitted to the STATE (Office of Finance and Administration, Audit Coordination Section, 2300 South Dirksen Parkway, Springfield, Illinois, 62764), within 30 days after the completion of the audit, but no later than one year after the end of the LA's fiscal year. The CFDA number for all highway planning and construction activities is 20.205.
- (26) That the LA is required to register with the System for Award Management or SAM (formerly Central Contractor Registration (CCR)), which is a web-enabled government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract award and the electronic payment processes. To register or renew, please use the following website: <https://www.sam.gov/portal/public/SAM/#1>.

#### THE STATE AGREES:

- (1) To provide such guidance, assistance and supervision and to monitor and perform audits to the extent necessary to assure validity of the LA's certification of compliance with Titles II and III requirements.
- (2) (State Contracts) To receive bids for the construction of the proposed improvement when the plans have been approved by the STATE (and FHWA, if required) and to award a contract for construction of the proposed improvement, after receipt of a satisfactory bid.
- (3) (Day Labor) To authorize the LA to proceed with the construction of the improvement when Agreed Unit Prices are approved and to reimburse the LA for that portion of the cost payable from Federal and/or State funds based on the Agreed Unit Prices and Engineer's Payment Estimates in accordance with the Division of Cost on page one.
- (4) (Local Contracts) That for agreements with Federal and/or State funds in engineering, right-of-way, utility work and/or construction work:
- (a) To reimburse the LA for the Federal and/or State share on the basis of periodic billings, provided said billings contain sufficient cost information and show evidence of payment by the LA;
  - (b) To provide independent assurance sampling, to furnish off-site material inspection and testing at sources normally visited by STATE inspectors of steel, cement, aggregate, structural steel and other materials customarily tested by the STATE.

#### IT IS MUTUALLY AGREED:

- (1) Construction of the project will utilize domestic steel as required by Section 106.01 of the current edition of the Standard Specifications for Road and Bridge Construction.
- (2) That this Agreement and the covenants contained herein shall become null and void in the event that the FHWA does not approve the proposed improvement for Federal-aid participation or the contract covering the construction work contemplated herein is not awarded within three years of the date of execution of this Agreement.
- (3) This Agreement shall be binding upon the parties, their successors and assigns.
- (4) For contracts awarded by the LA, the LA shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any USDOT – assisted contract or in the administration of its DBE program or the requirements of 49 CFR part 26. The LA shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of USDOT – assisted contracts. The LA's DBE program, as required by 49 CFR part 26 and as approved by USDOT, is incorporated by reference in this Agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.). In the absence of a USDOT – approved LA DBE Program or on State awarded contracts, this Agreement shall be administered under the provisions of the STATE's USDOT approved Disadvantaged Business Enterprise Program.
- (5) In cases where the STATE is reimbursing the LA, obligations of the STATE shall cease immediately without penalty or further payment being required if, in any fiscal year, the Illinois General Assembly or applicable Federal Funding source fails to appropriate or otherwise make available funds for the work contemplated herein.
- (6) All projects for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement and/or amendment shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) unless the provisions of that Act exempt its application

---

---

**ADDENDA**

Additional information and/or stipulations are hereby attached and identified below as being a part of this Agreement.

Number 1- Location Map. Number 2 – Local Appropriation Resolution.

(Insert addendum numbers and titles as applicable)

---

---

The LA further agrees, as a condition of payment, that it accepts and will comply with the applicable provisions set forth in this Agreement and all exhibits indicated above.

**APPROVED**

Local Agency

\_\_\_\_\_  
Name of Official (Print or Type Name)

\_\_\_\_\_  
Title (County Board Chairperson/Mayor/Village President/etc.)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

The above signature certifies the agency's TIN number is \_\_\_\_\_  
conducting business as a Governmental Entity.

DUNS Number \_\_\_\_\_

**APPROVED**

State of Illinois  
Department of Transportation

\_\_\_\_\_  
Erica J. Borggren, Acting Secretary Date

By:

\_\_\_\_\_  
Aaron A. Weatherholt, Deputy Director of Highways Date

\_\_\_\_\_  
Omer Osman, Director of Highways/Chief Engineer Date

\_\_\_\_\_  
Michael A. Forti, Chief Counsel Date

\_\_\_\_\_  
Tony Small, Director of Finance and Administration Date

**NOTE:** If signature is by an APPOINTED official, a resolution authorizing said appointed official to execute this agreement is required.

|                                                                                                                                                                                           |                                     |                       |                                   |                |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|-----------------------------------|----------------|------------------|
|  <b>Illinois Department of Transportation</b><br><b>Local Agency Agreement for Federal Participation</b> | Local Agency<br>City of Springfield | State Contract<br>XXX | Day Labor                         | Local Contract | RR Force Account |
|                                                                                                                                                                                           | Section<br>13-00473-00-LS           | Fund Type<br>ITEP     | ITEP and/or SRTS Number<br>620006 |                |                  |

| Construction |                | Engineering |                | Right-of-Way |                |
|--------------|----------------|-------------|----------------|--------------|----------------|
| Job Number   | Project Number | Job Number  | Project Number | Job Number   | Project Number |
| C-96-239-15  | TE-00D6(122)   |             |                |              |                |

This Agreement is made and entered into between the above local agency hereinafter referred to as the "LA" and the state of Illinois, acting by and through its Department of Transportation, hereinafter referred to as "STATE". The STATE and LA jointly propose to improve the designated location as described below. The improvement shall be constructed in accordance with plans prepared by, or on behalf of the LA, approved by the STATE and the STATE's policies and procedures approved and/or required by the Federal Highway Administration hereinafter referred to as "FHWA".

#### Location

Local Name Various Route Various Length   
 Termini Various segments from 1<sup>st</sup> Street to 9<sup>th</sup> Street and Edwards to Madison Street.

Current Jurisdiction City of Springfield TIP Number 02-2013-09 Existing Structure No N/A

#### Project Description

Springfield - Downtown Streetscape Improvements.

#### Division of Cost

| Type of Work                   | ITEP         | %     | %   | LA         | %       | Total        |
|--------------------------------|--------------|-------|-----|------------|---------|--------------|
| Participating Construction     | 1,000,000    | ( * ) | ( ) | 400,000    | ( BAL ) | 1,400,000    |
| Non-Participating Construction |              | ( )   | ( ) |            | ( )     |              |
| Preliminary Engineering        |              | ( )   | ( ) |            | ( )     |              |
| Construction Engineering       |              | ( )   | ( ) |            | ( )     |              |
| Right of Way                   |              | ( )   | ( ) |            | ( )     |              |
| Railroads                      |              | ( )   | ( ) |            | ( )     |              |
| Utilities                      |              | ( )   | ( ) |            | ( )     |              |
| Materials                      |              | ( )   | ( ) |            | ( )     |              |
| TOTAL                          | \$ 1,000,000 |       |     | \$ 400,000 |         | \$ 1,400,000 |

\*Lump Sum \$1,000,000 ITEP Funds NTE 80% of the final cost of the project.

**NOTE:** The costs shown in the Division of Cost table are approximate and subject to change. The final LA share is dependent on the final Federal and State participation. The actual costs will be used in the final division of cost for billing and reimbursement.

If funding is not a percentage of the total, place an asterisk in the space provided for the percentage and explain above.

#### Local Agency Appropriation

By execution of this Agreement, the LA attests that sufficient moneys have been appropriated or reserved by resolution or ordinance to fund the LA share of project costs. A copy of the resolution or ordinance is attached as an addendum.

#### Method of Financing (State Contract Work)

METHOD A—Lump Sum (80% of LA Obligation) \_\_\_\_\_  
 METHOD B—\_\_\_\_\_ Monthly Payments of \_\_\_\_\_ due by the \_\_\_\_\_ of each successive month.  
 METHOD C—LA's Share Balance divided by estimated total cost multiplied by actual progress payment.

(See page two for details of the above methods and the financing of Day Labor and Local Contracts)



## Agreement Provisions

### THE LA AGREES:

- (1) To acquire in its name, or in the name of the state if on the state highway system, all right-of-way necessary for this project in accordance with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and established state policies and procedures. Prior to advertising for bids, the LA shall certify to the STATE that all requirements of Titles II and III of said Uniform Act have been satisfied. The disposition of encroachments, if any, will be cooperatively determined by representatives of the LA, and STATE and the FHWA, if required.
- (2) To provide for all utility adjustments, and to regulate the use of the right-of-way of this improvement by utilities, public and private, in accordance with the current Utility Accommodation Policy for Local Agency Highway and Street Systems.
- (3) To provide for surveys and the preparation of plans for the proposed improvement and engineering supervision during construction of the proposed improvement.
- (4) To retain jurisdiction of the completed improvement unless specified otherwise by addendum (addendum should be accompanied by a location map). If the improvement location is currently under road district jurisdiction, an addendum is required.
- (5) To maintain or cause to be maintained, in a manner satisfactory to the STATE and FHWA, the completed improvement, or that portion of the completed improvement within its jurisdiction as established by addendum referred to in item 4 above.
- (6) To comply with all applicable Executive Orders and Federal Highway Acts pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations required by the U.S. Department of Transportation.
- (7) To maintain, for a minimum of 3 years after the completion of the contract, adequate books, records and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records and supporting documents related to the contract shall be available for review and audit by the Auditor General and the department; and the LA agrees to cooperate fully with any audit conducted by the Auditor General and the department; and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the STATE for the recovery of any funds paid by the STATE under the contract for which adequate books, records and supporting documentation are not available to support their purported disbursement.
- (8) To provide if required, for the improvement of any railroad-highway grade crossing and rail crossing protection within the limits of the proposed improvement.
- (9) To comply with Federal requirements or possibly lose (partial or total) Federal participation as determined by the FHWA.
- (10) (State Contracts Only) That the method of payment designated on page one will be as follows:
  - Method A - Lump Sum Payment. Upon award of the contract for this improvement, the LA will pay to the STATE within thirty (30) calendar days of billing, in lump sum, an amount equal to 80% of the LA's estimated obligation incurred under this Agreement. The LA will pay to the STATE the remainder of the LA's obligation (including any nonparticipating costs) within thirty (30) calendar days of billing in a lump sum, upon completion of the project based upon final costs.
  - Method B - Monthly Payments. Upon award of the contract for this improvement, the LA will pay to the STATE, a specified amount each month for an estimated period of months, or until 80% of the LA's estimated obligation under the provisions of the Agreement has been paid, and will pay to the STATE the remainder of the LA's obligation (including any nonparticipating costs) in a lump sum, upon completion of the project based upon final costs.
  - Method C - Progress Payments. Upon receipt of the contractor's first and subsequent progressive bills for this improvement, the LA will pay to the STATE within thirty (30) calendar days of receipt, an amount equal to the LA's share of the construction cost divided by the estimated total cost, multiplied by the actual payment (appropriately adjusted for nonparticipating costs) made to the contractor until the entire obligation incurred under this Agreement has been paid.

Failure to remit the payment(s) in a timely manner as required under Methods A, B, or C, shall allow the STATE to internally offset, reduce, or deduct the arrearage from any payment or reimbursement due or about to become due and payable from the STATE to LA on this or any other contract. The STATE, at its sole option, upon notice to the LA, may place the debt into the the Illinois Comptroller's Offset System (30 ILCS 105/10.05) or take such other and further action as may be required to recover the debt.
- (11) (Day Labor or Local Contracts) To provide or cause to be provided all of the initial funding, equipment, labor, material and services necessary to construct the complete project.
- (12) (Preliminary Engineering) In the event that right-of-way acquisition for, or actual construction of the project for which this preliminary engineering is undertaken with Federal participation is not started by the close of the tenth fiscal year following the fiscal year in which this agreement is executed, the LA will repay the STATE any Federal funds received under the terms of this Agreement.
- (13) (Right-of-Way Acquisition) In the event that the actual construction of the project on this right-of-way is not undertaken by the close of the twentieth fiscal year following the fiscal year in which this Agreement is executed, the LA will repay the STATE any Federal Funds received under the terms of this Agreement.

- (14) (Railroad Related Work Only) The estimates and general layout plans for at-grade crossing improvements should be forwarded to the Rail Safety and Project Engineer, Room 204, Illinois Department of Transportation, 2300 South Dirksen Parkway, Springfield, Illinois, 62764. Approval of the estimates and general layout plans should be obtained prior to the commencement of railroad related work. All railroad related work is also subject to approval by the Illinois Commerce Commission (ICC). Final inspection for railroad related work should be coordinated through appropriate IDOT District Bureau of Local Roads and Streets office.
- Plans and preemption times for signal related work that will be interconnected with traffic signals shall be submitted to the ICC for review and approval prior to the commencement of work. Signal related work involving interconnects with state maintained traffic signals should also be coordinated with the IDOT's District Bureau of Operations.
- The LA is responsible for the payment of the railroad related expenses in accordance with the LA/railroad agreement prior to requesting reimbursement from IDOT. Requests for reimbursement should be sent to the appropriate IDOT District Bureau of Local Roads and Streets office.
- Engineer's Payment Estimates in accordance with the Division of Cost on page one.
- (15) And certifies to the best of its knowledge and belief its officials:
- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements receiving stolen property;
  - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, local) with commission of any of the offenses enumerated in item (b) of this certification; and
  - (d) have not within a three-year period preceding the Agreement had one or more public transactions (Federal, State, local) terminated for cause or default.
- (16) To include the certifications, listed in item 15 above and all other certifications required by State statutes, in every contract, including procurement of materials and leases of equipment.
- (17) (State Contracts) That execution of this agreement constitutes the LA's concurrence in the award of the construction contract to the responsible low bidder as determined by the STATE.
- (18) That for agreements exceeding \$100,000 in federal funds, execution of this Agreement constitutes the LA's certification that:
- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement;
  - (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress, in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions;
  - (c) The LA shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- (19) To regulate parking and traffic in accordance with the approved project report.
- (20) To regulate encroachments on public right-of-way in accordance with current Illinois Compiled Statutes.
- (21) To regulate the discharge of sanitary sewage into any storm water drainage system constructed with this improvement in accordance with current Illinois Compiled Statutes.
- (22) That the LA may invoice the STATE monthly for the FHWA and/or STATE share of the costs incurred for this phase of the improvement. The LA will submit supporting documentation with each request for reimbursement from the STATE. Supporting documentation is defined as verification of payment, certified time sheets, vendor invoices, vendor receipts, and other documentation supporting the requested reimbursement amount.
- (23) To complete this phase of the project within three years from the date this agreement is approved by the STATE if this portion of the project described in the Project Description does not exceed \$1,000,000 (five years if the project costs exceed \$1,000,000).
- (24) Upon completion of this phase of the improvement, the LA will submit to the STATE a complete and detailed final invoice with all applicable supporting supporting documentation of all incurred costs, less previous payments, no later than one year from the date of completion of this phase of the improvement. If a final invoice is not received within one year of completion of this phase of the improvement, the most recent invoice may be considered the final invoice and the obligation of the funds closed.

**AN ORDINANCE AUTHORIZING A SUPPLEMENTAL  
APPROPRIATION IN THE AMOUNT OF \$110,400.00 FROM  
UNAPPROPRIATED FUND BALANCE TO COVER EXPENSES  
RELATED TO THE CHILLER REPLACEMENT PROJECT FOR  
LINCOLN LIBRARY**

---

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, replacement of the chiller system for Lincoln Library has become a two-year project with an original cost estimate of \$434,500; and

**WHEREAS**, expenditures in FY15 were \$221,545.00 however only \$130,114.00 was budgeted in FY16; and

**WHEREAS**, an additional \$82,850.00 is needed for FY16 to match the original project cost estimate and an additional \$27,550.00 is needed to purchase a radiator and a pot feeder to the new water system and a new circuit breaker; and

**WHEREAS**, the Office of Budget and Management is requesting a supplemental appropriation in the amount of \$110,400.00 from FY16 unappropriated fund balance to be used for this project.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes a supplemental appropriation in the amount of \$110,400.00 from FY16 unappropriated fund balance to be used to complete the chiller system replacement project for Lincoln Library.

**Section 2:** That the Office of Budget and Management is hereby directed to effectuate this supplemental appropriation from unappropriated FY16 fund balance into account 095-116-LIBR-LIBR-2310.

**Section 3:** That the City Clerk is hereby directed to publish this Ordinance in pamphlet form.

**Section 4:** That this Ordinance shall become effective immediately after its passage and publication in pamphlet form and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_

City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date

## ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

OFFICE REQUESTING: Office of Budget and ManagementCONTACT PERSON: William D. McCarty

PHONE NUMBER: \_\_\_\_\_

EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.

TYPE OF ORDINANCE: \_\_\_\_\_

FISCAL IMPACT: \$ 27,550

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

A supplemental ordinance to accomodate expenses related to the chiller replacement project for Lincoln Library. Amount exceeds the original FY16 budget of \$130,114 by \$110,400.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: \_\_\_\_\_

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: \_\_\_\_\_

Change in Scope

Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☒ Yes ☐☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☒ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

| Fund | Agency | Org | Activity | Object | Amount |
|------|--------|-----|----------|--------|--------|
| 1    |        |     |          |        |        |
| 2    |        |     |          |        |        |
| 3    |        |     |          |        |        |
| 4    |        |     |          |        |        |

## EXPENDITURE

| Fund | Agency | Org  | Activity | Object | Amount      |
|------|--------|------|----------|--------|-------------|
| 095  | 116    | LIBR | LIBR     | 2310   | \$82,850.00 |
| 095  | 116    | LIBR | LIBR     | 2310   | \$27,550.00 |
|      |        |      |          |        |             |
|      |        |      |          |        |             |

FUNDS CHECK BY: \_\_\_\_\_

Date: \_\_\_\_\_

DIRECTOR / SUPERVISOR SIGNATURE \_\_\_\_\_

Date: \_\_\_\_\_

CITY PURCHASING AGENT: \_\_\_\_\_

Date: \_\_\_\_\_

## COMMENTS

This is a supplemental ordinance to cover additional costs related to the replacement of the chiller for the Library. The replacement of the chiller has become a two year project with an original cost estimate of \$434,500. Expenditures in FY15 were \$221,545, however only \$130,114 was placed in the FY16 budget. An additional \$82,850 is needed to be placed in the FY16 budget to match the original project cost estimate. In addition, the need to purchase a radiator, a pot feeder to the new water system and a new circuit breaker have added an extra \$27,550 to the project cost. A total amount of \$110,400 is needed for FY16 for the Lincoln Library.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

**AN ORDINANCE ASCERTAINING THE PREVAILING RATES OF WAGES  
FOR SANGAMON COUNTY AS REQUIRED BY THE ILLINOIS  
PREVAILING WAGE ACT**

---

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the State of Illinois has enacted "An Act regulating wages of laborers, mechanics and other workers employed in any public works by the State, County, City or any public body or any political subdivision or by any one under contract for public works," approved June 26, 1941, as amended, (820 ILCS 130/0.01 *et. seq.*); and

**WHEREAS**, the aforesaid Act requires that the City of Springfield, Illinois, investigate and ascertain the prevailing rate of wages as defined in said act for laborers, mechanics and other workers in the locality of said City employed in performing construction of public works, for said City of Springfield.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That to the extent and as required by "An Act regulating wages of laborers, mechanics and other workers employed in any public works by State, county, city or any public body or any political subdivision or by anyone under contract for public works," approved June 26, 1941, as amended (820 ILCS 130/0.01 *et seq.*), the general prevailing rate of wages in this locality for laborers, mechanics and other workers engaged in construction of public works coming under the jurisdiction of the City of Springfield is hereby ascertained to be the same as the prevailing rate of wages for construction work in the Sangamon County area as determined by the Department of Labor of the State of Illinois. The Department publishes the prevailing wage rates on its website, which is currently located at: <http://www.illinois.gov/idol/Laws-Rules/CONMED/Pages/Rates.aspx>. As required by said Act, any and all revisions of the prevailing rate of wages by the Department of Labor of the State of Illinois shall supersede the Department's current determination and apply to any and all public works construction undertaken by the City of Springfield. The definition of any terms appearing in this ordinance which are also used in aforesaid Act shall be the same as in said Act. It shall be the responsibility of all persons entering into contracts for the construction of public works for the City of Springfield to pay the prevailing rate of wages for construction work in the Sangamon County area as published by the Department of Labor of the State of Illinois on its website at the time such work is performed.

**Section 2:** That nothing contained herein shall be construed to apply said general prevailing rate of wages as herein ascertained to any work or employment except public works construction of the City of Springfield, Illinois, to the extent required by the aforesaid Act.

**Section 3:** That the City Clerk shall publicly post or keep available for inspection by any interested party in the Office of the City Clerk this ordinance. A copy of this ordinance shall be attached to all contract specifications.

**Section 4:** That the City Clerk shall mail a copy of this ordinance to any employer, and to any association of employers and to any person or association of employees who have filed their names and addresses requesting copies of any determination stating the particular rates and the particular class of workers whose wages will be affected by such rates.

**Section 5:** That the City Clerk shall promptly file a certified copy of this ordinance with both the Secretary of State Index Division and the Department of Labor of the State of Illinois.

**Section 6:** That the City Clerk shall cause to be published in a newspaper of general circulation within the area a copy of this ordinance, and such publication shall constitute notice that the determination is effective and that this is the determination of the public body.

**Section 7:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

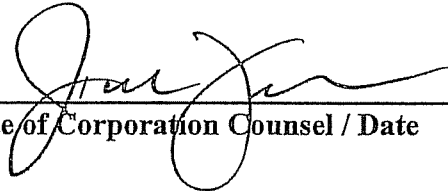
RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

ATTEST: \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Landfelder

  
\_\_\_\_\_  
Office of Corporation Counsel / Date

## Sangamon County Prevailing Wage for June 2015

(See explanation of column headings at bottom of wages)

| Trade Name           | RG | TYP    | C      | Base   | FRMAN  | M-F>8 | OSA    | OSH    | H/W   | Pensn | Vac   | Trng                    |
|----------------------|----|--------|--------|--------|--------|-------|--------|--------|-------|-------|-------|-------------------------|
| ASBESTOS ABT-GEN     |    | BLD    |        | 30.620 | 31.870 | 1.5   | 1.5    | 2.0    | 6.300 | 11.96 | 0.000 | 0.900                   |
| ASBESTOS ABT-MEC     |    | BLD    |        | 30.360 | 31.360 | 1.5   | 1.5    | 2.0    | 7.450 | 3.000 | 0.000 | 0.000                   |
| BOILERMAKER          |    | BLD    |        | 33.340 | 35.840 | 1.5   | 1.5    | 2.0    | 7.070 | 21.53 | 1.250 | 0.400                   |
| BRICK MASON          |    | BLD    |        | 30.000 | 31.500 | 1.5   | 1.5    | 2.0    | 8.500 | 12.69 | 0.000 | 0.850                   |
| CARPENTER            |    | BLD    |        | 30.450 | 32.700 | 1.5   | 1.5    | 2.0    | 8.000 | 13.90 | 0.000 | 0.520                   |
| CARPENTER            |    | HWY    |        | 30.900 | 32.650 | 1.5   | 1.5    | 2.0    | 8.000 | 14.00 | 0.000 | 0.520                   |
| CEMENT MASON         |    | BLD    |        | 26.550 | 28.050 | 1.5   | 1.5    | 2.0    | 7.200 | 12.35 | 0.000 | 0.600                   |
| CEMENT MASON         |    | HWY    |        | 26.150 | 27.150 | 1.5   | 1.5    | 2.0    | 7.200 | 12.40 | 0.000 | 0.600                   |
| CERAMIC TILE FNSHER  |    | BLD    |        | 29.160 | 0.000  | 1.5   | 1.5    | 2.0    | 8.500 | 9.140 | 0.000 | 0.000                   |
| ELECTRIC PWR EQMT OP |    | ALL    |        | 38.300 | 45.290 | 1.5   | 1.5    | 2.0    | 6.150 | 10.73 | 0.000 | 0.380                   |
| ELECTRIC PWR GRNDMAN |    | ALL    |        | 26.280 | 45.290 | 1.5   | 1.5    | 2.0    | 5.790 | 7.360 | 0.000 | 0.260                   |
| ELECTRIC PWR LINEMAN |    | ALL    |        | 42.540 | 45.290 | 1.5   | 1.5    | 2.0    | 6.280 | 11.92 | 0.000 | 0.430                   |
| ELECTRIC PWR TRK DRV |    | ALL    |        | 27.560 | 45.290 | 1.5   | 1.5    | 2.0    | 5.830 | 7.720 | 0.000 | 0.280                   |
| ELECTRICIAN          |    | BLD    |        | 34.570 | 36.570 | 1.5   | 1.5    | 2.0    | 6.370 | 8.640 | 0.000 | 0.400                   |
| ELECTRONIC SYS TECH  |    | BLD    |        | 31.120 | 33.120 | 1.5   | 1.5    | 2.0    | 5.850 | 7.680 | 0.000 | 0.400                   |
| ELEVATOR CONSTRUCTOR |    | BLD    |        | 41.690 | 46.900 | 2.0   | 2.0    | 2.0    | 13.57 | 14.21 | 3.340 | 0.600                   |
| GLAZIER              |    | BLD    |        | 32.380 | 34.380 | 1.5   | 2.0    | 2.0    | 7.050 | 8.400 | 0.000 | 0.430                   |
| HT/FROST INSULATOR   |    | BLD    |        | 38.060 | 39.060 | 1.5   | 1.5    | 2.0    | 8.700 | 11.46 | 0.000 | 0.550                   |
| IRON WORKER          |    | BLD    |        | 30.250 | 32.250 | 1.5   | 1.5    | 2.0    | 8.740 | 13.79 | 0.000 | 0.660                   |
| IRON WORKER          |    | HWY    |        | 31.420 | 33.170 | 1.5   | 1.5    | 2.0    | 8.740 | 13.87 | 0.000 | 0.660                   |
| LABORER              |    | BLD    |        | 28.620 | 29.870 | 1.5   | 1.5    | 2.0    | 6.300 | 11.96 | 0.000 | 0.800                   |
| LABORER              |    | HWY    |        | 28.470 | 29.220 | 1.5   | 1.5    | 2.0    | 6.300 | 13.30 | 0.000 | 0.800                   |
| LATHER               |    | BLD    |        | 30.450 | 32.700 | 1.5   | 1.5    | 2.0    | 8.000 | 13.90 | 0.000 | 0.520                   |
| MACHINIST            |    | BLD    |        | 44.350 | 46.850 | 1.5   | 1.5    | 2.0    | 6.760 | 8.950 | 1.850 | 0.000                   |
| MARBLE FINISHERS     |    | BLD    |        | 29.160 | 0.000  | 1.5   | 1.5    | 2.0    | 8.500 | 9.140 | 0.000 | 0.000                   |
| MARBLE MASON         |    | BLD    |        | 30.000 | 31.500 | 1.5   | 1.5    | 2.0    | 8.500 | 12.69 | 0.000 | 0.850                   |
| MILLWRIGHT           |    | BLD    |        | 30.720 | 32.970 | 1.5   | 1.5    | 2.0    | 8.000 | 14.09 | 0.000 | 0.520                   |
| MILLWRIGHT           |    | HWY    |        | 32.090 | 33.840 | 1.5   | 1.5    | 2.0    | 8.000 | 14.64 | 0.000 | 0.520                   |
| OPERATING ENGINEER   |    | BLD    | 1      | 34.850 | 35.600 | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | BLD    | 2      | 32.500 | 35.600 | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | BLD    | 3      | 28.900 | 35.600 | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | BLD    | 4      | 36.350 | 0.000  | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | HWY    | 1      | 39.750 | 0.000  | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | HWY    | 2      | 35.540 | 0.000  | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | HWY    | 3      | 29.060 | 40.150 | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| OPERATING ENGINEER   |    | HWY    | 4      | 41.250 | 0.000  | 1.5   | 1.5    | 2.0    | 10.45 | 9.350 | 0.000 | 1.500                   |
| PAINTER              |    | ALL    |        | 29.580 | 31.080 | 1.5   | 1.5    | 2.0    | 5.250 | 9.830 | 0.000 | 0.600                   |
| PAINTER OVER 30FT    |    | ALL    |        | 30.580 | 32.080 | 1.5   | 1.5    | 2.0    | 5.250 | 9.830 | 0.000 | 0.600                   |
| PAINTER PWR EQMT     |    | ALL    |        | 30.580 | 32.080 | 1.5   | 1.5    | 2.0    | 5.250 | 9.830 | 0.000 | 0.600                   |
| PAINTER SIGNS        |    | ALL    |        | 16.240 | 0.000  | 1.5   | 1.5    | 2.0    | 0.000 | 0.000 | 0.000 | 0.000                   |
| PILEDRIIVER          |    | BLD    |        | 31.450 | 33.700 | 1.5   | 1.5    | 2.0    | 8.000 | 13.90 | 0.000 | 0.520                   |
| PILEDRIIVER          |    | HWY    |        | 31.900 | 33.650 | 1.5   | 1.5    | 2.0    | 8.000 | 14.00 | 0.000 | 0.520                   |
| PIPEFITTER           |    | BLD    |        | 41.840 | 45.840 | 1.5   | 1.5    | 2.0    | 7.000 | 8.260 | 0.000 | 1.010                   |
| PLASTERER            |    | BLD    |        | 29.300 | 31.050 | 1.5   | 1.5    | 2.0    | 7.500 | 12.57 | 0.000 | 0.650                   |
| PLUMBER              |    | BLD    |        | 41.840 | 45.840 | 1.5   | 1.5    | 2.0    | 7.000 | 8.260 | 0.000 | 1.010                   |
| ROOFER               |    | BLD    |        | 28.400 | 30.900 | 1.5   | 1.5    | 2.0    | 9.100 | 7.000 | 0.000 | 0.520                   |
| SHEETMETAL WORKER    |    | BLD    |        | 32.750 | 35.500 | 1.5   | 1.5    | 2.0    | 8.600 | 13.16 | 0.000 | 0.750                   |
| SPRINKLER FITTER     |    | BLD    |        | 37.120 | 39.870 | 1.5   | 1.5    | 2.0    | 8.420 | 8.500 | 0.000 | 0.350                   |
| STONE MASON          |    | BLD    |        | 30.000 | 31.500 | 1.5   | 1.5    | 2.0    | 8.500 | 12.69 | 0.000 | 0.850                   |
| SURVEY WORKER        | -> | NOT IN | EFFECT |        |        | ALL   | 28.470 | 29.220 | 1.5   | 1.5   | 2.0   | 6.300 10.76 0.000 0.800 |
| TERRAZZO FINISHER    |    | BLD    |        | 29.160 | 0.000  | 1.5   | 1.5    | 2.0    | 8.500 | 9.140 | 0.000 | 0.000                   |
| TERRAZZO MASON       |    | BLD    |        | 27.860 | 28.610 | 1.5   | 1.5    | 2.0    | 8.450 | 9.000 | 0.000 | 0.000                   |
| TILE MASON           |    | BLD    |        | 27.860 | 28.610 | 1.5   | 1.5    | 2.0    | 8.450 | 9.000 | 0.000 | 0.000                   |
| TRUCK DRIVER         |    | ALL    | 1      | 33.100 | 36.640 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | ALL    | 2      | 33.560 | 36.640 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | ALL    | 3      | 33.820 | 36.640 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | ALL    | 4      | 34.100 | 36.640 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | ALL    | 5      | 35.000 | 36.640 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | O&C    | 1      | 26.480 | 29.310 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | O&C    | 2      | 26.850 | 29.310 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | O&C    | 3      | 27.060 | 29.310 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | O&C    | 4      | 27.280 | 29.310 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TRUCK DRIVER         |    | O&C    | 5      | 28.000 | 29.310 | 1.5   | 1.5    | 2.0    | 11.10 | 5.425 | 0.000 | 0.250                   |
| TUCKPOINTER          |    | BLD    |        | 30.000 | 31.500 | 1.5   | 1.5    | 2.0    | 8.500 | 12.69 | 0.000 | 0.850                   |

**Legend:**

RG (Region)  
 TYP (Trade Type - All, Highway, Building, Floating, Oil & Chip, Rivers)  
 C (Class)  
 Base (Base Wage Rate)  
 FRMAN (Foreman Rate)  
 M-F>8 (OT required for any hour greater than 8 worked each day, Mon through Fri.)  
 OSA (Overtime (OT) is required for every hour worked on Saturday)  
 OSH (Overtime is required for every hour worked on Sunday and Holidays)  
 H/W (Health & Welfare Insurance)  
 Pensn (Pension)  
 Vac (Vacation)  
 Trng (Training)

## Explanations

### SANGAMON COUNTY

The following list is considered as those days for which holiday rates of wages for work performed apply: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day and Veterans Day in some classifications/counties. Generally, any of these holidays which fall on a Sunday is celebrated on the following Monday. This then makes work performed on that Monday payable at the appropriate overtime rate for holiday pay. Common practice in a given local may alter certain days of celebration. If in doubt, please check with IDOL.

Oil and chip resealing (O&C) means the application of road oils and liquid asphalt to coat an existing road surface, followed by application of aggregate chips or gravel to coated surface, and subsequent rolling of material to seal the surface.

### EXPLANATION OF CLASSES

ASBESTOS - GENERAL - removal of asbestos material/mold and hazardous materials from any place in a building, including mechanical systems where those mechanical systems are to be removed. This includes the removal of asbestos materials/mold and hazardous materials from ductwork or pipes in a building when the building is to be demolished at the time or at some close future date.

ASBESTOS - MECHANICAL - removal of asbestos material from mechanical systems, such as pipes, ducts, and boilers, where the mechanical systems are to remain.

### CERAMIC TILE FINISHER, MARBLE FINISHER, TERRAZZO FINISHER

Assisting, helping or supporting the tile, marble and terrazzo mechanic by performing their historic and traditional work assignments required to complete the proper installation of the work covered by said crafts. The term "Ceramic" is used for naming the classification only and is in no way a limitation of the product handled. Ceramic takes into consideration most hard tiles.

### ELECTRONIC SYSTEMS TECHNICIAN

Installation, service and maintenance of low-voltage systems which utilizes the transmission and/or transference of voice, sound, vision, or digital for commercial, education, security and entertainment purposes for the following: TV monitoring and surveillance, background/foreground music, intercom and telephone interconnect, field programming, inventory control systems, microwave transmission, multi-media, multiplex, radio page, school, intercom and sound burglar alarms and low voltage master clock systems.

Excluded from this classification are energy management systems, life safety systems, supervisory controls and data acquisition systems not intrinsic with the above listed systems, fire alarm systems, nurse call systems and raceways exceeding fifteen feet in length.



**SURVEY WORKER** - Operated survey equipment including data collectors, G.P.S. and robotic instruments, as well as conventional levels and transits.

**TRUCK DRIVER - BUILDING, HEAVY AND HIGHWAY CONSTRUCTION**

Class 1. Drivers on 2 axle trucks hauling less than 9 ton. Air compressor and welding machines and brooms, including those pulled by separate units, truck driver helpers, warehouse employees, mechanic helpers, greasers and tiremen, pickup trucks when hauling materials, tools, or workers to and from and on-the-job site, and fork lifts up to 6,000 lb. capacity.

Class 2. Two or three axle trucks hauling more than 9 ton but hauling less than 16 ton. A-frame winch trucks, hydrolift trucks, vector trucks or similar equipment when used for transportation purposes. Fork lifts over 6,000 lb. capacity, winch trucks, four axle combination units, and ticket writers.

Class 3. Two, three or four axle trucks hauling 16 ton or more. Drivers on water pulls, articulated dump trucks, mechanics and working forepersons, and dispatchers. Five axle or more combination units.

Class 4. Low Boy and Oil Distributors.

Class 5. Drivers who require special protective clothing while employed on hazardous waste work.

**TRUCK DRIVER - OIL AND CHIP RESEALING ONLY.**

This shall encompass laborers, workers and mechanics who drive contractor or subcontractor owned, leased, or hired pickup, dump, service, or oil distributor trucks. The work includes transporting materials and equipment (including but not limited to, oils, aggregate supplies, parts, machinery and tools) to or from the job site; distributing oil or liquid asphalt and aggregate; stock piling material when in connection with the actual oil and chip contract. The Truck Driver (Oil & Chip Resealing) wage classification does not include supplier delivered materials.

**OPERATING ENGINEERS - BUILDING**

**CLASS 1.** Asphalt Screed Man; Aspc Concrete Spreaders; Asphalt Pavers; Asphalt Plant Engineer; Asphalt Rollers on Bituminous Concrete; Athey Loaders; Backfillers, Crane Type; Backhoes; Barber Green Loaders; Bulldozers; Cableways; Cherry Pickers; Clam Shells; C.M.I. & similar type autograde formless paver, autograde placer & finisher; Concrete Breakers; Concrete Pumps; Derricks; Derrick Boats; Draglines; Earth Auger or Boring Machines; Elevating Graders; Engineers on Dredges; Gravel Processing Machines; Head Equipment Greaser; High Lifts or Fork Lifts; Hoists with two or more drums or two or more load lines; Locomotives, All; Mechanics; Motor Graders or Auto Patrols; Operators or Leverman on Dredges; Operators, Power Boat; Operators, Pug Mill (Asphalt Plants); Orange Peels; Overhead Cranes; Paving Mixers; Piledrivers; Pipe Wrapping and Painting Machines; Pushdozers, or Push Cats; Robotic Controlled Equipment in this Classification; Rock Crushers; Ross Carrier or Similar Machines; Rotomill; Scoops, Skimmer, two cu. yd. capacity and under; Scoops, All or Tournapull; Sheep-Foot Roller (Self Propelled); Shovels; Skid Steer; Skimmer Scoops; Temporary Concrete Plant Operators; Test Hole Drilling Machines; Tower Machines; Tower Mixers; Track Type End Loaders; Track Type Fork Lifts or High Lifts; Track Jacks and Tampers; Tractors, Sideboom; Trenching or Ditching Machine; Tunnelluggers; Vermeer Type Saws; Water Blaster Cutting Head; Wheel Type End Loaders; Winch Cat.

**CLASS 2.** Air Compressors (six to eight)\*; Asphalt Boosters and Heaters; Asphalt Distributors; Asphalt Plant Fireman; Oiler on Two Paving Mixers When Used in Tandem; Boom or Winch Trucks; Bull Floats or Flexplanes; Concrete Finishing Machine; Concrete Saws, Self-Propelled; Concrete Spreading Machines; Conveyors (six to eight)\*; Generators (six to eight)\*; Gravel or Stone Spreader, Power Operated; Hoist (with One Drum and One Load Line); Light Plants (six

to eight)\*; Mechanical Heaters (six to eight)\*; Mud Jacks; Post Hole Digger, Mechanical; Pug Mills when used for other than Asphalt operation; Robotic Controlled Equipment in this Classification; Road or Street Sweeper, Self Propelled; Rollers (except bituminous concrete); Seaman Tiller; Straw Machine; Vibratory Compactor; Water Blaster, Power Unit; Welding Machines (six to eight)\*; Well Drill Machines.

CLASS 3. Air Compressors (one to five)\*; Air Compressors, Track or Self-Propelled; Automatic Hoist; Building Elevators; Bulk Cement Batching Plants; Conveyors (one to five)\*; Concrete Mixers (Except Plant, Paver, or Tower); Firemen; Generators (one to five)\*; Greasers; Helper on Single Paving Mixer; Hoist, Automatic; Light Plants (one to five)\*; Mechanic Helpers; Mechanical Heaters (one to five)\*; Oilers; Power Form Graders; Power Sub-Graders; Robotic Controlled Equipment in this Classification; Scissors Hoist; Tractors without power attachments regardless of size or type; Truck Crane Oiler and Driver (1 man); Vibratory Hammer (power source); Water Pumps (one to five)\*; Welding Machines (1/300 Amp. or over)\*; Welding machines (one to five)\*

CLASS 4. Lattice Boom Crawler Cranes; Lattice Boom Truck Cranes; Telescopic Truck-Mounted Cranes; Tower Cranes.

\* Combinations of one to eight of any Air Compressors, Conveyors, Welding Machines, Water Pumps, Light Plants, or Generators shall be in batteries or within 400 feet and shall be paid as per the Classification Schedule contained in this Article.

#### OPERATING ENGINEERS - HIGHWAY

CLASS 1. Asphalt Screed Man; Asphco Concrete Spreaders; Asphalt Pavers; Asphalt Plant Engineer; Asphalt Rollers on Bituminous Concrete; Athey Loaders; Backhoes; Barber Green Loaders; Bulldozers; Cableways; Carry Deck Pickers; Cherry Pickers (Rough Terrain); C.M.I. & similar type-autograde formless paver, autograde placer & finisher; Concrete Breakers; Concrete Plant Operators; Concrete Pumps; Derricks; Derrick Boats; Dewatering Systems; Earth Auger or Boring Machines; Elevating Graders; Engineers on Dredges; Gravel Processing Machines; Grout Pump; Head Equipment Greaser; High Lifts or Fork Lifts; Hoists with two or more drums or two or more load lines; Hydro Jet or Hydro Laser; Locomotives, All; Mechanics; Motor Graders or Auto Patrols; Multi-Point Power Lifting Equipment; Operators or Leverman on Dredges; Operators, Power Boat; Operators, Pug Mill (Asphalt Plants); Overhead Cranes; Paving Mixers; Piledrivers; Pipe Wrapping and Painting Machines; Push-dozers, or Push Cats; Robotic Controlled Equipment in this Classification; Rock Crushers; Ross Carrier or Similar Machines; Roto-Mill; Scoops, Skimmer, two cu. yd. capacity and under; Sheep-Foot Roller (Self Pro-pelled); Shovels; Skid Steer; Skimmer Scoops; Test Hole Drilling Machines; Tower Machines; Tower Mixers; Track Type End Loaders; Track Type Fork Lifts or High Lifts; Track Jacks and Tampers; Tractors, Side-boom; Trenching or Ditching Machine; Tunnelluggers; Vermeer-Type Saws; Wheel Type End Loaders; Winch Cat; Scoops, All or Tournapull.

CLASS 2. Air Compressors (six to eight)\*; Articulated Dumps; Asphalt Boosters and Heaters; Asphalt Distributors; Asphalt Plant Fireman; Boom or Winch Trucks; Building Elevators; Bull Floats or Flexplanes; Concrete Finishing Machine; Concrete Saws, Self-Propelled; Concrete Spreading Machines; Conveyors (six to eight)\*; Generators (six to eight)\*; Gravel or Stone Spreader, Power Operated; Hoist, Automatic; Hoist with One Drum and One Load Line; Light Plants (six to eight)\*; Mechanical Heaters (six to eight)\*; Mud Jacks; Off Road Water Wagons; Oiler on Two Paving Mixers When Used in Tandem; Post Hole Digger, Mechanical; Robotic Controlled Equipment in This Classification; Road or Street Sweeper, Self-Propelled; Rollers (except bituminous concrete); Scissor Hoist; Sea-man Tiller; Straw Machine; Vibratory Compactor; Water Pumps (six to eight)\*; Well Drill Machines.

CLASS 3. Air Compressors (one to five)\*; Air Compressors, Track or

Self-Propelled; Bulk Cement Batching Plants; Conveyors (one to five)\*; Concrete Mixers (Except Plant, Paver, or Tower); Firemen; Generators (one to five)\*; Greasers; Helper on Single Paving Mixer; Light Plants (one to five)\*; Mechanic Helpers; Mechanical Heaters (one to five)\*; Oilers; Power Form Graders; Power Sub-Graders; Pug Mills when used for other than Asphalt operation; Robotic Controlled Equipment in This Classification; Tractors without power attachments, regardless of size or type; Truck Crane Oiler and Driver (1 man); Vibratory Hammer (power source); Water Pumps (one to five)\*; Welding Machines (one 300 Amp. or over)\*; Welding Machines (one to five)\*.

CLASS 4. Lattice Boom Crawler Crane; Lattice Boom Truck Crane; Telescopic Truck-Mounted Crane; Tower Crane.

\*Combinations of one to eight of any Air Compressors, Conveyors, Welding Machines, Water Pumps, Light Plants or Generators shall be in batteries or within 400 feet and shall be paid as per the Classification Schedule contained in this Article.

#### Other Classifications of Work:

For definitions of classifications not otherwise set out, the Department generally has on file such definitions which are available. If a task to be performed is not subject to one of the classifications of pay set out, the Department will upon being contacted state which neighboring county has such a classification and provide such rate, such rate being deemed to exist by reference in this document. If no neighboring county rate applies to the task, the Department shall undertake a special determination, such special determination being then deemed to have existed under this determination. If a project requires these, or any classification not listed, please contact IDOL at 217-782-1710 for wage rates or clarifications.

#### LANDSCAPING

Landscaping work falls under the existing classifications for laborer, operating engineer and truck driver. The work performed by landscape plantsman and landscape laborer is covered by the existing classification of laborer. The work performed by landscape operators (regardless of equipment used or its size) is covered by the classifications of operating engineer. The work performed by landscape truck drivers (regardless of size of truck driven) is covered by the classifications of truck driver.

## ORDINANCE FACT SHEET

ORD. REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

OFFICE REQUESTING: OBM / PURCHASING DEPTCONTACT PERSON: DIANE RUNKELPHONE NUMBER: 789-2205, EXT # 234EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: NON-EXPENDITURE FISCAL IMPACT: \$0.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

List of Prevailing Wages for Sangamon County for June 2015 as required by the Illinois Prevailing Wage Act.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

List of Prevailing Wages for Sangamon County

for June 2015 as published by the Illinois

Department of Labor

CONTRACTOR / VENDOR NAME: NoneVENDOR NO: N/ACONTRACT TERM: N/AChange in Scope Yes ☐ No ☐

CONTRACT AMOUNT:

\$0

(Original amount if change order)

#1

Change Order #

\$0.00

Additional Amount

Method of Purchase (check one)

Previous Ord #'s 404.12.14 / 230.7.13 / 237.07.12☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☒☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

| Fund | Agency | Org | Activity | Object | Amount |
|------|--------|-----|----------|--------|--------|
| 1    |        |     |          |        |        |
| 2    |        |     |          |        |        |
| 3    |        |     |          |        |        |
| 4    |        |     |          |        |        |

## EXPENDITURE

|   | Agency | Org | Activity | Object | Amount |
|---|--------|-----|----------|--------|--------|
| 1 |        |     |          |        |        |
| 2 |        |     |          |        |        |
| 3 |        |     |          |        |        |
| 4 |        |     |          |        |        |

FUNDS CHECK BY: \_\_\_\_\_

Date: \_\_\_\_\_

DIRECTOR / SUPERVISOR SIGNATURE \_\_\_\_\_

Date: 6/10/15

CITY PURCHASING AGENT: \_\_\_\_\_

Date: 6-11-15

## COMMENTS

Pursuant to the Illinois Prevailing Wage Act, 820 ILCS 130/9, the City of Springfield must either ascertain the prevailing wages for Sangamon County on its own or adopt the prevailing wages as ascertained by the Illinois Department of Labor on an annual basis. In order to comply with this act, the City Council must take action on an annual basis. In addition the City Clerk is required to publish the ordinance in a local newspaper and send a certified copy of the ordinance to the Illinois Secretary of State and the Illinois Department of Labor.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

9663

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT  
WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR  
PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER  
EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT  
NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

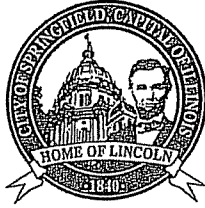
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director

**FROM:** Sandy E. Robinson II, Purchasing Agent 

**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

$\$17,000 + \$1,334 \text{ for } 36 \text{ months } \$48,024 = \$65,024$  assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment:**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).



**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").

☒ Standard RFP with Contracting Support:

- o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer

☒ Standard RFP with Contracting Support and Ongoing Bill Review:

- o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, FL 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with TruVeris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay TruVeris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and TruVeris over powered the other vendors.



While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the Truveris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of Truveris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human Resources CONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

FUNDS CHECK BY: [Signature]Date: 06/08/15DIRECTOR / SUPERVISOR SIGNATURE: [Signature]Date: 6/8/2015CITY PURCHASING AGENT: [Signature]Date: 6/8/15

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B\Truveris\%20Trubid\%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris\%20Trubid\%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9664

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director

**FROM:** Sandy E. Robinson II, Purchasing Agent *SER*

**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

\$17,000 + \$1,334 for 36 months \$48,024 = \$65,024 assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment:**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:
  - One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and
2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").
  - ☒ Standard RFP with Contracting Support:
    - o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer
  - ☒ Standard RFP with Contracting Support and Ongoing Bill Review:
    - o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRUVERIS, INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.



Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, FL 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM.

They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with Truveris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay Truveris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and Truveris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the TruVeris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of TruVeris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| FUNDS CHECK BY: <u>[Signature]</u>                             | Date: <u>06/08/15</u> |
| DIRECTOR / SUPERVISOR SIGNATURE: <u>Melina Tomaras Collins</u> | Date: <u>6/8/2015</u> |
| CITY PURCHASING AGENT: <u>[Signature]</u>                      | Date: <u>6/8/15</u>   |

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N50BB\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9666



**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

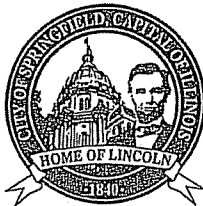
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by:** Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director  
**FROM:** Sandy E. Robinson II, Purchasing Agent   
**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

\$17,000 + \$1,334 for 36 months \$48,024 = \$65,024 assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment:**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").

☒ Standard RFP with Contracting Support:

- o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer

☒ Standard RFP with Contracting Support and Ongoing Bill Review:

- o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect Ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports



▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, FL 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 9,000  
Self-Insured: Yes  
Number of bidders: 8  
Did bidder pay Truveris fee: Yes  
Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.  
Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare  
Customer Service: Over the top  
Day to day contact Christine Begley: Over the top  
Analytics: Amazing  
Module for prescription comparison: Over the top, so helpful and precise  
Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC☐

245 Park Avenue, 16th Floor☐New York, NY 10167☐

Office 212-600-9636☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with TruVeris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay TruVeris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and TruVeris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the TruVeris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

» The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of TruVeris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| FUNDS CHECK BY: <u>[Signature]</u>                             | Date: <u>06/08/15</u> |
| DIRECTOR / SUPERVISOR SIGNATURE: <u>Melina Tomaras-Collins</u> | Date: <u>6/8/2015</u> |
| CITY PURCHASING AGENT: <u>[Signature]</u>                      | Date: <u>6/8/15</u>   |

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RD\mitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CCSN508B\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9666

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT  
WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR  
PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER  
EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT  
NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

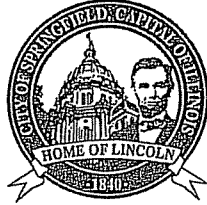
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by:** Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director  
**FROM:** Sandy E. Robinson II, Purchasing Agent *SM*  
**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.



### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

$\$17,000 + \$1,334 \text{ for } 36 \text{ months } \$48,024 = \$65,024$  assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment:**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").



Standard RFP with Contracting Support:

- o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer



Standard RFP with Contracting Support and Ongoing Bill Review:

- o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.



Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, Fl. 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC☐

245 Park Avenue, 16th Floor☐New York, NY 10167☐

Office 212-600-9636☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with TruVeris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay TruVeris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and TruVeris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the TruVeris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of TruVeris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human Resources CONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| FUNDS CHECK BY: <u>[Signature]</u>                             | Date: <u>06/08/15</u> |
| DIRECTOR / SUPERVISOR SIGNATURE: <u>Melina Tomaras-Collins</u> | Date: <u>6/8/2015</u> |
| CITY PURCHASING AGENT: <u>[Signature]</u>                      | Date: <u>6/8/15</u>   |

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsxTruveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9664

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT  
WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR  
PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER  
EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT  
NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

WHEREAS, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

WHEREAS, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

WHEREAS, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

WHEREAS, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

WHEREAS, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

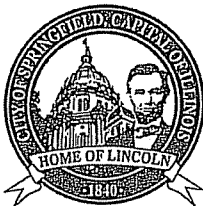
\_\_\_\_\_  
Mayor James O. Langfelder

ATTEST: \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director

**FROM:** Sandy E. Robinson II, Purchasing Agent 

**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

\$17,000 + \$1,334 for 36 months \$48,024 = \$65,024 assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment:**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).



**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services**. Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing**. Customer agrees that the following fees will be paid to Truveris (the "Fees").



Standard RFP with Contracting Support:

- o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer



Standard RFP with Contracting Support and Ongoing Bill Review:

- o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect Ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▣ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, FL 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with TruVeris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay TruVeris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and TruVeris over powered the other vendors.



While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the TruVeris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

» The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of TruVeris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO: \_\_\_\_\_

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

☐ Low Bid☐ Other: \_\_\_\_\_

Previous Ord #'s \_\_\_\_\_

Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

FUNDS CHECK BY: [Signature]Date: 06/08/15DIRECTOR / SUPERVISOR SIGNATURE: Melina Tomaras-CollinsDate: 6/8/2015CITY PURCHASING AGENT: [Signature]Date: 6/8/15

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9666

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director  
**FROM:** Sandy E. Robinson II, Purchasing Agent *SM*  
**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

\$17,000 + \$1,334 for 36 months \$48,024 = \$65,024 assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment:**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall i(for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:
  - One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and
2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").
  - ☒ Standard RFP with Contracting Support:
    - A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer
  - ☒ Standard RFP with Contracting Support and Ongoing Bill Review:
    - A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRUVERIS, INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.



Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect Ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, Fl. 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC☐

245 Park Avenue, 16th Floor☐New York, NY 10167☐

Office 212-600-9636☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with Truveris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay Truveris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and Truveris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the Truveris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

» The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of Truveris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| FUNDS CHECK BY: <u>[Signature]</u>                             | Date: <u>06/08/15</u> |
| DIRECTOR / SUPERVISOR SIGNATURE: <u>Melina Tomaras Collins</u> | Date: <u>6/8/2015</u> |
| CITY PURCHASING AGENT: <u>[Signature]</u>                      | Date: <u>6/8/15</u>   |

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9664



**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT  
WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR  
PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER  
EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT  
NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

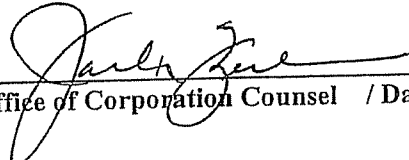
**RECORDED:** \_\_\_\_\_, 2015

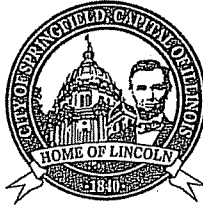
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

  
\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director  
**FROM:** Sandy E. Robinson II, Purchasing Agent   
**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

\$17,000 + \$1,334 for 36 months \$48,024 = \$65,024 assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment :**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall i(for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").



Standard RFP with Contracting Support:

- A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer



Standard RFP with Contracting Support and Ongoing Bill Review:

- A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect Ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports



▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, Fl. 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with Truveris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay Truveris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and Truveris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the Truveris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications.

Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of Truveris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| FUNDS CHECK BY: <u>[Signature]</u>                             | Date: <u>06/08/15</u> |
| DIRECTOR / SUPERVISOR SIGNATURE: <u>Melina Tomaras Collins</u> | Date: <u>6/8/2015</u> |
| CITY PURCHASING AGENT: <u>[Signature]</u>                      | Date: <u>6/8/15</u>   |

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B\Truveris'%20Trubid%20Inc.%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9666

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT  
WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR  
PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER  
EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT  
NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director

**FROM:** Sandy E. Robinson II, Purchasing Agent 

**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.



### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

$\$17,000 + \$1,334 \text{ for } 36 \text{ months } \$48,024 = \$65,024$  assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment :**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").



Standard RFP with Contracting Support:

- o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer



Standard RFP with Contracting Support and Ongoing Bill Review:

- o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.



Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, Fl. 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years

Number of lives on prescription plan: 9,000

Self-Insured: Yes

Number of bidders: 8

Did bidder pay Truveris fee: Yes

Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.

Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare

Customer Service: Over the top

Day to day contact Christine Begley: Over the top

Analytics: Amazing

Module for prescription comparison: Over the top, so helpful and precise

Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with TruVeris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay TruVeris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and TruVeris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the Truveris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of Truveris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

| Fund | Agency | Org | Activity | Source | Amount |
|------|--------|-----|----------|--------|--------|
| 1    |        |     |          |        |        |
| 2    |        |     |          |        |        |
| 3    |        |     |          |        |        |
| 4    |        |     |          |        |        |

## EXPENDITURE

| Fund | Agency | Org  | Activity | Object | Amount      |
|------|--------|------|----------|--------|-------------|
| 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|      |        |      |          |        |             |
|      |        |      |          |        |             |
|      |        |      |          |        |             |

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| FUNDS CHECK BY: <u>[Signature]</u>                             | Date: <u>06/08/15</u> |
| DIRECTOR / SUPERVISOR SIGNATURE: <u>Melina Tomaras Collins</u> | Date: <u>6/8/2015</u> |
| CITY PURCHASING AGENT: <u>[Signature]</u>                      | Date: <u>6/8/15</u>   |

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IES\CC6N508B\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9664

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT  
WITH TRUVERIS' TRIBID, INC. TO ASSIST IN THE REQUEST FOR  
PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER  
EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT  
NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

WHEREAS, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

WHEREAS, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

WHEREAS, Truveris' Tribid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

WHEREAS, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

WHEREAS, the agreement with Truveris' Tribid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Tribid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Tribid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

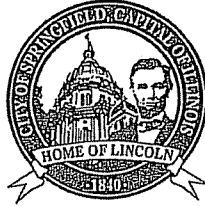
\_\_\_\_\_  
Mayor James O. Langfelder

ATTEST: \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

Requested by: Mayor James O. Langfelder

  
\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director

**FROM:** Sandy E. Robinson II, Purchasing Agent 

**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

\$17,000 + \$1,334 for 36 months \$48,024 = \$65,024 assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment :**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall (for 1<sup>st</sup> round only).



**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:

- One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and

2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").



Standard RFP with Contracting Support:

- o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer



Standard RFP with Contracting Support and Ongoing Bill Review:

- o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.

Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's Internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, FL 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 9,000  
Self-Insured: Yes  
Number of bidders: 8  
Did bidder pay Truveris fee: Yes  
Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.  
Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare  
Customer Service: Over the top  
Day to day contact Christine Begley: Over the top  
Analytics: Amazing  
Module for prescription comparison: Over the top, so helpful and precise  
Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with TruVeris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay TruVeris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and TruVeris over powered the other vendors.



While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the TruVeris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

» The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of TruVeris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

☐ Low Bid☐ Other: \_\_\_\_\_

Previous Ord #'s \_\_\_\_\_

Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

FUNDS CHECK BY: R. DimitrovaDate: 06/08/15DIRECTOR / SUPERVISOR SIGNATURE: Melina Tomaras-CollinsDate: 6/8/2015CITY PURCHASING AGENT: B. C. R. #Date: 6/8/15

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RDimitrova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B1\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9666

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TRUVERIS' TRUBID, INC. TO ASSIST IN THE REQUEST FOR PROPOSALS AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00 FOR THE OFFICE OF HUMAN RESOURCES**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, the City's Joint Labor/Management Health Care Committee is in need of professional services to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources; and

**WHEREAS**, Truveris' Trubid, Inc. is willing to provide these services in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019; and

**WHEREAS**, the City Purchasing Agent has made a determination that this contract is exempt from the provisions of the City Purchasing Code requiring sealed competitive bidding pursuant to the exceptions contained in Section 38.42 pertaining to Professional Services; and

**WHEREAS**, the agreement with Truveris' Trubid, Inc. shall be located in the Office of the City Clerk.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby authorizes the execution of a professional services agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources in an amount not to exceed \$65,100.00 from August 1, 2015, through February 28, 2019. The Mayor and the City Clerk are authorized to execute the agreement on behalf of the City of Springfield.

**Section 2:** That the Office of Budget and Management is hereby authorized to make payment to Truveris' Trubid, Inc. in an amount not to exceed \$65,100.00 from account 074-107-BMGT-HINS-1215 from August 1, 2015, through February 28, 2019.

**Section 3:** That this ordinance shall become effective immediately upon its passage and recording by the City Clerk.

**PASSED:** \_\_\_\_\_, 2015

**SIGNED:** \_\_\_\_\_, 2015

**RECORDED:** \_\_\_\_\_, 2015

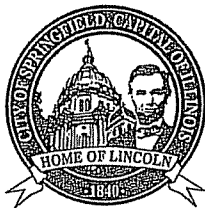
\_\_\_\_\_  
Mayor James O. Langfelder

**ATTEST:** \_\_\_\_\_  
City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by:** Mayor James O. Langfelder

\_\_\_\_\_  
Office of Corporation Counsel / Date



OFFICE OF BUDGET AND MANAGEMENT  
PURCHASING DEPARTMENT  
CITY OF SPRINGFIELD, ILLINOIS

**MEMORANDUM**

**TO:** Melina Tomaras-Collins, HR Director

**FROM:** Sandy E. Robinson II, Purchasing Agent 

**DATE:** June 8, 2015

**SUBJECT:** Professional Services Determination

I have reviewed the Ordinance Fact Sheet approving an agreement and authorizing payment to Truveris' Truebid, Inc. to assist in preparing the Request For Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM) effective August 1, 2015 through February 28, 2019, in an amount not to exceed \$65,100.00, for the Office of Human Resources.

Based on the information provided, I have determined that this vendor possesses a high degree of professional skill and expertise in the required area. Pursuant to Section 38.42 of the City Purchasing Code, this purchase is exempt from the City's requirements for Sealed Competitive Bids.

### **Truveris/Trubid Pricing:**

Customer agrees that the following fees will be paid to Truveris (the "Fees").

Standard RFP with Contracting Support and Ongoing Bill Review:

- o A one-time payment of \$17,000 (came down from \$20,000)
- o A monthly payment of \$1,334 due and payable for Support Services

$\$17,000 + \$1,334 \text{ for } 36 \text{ months } \$48,024 = \$65,024$  assuming COS keeps them on the full 3 years of the PBM-Pharmacy Benefit Manager RFP. City can cancel at anytime with a 30 day notice.

Truveris will not charge the one-time fee of \$17,000 until after the completion of the PBM RFP and the monthly support charges of \$1,334 will not start until March 1, 2016 which is the beginning of the new plan year.

### **Truveris response for ROI-Return on Investment :**

A high-level ROI assumption for this case...

- Estimating \$4M in annual spend based on a 4200 life group. (City has approx 4600 lives)
- TruBid should net them ~\$400,000 in savings per year
- Ongoing Bill Review should identify an additional \$50,000 in extra savings per year (normally 1-2% of drug spend)

Truveris can prepare a more formal ROI assumption once we receive COS claims data. This is a conservative analysis so it could be much higher but all depends on utilization and current spend.



## **TRUBID ENGAGEMENT PROCESS FOR PUBLIC BIDS** **PREPARED FOR THE CITY OF SPRINGFIELD**

### **Access to the Online Tool:**

- Truveris will provide a TruBid link that will invite any suppliers to participate in the RFP and provide access to the TruBid online tool. This link may also be provided later in the process once the City of Springfield pre-qualifies suppliers.
- Truveris will provide TruBid "bid instructions" that can be published by the client along with the TruBid link in a public forum or proposal submission system of the client's choice.
- Any new suppliers who have never used the TruBid tool will be asked to go through a registration process with Truveris which will generate log in credentials for the supplier.
- New suppliers will be offered one blinded online training by the TruBid Operations team.
- Any questions regarding the system (e.g. system questions, login credentials reset, clarifying access questions, etc.) are received from Suppliers directly through the TruBid tool.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.

### **Submitting a Proposal:**

- For the City of Springfield, suppliers will go through a vetting process so that City of Springfield may ascertain whether a bidder meets all the minimum requirements to submit a proposal via the TruBid system.
- Any clarifying questions regarding the content of the RFP (plan design, demographic information, clarifying financial parameters, etc.) are submitted by Suppliers via the TruBid tool. These are then packaged and shared with the client for response. Truveris can coordinate the response loop back to the Suppliers via the TruBid tool.
- The RFP process consists of two rounds. Truveris will work with the City of Springfield to finalize a timeline consistent with their needs.

### **Analytics and Reporting:**

- At the end of each round, Truveris will have RFP results ready for review within 5 – 7 business days.
- Via the TruBid tool, suppliers can view their own bid submission (for both rounds) as well as blinded "best in class" results from the top scoring Suppliers overall i(for 1<sup>st</sup> round only).

**STATEMENT OF WORK # 1 TO TRUVERIS MASTER SERVICES AGREEMENT**  
**Customer – City of Springfield, IL; Product – TruBid®**

**THIS STATEMENT OF WORK TO TRUVERIS MASTER SERVICES AGREEMENT** (this "SOW") is made and entered into as of August 1, 2015 between Truveris, Inc., with an address at 475 Park Avenue South, Suite 2950, New York, NY 10016 ("Truveris"), and City of Springfield, IL with an address at 800 East Monroe Street #300, Springfield, IL 62701 ("Customer"); and is a schedule to a certain Truveris Master Services Agreement between Truveris and Customer made and entered into as of August 1, 2015 (the "Master Agreement"). All defined terms not defined herein are as defined in the Master Agreement.

**WHEREAS**, Customer wishes to utilize the Services, in accordance with the Master Agreement, to assist in connection with selection of a prescription benefits manager ("PBM") to manage the Customer's prescription benefit plan, particularly, Truveris' TruBid® offering, as more particularly described as part of Attachment A, and as such may be modified and available from time to time by Truveris (the "TruBid® Services"); and

**WHEREAS**, Truveris has agreed to provide the TruBid® Services to Customer in accordance with the terms and conditions of this SOW and the Master Agreement.

**NOW THEREFORE**, in consideration of the foregoing, and the mutual covenants set forth in this SOW and the Master Agreement, Truveris and Customer agree as set forth herein.

1. **Services.** Truveris will perform the following services:
  - o One instance of TruBid® Services on behalf of Customer in accordance with the "Standard RFP" and "Additional Options" (as defined in Attachment A); and
2. **Pricing.** Customer agrees that the following fees will be paid to Truveris (the "Fees").
  - ☒ Standard RFP with Contracting Support:
    - o A one-time payment of \$17,000 plus any fees incurred for Additional Options elected by Customer
  - ☒ Standard RFP with Contracting Support and Ongoing Bill Review:
    - o A monthly payment of \$1,334 due and payable for Support Services

As is customary and at the election of Customer, the Fees may be paid on behalf of Customer by the PBM selected by Customer, or alternatively, by Customer, and are payable the latter of: a) net thirty (30) days of receipt of an invoice from Truveris, or b) if expected to be paid on behalf of Customer by the PBM selected by Customer, no later than upon plan implementation.

One-time Fees shall be due and payable upon substantial completion of RFP Work Deliverables (as defined in Attachment A).

Unless otherwise modified by the terms and conditions of this SOW, the terms and conditions of the Master Agreement will remain in effect to govern the arrangement among the parties.

**CUSTOMER**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRUVERIS, INC.**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment A

### TruBid® Services

TruBid® is a state-of-the-art, proprietary, and patent-pending software platform that enables plans to conduct an RFP by soliciting electronic submissions of terms and pricing and assess the cost projections and quality of the bid. The System captures detailed contract and financial proposals then applies proprietary algorithms to normalize the data in electronic claims files provided by Customer or Customer's Pharmacy Benefit Managers ("PBMs") and project costs based upon submitted financial terms and Truveris proprietary methodology including utilization inflation, price inflation, generic pipeline forecasts, and adjustments for bidder terms quality. The System re-adjudicates the provided claims utilizing the configured contract or RFP bid parameters to calculate the projected costs and the "Bid Financial Score". Additionally, the system captures bidder responses for solicited contractual terms and uses proprietary algorithms to assess bidder compliance, relative importance, and apply a "Bid Quality Score" indicating the relative strength of terms agreed to.

The TruBid® system is capable of capturing a variety of business requirements in order to maintain flexibility to service any potential Customer needs.

A "Standard RFP" means a TruBid® engagement that includes:

- Creation of RFP Profile: Gathering of TruBid data requirements, consultation with Customer to assess bid parameters, and establishment of a timeline for the selection process.
- Solicitation of responses from up to five (5) PBMs (the "Bid") including:
  - One terms proposal: Truveris will configure client RFP terms including Customer specific contract requirements. Truveris will provide its standard RFP and Customer may edit or add up to thirty custom terms or requirements. In the event client is requesting more than thirty custom terms, an additional fee for "Terms Customization" will apply (see below).
  - One financial proposal: Request for bidder submission of one financial proposal. A financial proposal is based upon the selection of different plan options such as: broad/narrow network, open/restricted formulary, clinical programs, plan design, or pricing options such as pass-through or traditional pricing structure. In the event Customer requests to solicit more than one financial proposal in order to assess different options, then an additional fee for an additional "Bid Scenario" will apply (see below).
  - Two rounds of bidding: Truveris will solicit one submission per round from the selected vendors. Truveris recommends that four to seven (maximum) vendors be included in the initial round of bidding, and no more than four vendors be included in the second round of bidding.
- Bid Analysis: TruBid® will analyze the submitted terms and financial proposals provided by each bidder and determine financial projections/scoring and bid quality scoring.

"Additional Options" are services that are requested by Customers to be delivered in addition to the Standard RFP including:

- Additional Bid – If Truveris is requested to solicit additional financial proposals (e.g. broad network vs. narrow network, open specialty vs. closed specialty) a fee of \$1,500 for each additional Bid Scenario requested.
- Additional Bid Round – If Truveris is requested to solicit an additional round of bidding from prospective vendors, a fee of \$2,500 for each additional round of bidding that is requested.
- Additional PBM Participant – If Truveris is requested to solicit additional PBM Bids beyond the five (5) included in the Standard RFP, a fee of \$2,000 for each additional PBM participating.
- Average Script Price – If Truveris is requested to solicit a bid consisting of Average Script Price guarantees ("ASP") from prospective vendors, a fee of \$2,500 for each ASP scenario that is requested.
- Terms Customization – If Truveris is requested to customize greater than thirty RFP terms, a fee of \$200/hour will be charged for the actual time spent customizing such terms.
- In-Person Meeting Attendance – If Truveris is requested to attend a meeting in person, an additional fee will be charged. For meetings in the immediate vicinity of New York City, a fee of \$200/hour. For meetings out of the immediate vicinity of New York City, a fee of \$3,000 will be charged + reasonable travel expenses.
- Other Consulting Services – Truveris may provide additional services upon request, for a fee of \$200/hour.



Each Truveris TruBid® engagement is inclusive of the following three enumerated deliverables ("RFP Work Deliverables"):

**1) Kickoff and Initial Set Up**

Truveris' industry expert Client Operations team will work with Customer to manage initial analysis of Customer's requirements and current plan information. The Client Operations team will coordinate requests for information to the PBM and/or other third party vendors (e.g., eligibility vendors, brokers, or third party administrators) as well as validate the returned documents or files to ensure completeness of Customer records. The Client Operations team will configure the System according to the Customer's plan documents and data provided and will oversee the processing of claims data files by the System in order to ensure accurate configuration and resulting outputs.

**2) RFP Development and Release**

Truveris will consult with the Customer to develop the request for proposal including determination of the list of vendors to be invited (up to seven), expectations for RFP conclusion, customized terms (if any), bidding requirements, parameters for the requested financial proposal, and number of bidding rounds (up to two in the Standard RFP). In the event that Customer requests Additional Options, Truveris will request written or email confirmation of the Additional Options being requested. Prior to issuance of the RFP to prospective vendors, Truveris will review the draft RFP configuration with Customer to confirm the accuracy and appropriateness of the configuration.

Upon release of the RFP to the prospective vendors, Truveris will oversee all follow up and communications with the Vendors.

**3) Proposal Review**

Truveris will conduct the financial analysis by applying Customer's specific utilization and claim distributions in Truveris' robust financial model. Because prescription drug prices and utilization demonstrate significant variance from year to year, Truveris will analyze the proposals with Customer's current data and trend forward to reflect projected costs over the expected term of the new arrangement. Financial analysis results will be presented in aggregate, by plan and member for Customer. Results will include both Executive Summary and Detailed formats to meet the needs of Customer's internal decision-making process.

After presentation by Truveris of the results of round 1 bid submissions, Customer will be asked to select RFP finalists (up to four) for participation in round 2 of the bidding. Truveris will solicit revised bids from the selected PBMs and compile a final bid analysis from the resulting submissions. If additional rounds of bidding are requested then this process will repeat.

Upon completion of the RFP, Truveris will compile the bid submissions including: contract terms, financial proposals, and Truveris analysis of the vendors that submitted proposals during the RFP process. Truveris will provide to Customer a .PDF copy of all submitted bid documentation memorializing the terms agreed upon in the PBM bids.

**4) Contracting Support**

If the option is selected by Customer on the Statement of Work, Truveris will provide consulting services in support of contract review and negotiation. Truveris will review the proposed PBM agreement, provide comments and proposed revisions to the drafts, and will participate in conference calls with Customer and their selected PBM as are necessary to facilitate negotiation of an agreement for PBM services. This project includes 2 contract redlines/reviews and 1 call with the elected PBM for up to 3 hours.

Truveris strongly recommends that Customer's legal counsel review all PBM proposed agreements. Participation by Truveris in support of Customer contract negotiations is intended to provide consultation and subject matter expertise on industry related subject matter and not intended to replace or satisfy Customer's need for legal counsel. Truveris does not offer legal advice or opinions of the fitness of the proposed agreements to Customer's needs.

**Support Services**

Truveris staff includes both technical staff as well as industry veterans with broad domain expertise. Truveris is committed to providing the highest level of service to our Customers and to ensuring that pharmacy benefit contracting and administration is managed efficiently and effectively. Each Truveris Support Services engagement is inclusive of the following four enumerated services:

**1) Fee Schedule and Key Definitions Review**

Upon Customer request, Truveris will review the proposed agreement between the PBM and Customer one time to ensure that the following items are consistent with the PBM Bid:

- Brand/Generic definitions
- Ingredient cost per claim discounts (traditional pricing only)
- Per claim dispensing Fees (traditional pricing only)
- Ingredient cost average discount guarantees (e.g. AWP discount guarantees)
- Maximum average dispensing fee guarantees
- Specialty drug price list consistency with bid
- Pricing guarantee reconciliation methodology, including guarantee claim exclusions
- Rebate guarantees per claim amounts
- Rebate guarantees reconciliation methodology including guarantee claim exclusions
- Data feeds and invoice review terms
- Base admin fee amounts (i.e. per claim, PEPM, or PMPM \$ amounts)

Consulting services related to contract procurement and negotiation assistance are available and are not included in the scope of services for the stated Fees unless "Contracting Support" is selected by Customer on the Statement of Work.

## **2) Claims Analysis / Bill Review**

As part of the Support Services, Truveris offers to receive plan data and provide ongoing performance analysis to ensure that the Customer receives the full benefit of the pricing and discounts negotiated in their PBM Agreement and to ensure proper payment of benefits pursuant to plan design. Ongoing review may be completed every two weeks or on such data delivery cycle as is mutually agreed upon by the PBM and Customer.

The Truveris Client Operations team will engage with Customer and PBM to facilitate the account setup and System configuration. This will include facilitating requests for: plan documentation, electronic claims data, price lists, and other required information as needed. Upon receipt of all required documents and information, System will be configured for claims analysis. In the event of any updates to the plan, the Client Operations team will make any configuration changes as required to ensure accurate processing of plan claims data.

The Truveris Client Operations team will utilize the System to perform analysis of all electronic claims data provided by the Customer or PBM and will provide quality assurance of all results for accuracy and correctness.

- Reversal Analysis identifies and removes all reversal claims (claims where the provider has negated a claim by issuing a credit for the identical dispense) from further analysis.
- Adjudication Errors Analysis, which includes the identification of:
  - Duplicate claims
  - Claims with invalid National Drug Codes ("NDCs")
  - Claims with incorrect ingredient cost based upon improperly applied MAC, specialty drug discount, or discounted Average Wholesale Price ("AWP"), or Usual and Customary charge ("U&C")
  - Claims with incorrectly applied dispensing fees
- Pricing Guarantee Analysis includes the calculation of:
  - Ingredient cost guarantees by AWP
  - Dispensing fee guarantees

## **3) Performance Reports**

- Delivery of web-based summary reports including:
  - Quarterly Reports – summary cost and findings data by calendar quarter
  - Calendar Year Financial Summary – Presentation of summary cost and findings data by calendar quarter
  - Claims Analysis – Presentation of summarized claims activity and cost components by claims category
  - Errors Analysis – Presentation of claims adjudication errors and cost components
  - Guarantee Analysis – Presentation of pricing guarantee cost components, calculations, and shortfall
  - PDF download of all screen reports
- Ability to download Microsoft Excel readable file formats of claims data substantiating any reports

▪ **Data Storage/Warehousing:**

- Retain and access all invoice data files in their original format
- Retain and access all claims data in an accessible and human readable format
- Retain and access all price list files
- Retain and access all plan documents
- Provide Customer any such data upon request in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

All such data will be provided to Customer upon termination of the Agreement, in file formats compatible with the Microsoft Office or Adobe PDF suite of products.

**5) Customer Support**

User support is available during regular business hours (9am-6pm eastern time) and includes assistance using the System as well as subject matter expert assistance understanding claims analysis or questions about the PBM Agreement resulting from the TruBid® process.



Truveris TruBid References for City of Springfield:

Reference checks were all positive, no negatives. Feed back below in green. Please let me know if further research is needed.

Rick Dowdle  
Coalition Services LLC  
2360 N. 124th St., Suite 200  
Milwaukee, WI 53226  
Direct line 414-312-7788  
Cell Phone 414-207-0462  
[rdowdle@coalitionservices.com](mailto:rdowdle@coalitionservices.com)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 34,000  
Self-Insured: Yes, all 11 within Coalition  
Number of bidders: 7  
Did bidder pay Truveris fee: Yes  
Savings thus far: 17%  
Current PBM: CVS/Caremark prior was ESI  
Customer Service: Excellent  
Day to day contact Christine Begley: Phenomenal  
Analytics: Phenomenal  
Module for prescription comparison: Phenomenal  
Preparation for RFP: Phenomenal  
After their onsite presentation all 11 participants from the Coalition did not want to hear any others, but went ahead for courtesy purposes.

Kevin T. Windham, CFE, CSRM  
Director Risk Management & Benefits  
The School District of Escambia County  
75 North Pace Blvd. Pensacola, FL 32505  
(850) 469-6218  
[kwindham@escambia.k12.fl.us](mailto:kwindham@escambia.k12.fl.us)

Number of years with Truveris: 2.5 years  
Number of lives on prescription plan: 9,000  
Self-Insured: Yes  
Number of bidders: 8  
Did bidder pay Truveris fee: Yes  
Savings thus far: Large savings, plus during their monthly audit found some errors from their tracking audit system and working on recover with PBM. They keep the PBM honest.  
Current PBM: Optum who came in 2<sup>nd</sup> through RFP process, but chose them over Caremark even though Caremark came in first. Reason, Optum partners with their medical TPA UHC-United Healthcare  
Customer Service: Over the top  
Day to day contact Christine Begley: Over the top  
Analytics: Amazing  
Module for prescription comparison: Over the top, so helpful and precise  
Preparation for RFP: Over the top and will always use them for their PBM and medical RFPs. Scoring technique for bidders was impressive.

Julie Casella ☐

Managing Director | CCMP Capital Advisors LLC ☐

245 Park Avenue, 16th Floor ☐ New York, NY 10167 ☐

Office 212-600-9636 ☐

Mobile 646-509-8479

[julie.casella@ccmpcapital.com](mailto:julie.casella@ccmpcapital.com)

[www.ccmpcapital.com](http://www.ccmpcapital.com)

Number of years with Truveris: 5 years

Number of lives on prescription plan: Thousands, \$8 billion dollars

Self-Insurance: Yes and no, split between 20 large companies

Number of bidders: 10

Did bidder pay Truveris fee: Yes

Savings thus far: \$3.6 billion

Current PBM: Optum, Express Scripts, Caremark, Catalyst

Customer Service: Can't beat them

Day to day contact Christine Begley: Outstanding

Analytics: Outstanding

Module for prescription comparison: Very impressive.

She stated if we do not chose them we will miss out. She had onsite visits and Truveris over powered the other vendors.

While common tactics, like negotiating competitive discounts and rebates for specialty drugs, are still useful when competition exists, “rebates change rapidly,” Zimmerman said. “Employers must continually refresh their pharmacy benefit management [PBM] firm’s discounts and rebates to maximize available discounts.”

#### Drug Prices Jump Another 3.8% in First Quarter 2015

In 2014, branded drug prices jumped 14.8 percent, specialty drugs rose 9.7 percent and generic drugs increased 4.9 percent, for a combined overall increase of 10.9 percent, according to the TruVeris National Drug Index (<http://truverisblog.tumblr.com/post/117605470877/2015-prescription-drug-prices-jump-another-3-8-in>) (NDI).

Prescription drug price inflation shows no sign of slowing. Between January and March 2015, branded drug prices jumped another 5.7 percent, specialty drugs rose 2.5 percent and generic drugs increased 1.4 percent, for a combined overall increase of 3.8 percent.

The index report points to infertility (12.2 percent), menopause (8.8 percent) and hormone deficiency (8.5 percent) as conditions that saw the highest drug price increases during the first quarter, taking into account composite calculations of brand, specialty and generic medications. Generic drugs for menopause notably spiked 11.1 percent, increasing at a higher rate than the composite calculation.

“Prescription drug prices continue to rise at a rate that makes it increasingly difficult for businesses to keep the costs of employee benefits in check,” said Bryan Birch, Chairman, president and CEO of TruVeris, a prescription drug analytics company. “This necessitates that benefit plan managers act now to reevaluate benefit plan designs for 2016, or contemplate stop-loss insurance to cover this mounting liability. By taking these precautions, plans can confirm they have all options at their disposal to best meet their bottom line objectives and the needs of their employees.”

#### Medical vs. Pharmacy Plan

The market is dynamic enough for employers to reconsider their management approach every year, or even more frequently. The key question is, “are these specialty drugs better managed by the medical plan or a PBM?” Dross said. Because the decisions involved in prescribing and often administering these drugs lies with physicians prescribing the drug, some of the costs related to these drugs, especially administering them, will end up in medical claims and should be managed accordingly.

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING: June 16, 2015OFFICE REQUESTING: Office of Human ResourcesCONTACT PERSON Melina Tomaras-Collins/Brook JonesPHONE NUMBER: 789-2446EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: New Service Agreement FISCAL IMPACT: \$65,100.00

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE APPROVING A SERVICE AGREEMENT WITH TRUVERIS' TRUBID, INC., TO ASSIST IN THE REQUEST FOR PROPOSAL AND SELECTION OF A PHARMACY BENEFIT MANAGER EFFECTIVE AUGUST 1, 2015, THROUGH FEBRUARY 28, 2019, IN THE AMOUNT NOT TO EXCEED \$65,100.00, FOR THE OFFICE OF HUMAN RESOURCES.

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: Truveris' Trubid, Inc.

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: August 1, 2015, - Feb. 28, 2019 CONTRACT # \_\_\_\_\_Yes ☐ No ☐

CONTRACT AMOUNT: \_\_\_\_\_

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☒☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|  | Fund | Agency | Org  | Activity | Object | Amount      |
|--|------|--------|------|----------|--------|-------------|
|  | 074  | 107    | BMGT | HINS     | 1215   | \$65,100.00 |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |
|  |      |        |      |          |        |             |

FUNDS CHECK BY: [Signature]Date: 06/08/15DIRECTOR / SUPERVISOR SIGNATURE: Melina Tomaras-CollinsDate: 6/8/2015CITY PURCHASING AGENT: [Signature]Date: 6/8/15

## COMMENTS

This ordinance authorizes an agreement with Truveris' Trubid, Inc. to assist in preparing the Request for Proposal (RFP) and the selection of a Pharmacy Benefit Manager (PBM), offering monthly support and auditing for the City of Springfield's Prescription Drug program for the Office of Human Resources August 1, 2015, through February 28, 2019, in an amount not to exceed \$65,100.00. Approved by the Joint Labor Management Healthcare Committee.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

C:\Users\RD\m\irova\AppData\Local\Microsoft\Windows\Temporary Internet

Files\Content\IE5\CC6N508B\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx\Truveris'%20Trubid%20Inc.,%20Ordinance%20Fact%20Sheet%20[2].xlsx

The information supplied on this form is not confidential information.

Revised 5/26/04

9666



**AN ORDINANCE TO DECREASE THE NUMBER OF CLASS "B1"  
LIQUOR LICENSES BY ONE AND INCREASE THE NUMBER OF  
CLASS "B" LIQUOR LICENSES BY ONE FOR S & A LIQUOR INC.,  
2001 E. JACKSON**

---

WHEREAS, S & A Liquor Inc. currently holds a Class "B1" liquor license for the business known as S & A Liquors located at 2001 E. Jackson Street; and

WHEREAS, S & A Liquor desires to relinquish its Class "B1" liquor license and has applied for a Class "B" liquor license; and

WHEREAS, it is necessary to control the number of licenses authorized per classification pursuant to Chapter 90, Section 90.17 of the 1988 City of Springfield Code of Ordinances, as amended.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council hereby approves a decrease in the number of Class "B1" liquor licenses by one and approves an increase in the number of Class "B" liquor licenses by one.

**Section 2:** That this ordinance shall take effect immediately upon its passage and recording by the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor James O. Langfelder

ATTEST: \_\_\_\_\_  
City Clerk Frank J. Lesko

REQUESTED BY:  
Liquor Control Commission

Approved as to legal sufficiency:

\_\_\_\_\_  
Office of Corporation Counsel / Date

## ORDINANCE FACT SHEET

REQUEST FORM NO:

DATE OF 1ST READING:

6/16/15

OFFICE REQUESTING: Business LicensingCONTACT PERSON: Todd Oliver, ManagerPHONE NUMBER: 788-8411EMERGENCY PASSAGE: No ☒ Yes ☐ If yes, explain justification.TYPE OF ORDINANCE: Liquor LicenseFISCAL IMPACT: NA

(If amending a previous ordinance, please attach a copy of the previous ordinance)

## SUGGESTED TITLE:

AN ORDINANCE TO DECREASE THE NUMBER OF CLASS "B1" LIQUOR LICENSES AND INCREASE THE NUMBER OF CLASS "B" LIQUOR LICENSES TO S & A LIQUOR INC., D/B/A S & A LIQUOR, 2001 E. JACKSON ST., SPRINGFIELD, ILLINOIS

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: \_\_\_\_\_

VENDOR NO: \_\_\_\_\_

CONTRACT TERM: \_\_\_\_\_

CONTRACT # \_\_\_\_\_

Change in Scope

Yes ☐No ☐

CONTRACT AMOUNT:

(Original amount if change order)

Change Order # \_\_\_\_\_

Additional Amount \_\_\_\_\_

Method of Purchase (check one)

Previous Ord #'s \_\_\_\_\_

☐ Low Bid☐ Other: \_\_\_\_\_Is Purchasing Agent approval required? No ☐ Yes ☐☐ Low Bid Meeting Specs☐ Exception: \_\_\_\_\_Is Purchasing Agent approval attached? No ☐ Yes ☐☐ Low Evaluated Bid

Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

## REVENUE

|   | Fund | Agency | Org | Activity | Source | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

## EXPENDITURE

|   | Fund | Agency | Org | Activity | Object | Amount |
|---|------|--------|-----|----------|--------|--------|
| 1 |      |        |     |          |        |        |
| 2 |      |        |     |          |        |        |
| 3 |      |        |     |          |        |        |
| 4 |      |        |     |          |        |        |

FUNDS CHECK BY: \_\_\_\_\_

Date: \_\_\_\_\_

DIRECTOR / SUPERVISOR SIGNATURE \_\_\_\_\_

Date: \_\_\_\_\_

CITY PURCHASING AGENT: \_\_\_\_\_

Date: \_\_\_\_\_

## COMMENTS

This ordinance is to decrease the number of Class "B1" liquor licenses by one and to increase the number of Class "B" liquor licenses by one to S & A Liquor Inc., d/b/a S & A Liquor, 2001 E. Jackson St., Springfield Illinois. A Class "B1" license shall entitle the licensee to sell alcoholic liquor in the original package only, for consumption off of the premises, but shall not authorize consumption on the premises. Said license shall entitle the licensee to sell alcoholic liquor from 7:00 a.m. until 10:00 p.m., Monday through Sunday. A Class "B" license shall entitle the licensee to sell alcoholic liquor in the original package only, for consumption off of the premises, but shall not authorize consumption on the premises. Said license shall entitle the licensee to sell alcoholic liquor from 7:00 a.m. until 1:00 a.m., Monday through Sunday.

SIGN OFF: \_\_\_\_\_

(Mayor's Signature)

(Director of OBM)

AN ORDINANCE AUTHORIZING THE PURCHASE OF CHEMICALS FOR MERCURY  
OXIDATION, CAPTURE AND REMOVAL AT DALLMAN FROM NALCO COMPANY  
IN AN AMOUNT NOT TO EXCEED \$3,558,600.00  
FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, this ordinance approves the purchase of chemicals from Nalco Company ("Nalco") for mercury oxidation, capture and removal at Dallman, and

WHEREAS, the chemicals are required so that mercury emission limits from the stacks are met, and

WHEREAS, Nalco holds the patents on the chemicals required, and

WHEREAS, in accordance with the provisions of Section 38.40 of the City Code, the Purchasing Agent has determined that this contract is not subject to sealed competitive bidding.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby approves the purchase of mercury oxidation, capture and removal chemicals for a 3-year period from Nalco in an amount not to exceed Three Million, Five Hundred Fifty-Eight Thousand Six Hundred Dollars and No Cents (\$3,558,600.00).

Section 2. The Mayor and the City Clerk are hereby authorized and empowered to execute any necessary documents with Nalco on behalf of the City of Springfield Office of Public Utilities.

Section 3. The Payment to Nalco for the total maximum amount of Three Million, Five Hundred Fifty-Eight Thousand Six Hundred Dollars and No Cents (\$3,558,600.00) from Account No. 102-100-CABC-8018-1418 is hereby authorized, approved and directed.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City Clerk.

PASSED: \_\_\_\_\_, 2015

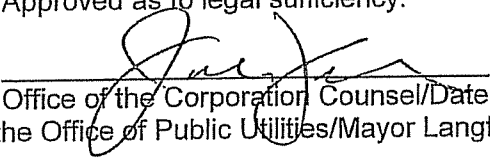
SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_

Approved as to legal sufficiency:

  
\_\_\_\_\_  
Office of the Corporation Counsel/Date  
Requested by the Office of Public Utilities/Mayor Langfelder

**ORDINANCE FACT SHEET**

AGENDA NUMBER: \_\_\_\_\_

DATE OF 1ST READING: \_\_\_\_\_

06-16-15

ORDINANCE REQUEST NUMBER: \_\_\_\_\_

**DEPARTMENTAL INFORMATION**OFFICE REQUESTING: PUBLIC UTILITIESSTAFF MEMBER: TRACY JOHANSSONEMERGENCY PASSAGE: YES/NO If yes, list justification.**BUDGETARY/STAFFING INFORMATION**FISCAL IMPACT: \$ 3,558,600.00BUDGETED: YES/NONEW POSITION: YES/NO

STAFFING IMPACT: N/A

TYPE OF ORDINANCE: Sole Source

ACCOUNTING INFORMATION: 102-100-CABC-8018-1418

PRIOR ORDINANCE INFORMATION: Not Applicable.

**VENDOR/AWARD INFORMATION**CONTRACTOR NAME: Nalco Company CONTRACT AMOUNT: \$ 3,558,600.00

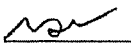
(Original Amount if Change Order)

CONTRACT TERM: 3 years TYPE OF AWARD: Sole SourceCHANGE IN SCOPE Y X N CHANGE ORDER # N/A ADDT'L AMOUNT \$ 0.00**STAFF ANALYSIS:** (This includes description of work, background on issue and the justification of why the ordinance was not low bid. If you need additional space, please continue on the back of this form.)

This is a recurring contract for the purchase of chemicals for mercury oxidation, capture & removal at Dallman.

This ordinance approves the purchase of MerControl 7895, a halogen oxidizer for mercury, & MerControl 8034 Plus, a mercury re-emission control chemical, in an amount not to exceed \$3,558,600. The chemicals are used to minimize the air mercury emission by 90% or greater at the stack outlets & to meet IEPA mercury emissions limits. The contract is for 3 years.

Nalco Company holds the patents on both of these chemicals, and they are the only source from which we can buy them.

SIGN OFF: \_\_\_\_\_ Mayor's Office  OBM  
(When Applicable)

AN ORDINANCE ACCEPTING BIDS AND AUTHORIZING THE EXECUTION OF  
 CONTRACT UW16-04-14 – COLD WATER METERS WITH  
 MIDWEST METER, INC. AND ILLINOIS METER, INC.  
 IN THE AMOUNT OF \$802,738.00 FOR THE WATER DIVISION  
FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, by previous action, the Specifications Committee approved specifications for Contract UW16-04-14 – Cold Water Meters for the City of Springfield Office of Public Utilities' Water Division Field Services Center, and

WHEREAS, as described in said specifications, advertisement for bids for Contract UW16-04-14 was placed, and

WHEREAS, Midwest Meter, Inc. submitted the low bid meeting specifications for Section A, AMR meters, however, because of the local vendor preference, Illinois Meter, Inc. is being awarded Section A of the contract, and

WHEREAS, Midwest Meter, Inc. submitted the only bid meeting specifications for Section B, replacement AMR registers, and

WHEREAS, the proposed contract documents and bid proposals are on file in the Office of the City Clerk and identified by Contract Index No. UW16-04-14.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby approves and accepts the bids from Illinois Meter, Inc. and Midwest Meter, Inc. for Contract UW16-04-14 – Cold Water Meters in an amount not to exceed Eight Hundred Two Thousand Seven Hundred Thirty-Eight Dollars and No Cents (\$802,738.00) for the City of Springfield Office of Public Utilities' Water Division Field Services Center.

Section 2. The Mayor and the City Clerk are hereby authorized and empowered to execute said Contracts with Illinois Meter, Inc. and Midwest Meter, Inc. on behalf of the City of Springfield Office of Public Utilities.

Section 3. The Payments by the City of Springfield Office of Budget and Management to Midwest Meter, Inc. in the amount of \$138,900.00 and to Illinois Meter, Inc. in the amount of \$663,838.00 from Account Nos. 101-100-BA-5161-1403 and 101-100-BE-5161-2313 are hereby authorized, approved and directed.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City of Springfield Office of the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_

Approved as to legal sufficiency:

\_\_\_\_\_  
Office of the Corporation Counsel/Date

Requested by the Office of Public Utilities/Mayor Langfelder

**ORDINANCE FACT SHEET**

AGENDA NUMBER:  
 DATE OF 1ST READING: 06-16-15  
 ORDINANCE REQUEST NUMBER: \_\_\_\_\_

**DEPARTMENTAL INFORMATION**

OFFICE REQUESTING: PUBLIC UTILITIES STAFF MEMBER: TRACY JOHANSSON

EMERGENCY PASSAGE: YES/NO If yes, list justification.

**BUDGETARY/STAFFING INFORMATION**

FISCAL IMPACT: \$ 802,738.00 BUDGETED: YES/NO NEW POSITION: YES/NO

STAFFING IMPACT: The meters and register sets will be installed by Water Division personnel.

TYPE OF ORDINANCE: Bid Contract UW16-04-14

ACCOUNTING INFORMATION: Account Nos. 101-100-BA-5161-1403, 101-100-BE-5161-2313

**VENDOR/AWARD INFORMATION**

CONTRACTOR NAME: Illinois Meter, Inc.  
Midwest Meter, Inc. CONTRACT AMOUNT: \$ 802,738.00  
 (Original Amount if Change Order)  
 CONTRACT TERM: 1 Year TYPE OF AWARD: Bid Contract: Low Bids

CHANGE IN SCOPE Y X N CHANGE ORDER # N/A ADDT'L AMOUNT \$ 0.00

**ANNEXATION INFORMATION** (Not applicable to the Office of Public Utilities.)

IS REQUEST AN ANNEXATION: YES/NO IF YES, ANNEXATION RATING: \_\_\_\_\_

ANNEXATION NOTES:

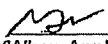
**STAFF ANALYSIS:** (This includes description of work, background on issue and the justification of why the ordinance was not low bid. If you need additional space, please continue on the back of this form.)

This is an annual ordinance for the purchase of cold water meters.

This Ordinance accepts the low bids for Contract UW16-04-14 in the total amount of \$802,738.00 with Illinois Meter, Inc. and Midwest Meter, Inc. for the purchase of automatic meter reading (AMR) capability cold water meters along with AMR register sets. The final contract price reflects a \$4,207.00 credit for recycling old meters. These meters are required for residential and commercial water services. The vendors are not guaranteed a minimum order. Items will be purchased on an as needed basis.

There were 2 bidders on the contract. Illinois Meter, Inc. is the only local vendor. Midwest Meter, Inc. submitted the low bid meeting specifications for Section A, AMR meters. However, because of the local vendor preference, Illinois Meter, Inc. is being awarded Section A of the contract for \$663,838.00. Midwest Meter, Inc. submitted the only bid meeting specifications for Section B, replacement AMR registers, for \$138,900.00.

Last time, the Council awarded this contract to the same vendors for \$1,661,310.00. The decrease in dollar amount is due to a decrease in estimated quantities. The unit prices have increased & the scrap value has decreased.

SIGN OFF: \_\_\_\_\_ Mayor's Office  OBM  
 (When Applicable)

AN ORDINANCE APPROVING PAYMENT TO CONSTELLATION NEW ENERGY-GAS DIVISION, LLC IN AN  
AMOUNT NOT TO EXCEED \$720,200.00 FOR THE PURCHASE OF NATURAL GAS  
THROUGH FISCAL YEAR 2016 UNDER AN  
EXISTING CONTRACT FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, under Ordinance No. 155-03-06, the Council of the City of Springfield approved a Base Contract for Sale and Purchase of Natural Gas with ProLiance Energy, LLC, for the purchase of natural gas for the City of Springfield Office of Public Utilities Interstate Combustion Turbine, and

WHEREAS, Ordinance No. 418-11-10 approved Amendment No. 2 to said contract to provide for additional deliveries of natural gas for the Dallman Power Plant Unit No. 33 Scrubber, Dallman Power Plant Unit No. 4 Heating and Dallman 4 Igniters, and

WHEREAS, Ordinance 266-08-14 authorized a yearly payment and changed the vendor name to Constellation ProLiance, LLC due to a company merger, and

WHEREAS, the City received notice that the company name has again changed to Constellation New Energy-Gas Division, LLC, due to the ongoing integration with the Constellation family of natural gas suppliers, and

WHEREAS, the City's Natural Gas agreement remains in effect unless terminated by either party with 30 days written notice, and

WHEREAS, this ordinance authorizes payment in an amount not to exceed \$720,200.00 to Constellation New Energy-Gas Division, LLC for the purchase and delivery of natural gas for said facilities through Fiscal Year 2016, in line with the terms of the existing Contract, a copy of which is on file with Ordinance No. 155-03-06, and the amendment to the same approved under Ordinance No. 418-11-10, and

WHEREAS, in accordance with the provisions of Section 38.42 of the City Code, the Purchasing Agent has previously determined that this contract is not subject to sealed competitive bidding.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby authorizes payment to Constellation New Energy-Gas Division, LLC for the purchase of natural gas for the Interstate Combustion Turbine, Dallman Power Plant Unit No. 33 Scrubber, Dallman Power Plant Unit No. 4 Heating and Dallman 4 Igniters through Fiscal Year 2016 under the existing Base Contract for the Sale and Purchase of Natural Gas, as amended, in an amount not to exceed Seven Hundred Twenty Thousand Two Hundred Dollars and No Cents (\$720,200.00).

Section 2. The Mayor and the City Clerk are hereby authorized and empowered to execute all necessary documents with regard to said gas purchase from Constellation New Energy-Gas Division, LLC on behalf of the City of Springfield Office of Public Utilities.

Section 3. The Payment by the City of Springfield Office of Budget and Management to Constellation New Energy-Gas Division, LLC for the total maximum amount of Seven Hundred Twenty Thousand Two Hundred Dollars and No Cents (\$720,200.00) for Fiscal Year 2016 from Account Nos. 102-100-CABC-8034-1422 and 102-100-CABC-7749-1422 is hereby authorized, approved and directed.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City of Springfield Office of the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_

Approved as to legal sufficiency:

\_\_\_\_\_  
Office of the Corporation Counsel/Date

Requested by the Office of Public Utilities/Mayor Houston

## ORDINANCE FACT SHEET

AGENDA NUMBER:  
DATE OF 1ST READING: 06-16-15  
ORDINANCE REQUEST NUMBER: GFO-258

### DEPARTMENTAL INFORMATION

OFFICE REQUESTING: PUBLIC UTILITIES STAFF MEMBER: TRACY JOHANSSON

EMERGENCY PASSAGE: YES/NO

### BUDGETARY/STAFFING INFORMATION

FISCAL IMPACT: \$ 720,200.00 BUDGETED: YES/NO NEW POSITION: YES/NO

STAFFING IMPACT: None

TYPE OF ORDINANCE: Purchase under existing agreement

ACCOUNTING INFORMATION: Account Nos. 102-100-CABC-8034-1422, 102-100-CABC-7749-1422

CLAIM/CASE NUMBERS: (Not Applicable to the Office of Public Utilities)

PRIOR ORDINANCE INFORMATION: Ordinance Nos. 155-03-06, 418-11-10, 290-08-13 & 266-8-14

### VENDOR/AWARD INFORMATION

CONTRACTOR NAME: Constellation New Energy-Gas Division, LLC CONTRACT AMOUNT: \$ 720,200.00  
(Original Amount if Change Order)

CONTRACT TERM: Until terminated with 30 days' notice TYPE OF AWARD: Professional Services

CHANGE IN SCOPE \_\_\_ Y X N CHANGE ORDER # N/A ADDT'L AMOUNT \$ 0.00

**STAFF ANALYSIS:** (This includes description of work, background on issue and the justification of why the ordinance was not low bid. If you need additional space, please continue on the back of this form.)

This is a standard, recurring ordinance for the purchase of natural gas.

This ordinance approves payment in an amount not to exceed \$720,200.00, to Constellation New Energy-Gas Division, LLC for the purchase of natural gas for the Interstate Combustion Turbine, Dallman Power Plant Unit No. 33 Scrubber, Dallman Power Plant Unit No. 4 Heating and Dallman 4 Igniters through Fiscal Year 2016 under an existing Base Contract for Sale and Purchase of Natural Gas, as amended.

This contract was approved under Ordinance No. 155-03-06 for gas supply to the Interstate Turbine-Generator, which requires natural gas for commercial operation. Ordinance No. 418-11-10 approved Amendment No. 2 to the Base Contract in order to provide for deliveries of natural gas to the Dallman Power Plant Unit No. 33 Scrubber, Dallman Power Plant Unit No. 4 Heating and Dallman 4 Igniters. The City's Natural Gas ProLiance agreement remains in effect unless terminated by either party with 30 days written notice. Ordinance 266-8-14 changed the vendor name to Constellation ProLiance, LLC due to a company merger.

Since our usage of natural gas makes it extremely difficult to predict gas requirements, we buy on the daily spot market as needed. This fiscal year, we estimate our expenses will be \$720,200.00. Last year, the Council authorized \$965,000.00 for the purchase & delivery of the natural gas.

This ordinance also changes the vendor name from Constellation ProLiance, LLC to Constellation New Energy-Gas Division, LLC, due to an ongoing integration with the Constellation family of natural gas suppliers.

SIGN OFF: \_\_\_\_\_ Mayor's Office [Signature] OBM  
(When Applicable)



No. GFE-195-2

AN ORDINANCE AUTHORIZING CHANGE ORDER #1 AND ADDITIONAL FUNDING IN AN AMOUNT NOT TO EXCEED \$88,491.00 WITH TOSHIBA INTERNATIONAL CORPORATION FOR INSPECTION AND MAINTENANCE OF THE UNIT 4 TURBINE FOR A TOTAL AMOUNT PAYABLE OF \$530,591.00 FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, Ordinance 94-03-14 authorized a contract with Toshiba International Corporation ("Toshiba") in the total amount of \$442,100.00 for inspection and maintenance of the Unit 4 turbine, and

WHEREAS, upon inspection, the leak-off studs on the main steam valve head were found to be broken off, requiring additional parts and work, and

WHEREAS, such circumstances were not reasonably foreseeable at the time of the original contract, and

WHEREAS, this ordinance authorizes an additional \$88,491.00 payable under the contract.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby approves an additional expenditure in an amount not to exceed Eighty-Eight Thousand Four Hundred Ninety-One Dollars and No Cents (\$88,491.00).

Section 2. The Mayor and the City Clerk are hereby authorized and empowered to execute all necessary documents with regard to said funding increase; including all necessary change orders, on behalf of the City of Springfield Office of Public Utilities.

Section 3. The payment to Toshiba, for the total maximum amount of Five Hundred Thirty Thousand Five Hundred Ninety-One Dollars and No Cents (\$530,591.00) from Account Nos. 102-100-CAA-7712-1205 and 102-100-CAA-7712-1404 is hereby authorized, approved and directed.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City Clerk.

PASSED: \_\_\_\_\_, 2015

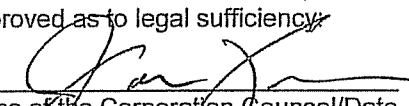
SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_

Approved as to legal sufficiency

  
\_\_\_\_\_  
Office of the Corporation Counsel/Date

Requested by the Office of Public Utilities/Mayor Langfelder

CHANGE ORDER NO. 1Page 1 of 1

City of Springfield, Illinois

Office of Public Utilities

Project: Dallman Unit 4 Valve OverhaulContract: DOM 100\_411282GENFACContractor: Toshiba International Corporation

The below-noted modifications to subject Contract are agreed to by the Office of Public Utilities and the Contractor:

This change order is to appropriate additional funds for parts and repairs for Dallman Unit 4 main steam valves cartridges. These costs are associated with the normal wear done during the three year operation of the valves.

The modifications noted above result in an (increase of) (decrease of) (no change) (\$ 88,491.00) in Contract Price:

|                                                    |                                |
|----------------------------------------------------|--------------------------------|
| Original Contract Price                            | \$ <u>442,100.00</u>           |
| Total net amount of all previous Change Orders     | \$ <u>                    </u> |
| Total net amount of this Change Order              | \$ <u>88,491.00</u>            |
| Current Contract Price including this Change Order | \$ <u>530,591.00</u>           |

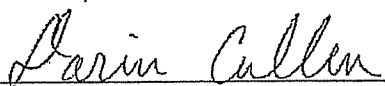
The Contract Time shall (increased) (decreased) (unchanged) (by      days, the current Completion Date being:

The circumstances necessitating this Change Order were not reasonably foreseeable at the beginning of this Contract and were not within the contemplation of the parties at that time. This Change Order is in the best interest of the City.

This Change Order, when executed, constitutes a modification to the Contract and all provisions of the Contract, except as modified above and by any previous Change Orders, shall apply hereto.

City of Springfield Office of Public Utilities

Contractor

Date:                                     Date: 20 May 2015By                                       
Division ManagerApproved:   
General Manager, Public UtilitiesBy 

City of Springfield, Illinois

By                                       
MayorAttest:                                       
City Clerk

AN ORDINANCE AUTHORIZING PAYMENT TO AMEREN ILLINOIS UNDER AN EXISTING RATE  
SCHEDULE IN AN AMOUNT NOT TO EXCEED \$428,400.00 FOR NATURAL GAS TRANSPORTATION  
CHARGES FOR DALLMAN POWER PLANT UNIT NO. 4  
FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, this Ordinance authorizes payment in an amount not to exceed \$428,400.00 for natural gas transportation charges for the City of Springfield Office of Public Utilities' Electric Division Electric Generation Department Dallman Power Plant Unit No. 4 with Ameren Illinois under an existing rate schedule, and

WHEREAS, natural gas is used as the startup fuel source for the Dallman Power Plant Unit No. 4 boiler, as well as to provide the initial heating source to produce sufficient energy for coal combustion, and

WHEREAS, the Office of Public Utilities purchases its natural gas for Dallman Unit 4 from Constellation New Energy-Gas Division, LLC, and

WHEREAS, the natural gas is transported through lines owned by Ameren Illinois, therefore transportation charges for delivery of the utility's natural gas must still be paid to Ameren Illinois, and

WHEREAS, this Ordinance covers said estimated charges for Fiscal Year 2016, and

WHEREAS, in accordance with the provisions of Section 38.40 of the City Code, the City Purchasing Agent has previously determined that this contract is not subject to sealed competitive bidding.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby approves payment to Ameren Illinois under an existing rate schedule in an amount not to exceed Four Hundred Twenty-Eight Thousand Four Hundred Dollars and No Cents (\$428,400.00) for natural gas transportation charges.

Section 2. The Mayor and the City Clerk are hereby authorized and empowered to execute all necessary documents with regard to payment to said vendor for gas transportation charges on behalf of the Office of Public Utilities.

Section 3. The Payment by the Office of Budget and Management to Ameren Illinois for the total maximum amount of Four Hundred Twenty-Eight Thousand Four Hundred Dollars and No Cents (\$428,400.00) from Account No. 102-100-CABC-7749-1422 is hereby authorized, approved and directed.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City Clerk.

PASSED: \_\_\_\_\_, 2015

SIGNED: \_\_\_\_\_, 2015

RECORDED: \_\_\_\_\_, 2015

\_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_

Approved as to legal sufficiency:

\_\_\_\_\_  
Office of the Corporation Counsel/Date

Requested by the Office of Public Utilities/Mayor Langfelder

**ORDINANCE FACT SHEET**

AGENDA NUMBER:

DATE OF 1ST READING: 06-16-15ORDINANCE REQUEST NUMBER: GFO-0255**DEPARTMENTAL INFORMATION**OFFICE REQUESTING: PUBLIC UTILITIESSTAFF MEMBER: TRACY JOHANSSONEMERGENCY PASSAGE: YES/NO If yes, list justification.**BUDGETARY/STAFFING INFORMATION**FISCAL IMPACT: \$ 428,400.00 BUDGETED: YES/NO NEW POSITION: YES/NO

STAFFING IMPACT: None

TYPE OF ORDINANCE: Sole Source

ACCOUNTING INFORMATION: Account No. 102-100-CABC-7749-1422

CLAIM/CASE NUMBERS: (Not Applicable to the Office of Public Utilities)

PRIOR ORDINANCE INFORMATION:

**VENDOR/AWARD INFORMATION**CONTRACTOR NAME: Ameren Illinois CONTRACT AMOUNT: \$ 428,400.00  
(Original Amount if Change Order)CONTRACT TERM: 1 Year TYPE OF AWARD: Sole SourceCHANGE IN SCOPE Y X N CHANGE ORDER # N/A ADDT'L AMOUNT \$     **ANNEXATION INFORMATION** (Not applicable to the Office of Public Utilities.)IS REQUEST AN ANNEXATION: YES/NO IF YES, ANNEXATION RATING:                     **STAFF ANALYSIS:** (This includes description of work, background on issue and the justification of why the ordinance was not low bid. If you need additional space, please continue on the back of this form.)

This is a standard, recurring ordinance to pay gas transportation charges.

This ordinance authorizes payment in an amount not to exceed \$428,400.00 to Ameren Illinois for natural gas transportation charges under an existing rate schedule. Natural gas is used as the startup fuel source for the Dallman Power Plant Unit No. 4 boiler, as well as to provide the initial heating source to produce sufficient energy for coal combustion. Based on last year's usage, we estimate that usage for Fiscal Year 2016 will be 102,000 Dth at a cost of \$4.20 per Dth.

The Office of Public Utilities purchases its natural gas for Dallman Unit 4 from Constellation New Energy-Gas Division, LLC, however the gas is transported through Ameren Illinois' lines. This ordinance covers said charges for Fiscal Year 2016.

SIGN OFF:              Mayor's Office        OBM  
(When Applicable)

Rev: 6-21-96 The information supplied on this form is not confidential information.