



**BOARD OF SUPERVISORS AGENDA ITEM REPORT**  
**CONTRACTS / AWARDS / GRANTS**

Requested Board Meeting Date: 06/20/17

or Procurement Director Award

**Contractor/Vendor Name (DBA):** Alliant Insurance Services, Inc. (Headquarters: Newport Beach, CA)

**Project Title/Description:**

Insurance Broker Services

**Purpose:**

Award: Master Agreement No.: MA-PO-17-273. This Master Agreement is for an initial term of one (1) year in the amount of \$40,000.00 for Broker and Consulting Services, \$4,000,000.00 for Insurance Premiums for a total annual award of \$4,040,000.00 and includes four (4) one-year renewal options.

Administering Department: Finance and Risk Management.

**Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, Solicitation No. 253270 was conducted. Three (3) responses were received. Award is to the highest scoring proposal.

PRCUID: 253270

Attachments: Notice of Recommendation for Award and Master Agreement.

**Program Goals/Predicted Outcomes:**

County's insurance policies will be paid in a timely manner.

**Public Benefit:**

Insurance premiums will be paid at the lowest possible price as researched and recommended by the Broker.

**Metrics Available to Measure Performance:**

Risk Management will monitor the cost of premiums and ensure County's property values are current.

**Retroactive:**

No.

**Original Information**

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 17-273  
Effective Date: 07/01/17 Termination Date: 06/30/18 Prior Contract Number (Synergen/CMS):  
 Expense Amount: \$ 4,040,000.00  Revenue Amount: \$  
Funding Source(s): Self-Insurance Trust Fund

Cost to Pima County General Fund:

Contract is fully or partially funded with Federal Funds?  Yes  No  Not Applicable to Grant Awards  
Were insurance or indemnity clauses modified?  Yes  No  Not Applicable to Grant Awards  
Vendor is using a Social Security Number?  Yes  No  Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

**Amendment Information**

Document Type: Department Code: Contract Number (i.e., 15-123):  
Amendment No.: AMS Version No.:  
Effective Date: New Termination Date:  
 Expense  Revenue  Increase  Decrease Amount This Amendment: \$  
Funding Source(s):

Cost to Pima County General Fund:

Contact: Jennifer Moore, Commodity Contracts Officer *JM* Division Manager: *Amc wdg*  
Department: *Maggie 6/9/17* Telephone:  
Department Director Signature/Date:  
Deputy County Administrator Signature/Date: *Jan Burke 6-12-17*  
County Administrator Signature/Date: *C. K. Schubert 6/12/17*  
(Required for Board Agenda/Addendum Items)



**NOTICE OF RECOMMENDATION FOR AWARD**

Date of Issue: June 8, 2017

The Pima County Procurement Department hereby issues formal notice to respondents to Solicitation No. 253270 for Insurance Broker Services that the following listed respondent will be recommended for award as indicated below. The award action is scheduled to be performed by the Board of Supervisors on or after June 20, 2017.

Award is recommended to the highest scoring proposal.

<u>AWARDEE NAME</u>	<u>BID AMOUNT</u>	<u>AWARD AMOUNT</u>
Alliant Insurance Services, Inc.	\$40,000.00	\$40,000.00 Broker and Consulting Services \$4,000,000.00 Insurance Premiums Total Annual Award \$4,040,000.00

**OTHER RESPONDENT NAMES**

Arthur J. Gallagher & Co.  
dba Arthur J. Gallagher Risk Management Services, Inc.

Willis of Arizona, Inc. dba Willis Towers Watson

Issued by: Jennifer Moore, Commodity Contracts Officer

Telephone Number: 520.724.8164

This notice is in compliance with Pima County Procurement Code §11.20.010(C).

Copy to: Pima County SBE via e-mail at [SBE@pima.gov](mailto:SBE@pima.gov)



# MASTER AGREEMENT

## PIMA COUNTY, ARIZONA

THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES  
CONTRACT EXECUTION

Master Agreement No: 1700000000000000273

MA Version: 1

Page: 1 of 2

Description: Insurance Broker Services

<b>I S S U E R</b>	Pima County Procurement Department
	130 W. Congress St. 3rd Fl
	Tucson AZ 85701
	<b>Issued By:</b> JENNIFER MOORE
	<b>Phone:</b> 5207248164
	<b>Email:</b> jennifer.moore@pima.gov

<b>T E R M S</b>	<b>Initiation Date:</b> 07-01-2017
	<b>Expiration Date:</b> 06-30-2018
	<b>NTE Amount:</b> \$4,040,000.00
	<b>Used Amount:</b> \$0.00

<b>V E N D O R</b>	<b>Alliant Insurance Services, Inc.</b>	<b>Contact:</b> Shawn Kraatz
	<b>1301 Dove Street, Suite 200</b>	<b>Phone:</b> 949-660-8117
	<b>Newport Beach CA 92660</b>	<b>Email:</b> shawn.kraatz@alliant.com
		<b>Terms:</b> 0.00 %
		<b>Days:</b> 0

<b>Shipping Method:</b>	Vendor Method
<b>Delivery Type:</b>	
<b>FOB:</b>	FOB Dest, Freight Prepaid
<b>Modification Reason</b>	
This Master Agreement is for an initial term of one (1) year in the amount of \$40,000.00 for Broker and Consulting Services, \$4,000,000.00 for Insurance Premiums for a total annual award amount of \$4,040,000.00 and includes four (4) one-year renewal options. Attachment: Proposal Agreement	

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All transactions and conduct are required to conform to these documents.



# MASTER AGREEMENT DETAILS

Master Agreement No: 1700000000000000273

MA Version: 1

Page: 2 of 2

Line	Description					
1	Annual Broker Fee <b>Discount</b> 0.0000 %	<b>UOM</b> YEAR	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
2	Annual Review of County Guidliens <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
3	Annual Claims Audits <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
4	Policy and Insurance Evaluation <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
5	Risk Assessments <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
6	Annual Actuarial Report <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
7	Consulting Services on new or evolving trends <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
8	Risk Management and Professional Services <b>Discount</b> 0.0000 %	<b>UOM</b> LOT	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
9	Insurance Premiums <b>Discount</b> 0.0000 %	<b>UOM</b>	<b>Unit Price</b> \$0.00	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>

**PROPOSAL AGREEMENT****1. INTENT:**

This document is intended to establish a Master Agreement ("MA") to provide Pima County ("County") with Insurance Broker Services on an "as required basis" by issue of Delivery Order ("DO").

As defined by the Pima County Standard Terms and Conditions included herein, this contract is non-exclusive and County may terminate it for any reason without penalty or cost.

All Goods and Services that Contractor offers or provides pursuant to the contract will conform to the requirements defined by or referred to by the solicitation documents including *Solicitation Addenda, Instructions to Offerors, Standard Terms and Conditions*, and this *Offer Agreement*, all of which are incorporated herein.

This document, including all attachments and documents incorporated by reference, constitutes the entire contract between the parties pertaining to the subject matter hereof, and merges all prior or contemporaneous agreements and understandings, oral or written, herein.

**2. CONTRACT TERM, RENEWALS, EXTENSIONS & REVISIONS:**

The initial term of the Master Agreement will be for a one (1) year period and include four (4) one-year renewal options that the parties may exercise upon written agreement as follows:

Contract extensions, renewals, or revisions will occur through the issuance by County to Contractor of a revised Master Agreement document setting forth the requested changes. Failure by Contractor to object in writing to the proposed revisions, terms, conditions, scope modifications and/or specifications within ten (10) calendar days of issuance by County will signify acceptance of all such changes by Contractor and the revision will be binding upon the parties, effective on the date of issuance.

**3. CONTRACTOR MINIMUM QUALIFICATIONS:**

The Contractor certifies that it is competent, willing and responsible for performing the services or providing the products in accordance with all requirements of the solicitation and this contract. Contractor certifies that it possesses all licenses required by applicable Agencies to satisfy the requirements of this contract.

Provide documented and verifiable evidence that your firm satisfies the following Minimum Qualifications, and indicate what/if attachments are submitted.

MQ#	MQ TITLE	MQ DESCRIPTION		
3.1	Account Manager Annual Premiums	<p><b>Account Manager</b> assigned to lead the Dedicated Account Team and who will provide day-to-day management of this Program.</p> <p>Account Manager must currently be responsible for oversight of three (3) accounts with annual premiums of \$1,000,000.00 or more.</p>		
<b>MQ # 1 DOCUMENTATION</b>				
Account Manager assigned to this Pima County Account		Name (First, Last) <b>Heidi Newell</b>		
To substantiate meeting this MQ # 1, in the space provided below, list three (3) current accounts with annual premiums of \$1,000,000.00 or more for which this Account Manager is responsible.				
3.1.1	Account (Company/Public Entity) Name:	<b>Wyoming Association Risk Management (WARM)</b>	Annual Premium \$ Value:	<b>\$2,915,444</b>
3.1.2	Account (Company/Public Entity) Name:	<b>Texas Association of School Boards (TASB)</b>	Annual Premium \$ Value:	<b>\$11,838,288</b>
3.1.3	Account (Company/Public Entity) Name:	<b>Maine School Management Association (MSMA)</b>	Annual Premium \$ Value:	<b>\$2,315,897</b>

MQ#	MQ TITLE	MQ DESCRIPTION	
3.2	Account Manager Arizona Public Agency Experience	<b>Account Manager</b> (as listed above) assigned to lead the Dedicated Account Team and who will provide day to day management of this Program must <b>currently</b> be responsible for one (1) large Arizona public entity account in the prior two (2) years with either a population of at least 3,000 or greater than 500,000 employees.	
<b>MQ # 2 DOCUMENTATION</b>			
To substantiate meeting this MQ # 2, in the space fill in the information			
Name of Arizona Public Entity	<b>Arizona School Risk Retention Trust</b>	# of Years responsible for Account: <b>9 years</b>	Start Date of Account (month)/(year) <b>07/2008</b>
Type of Public Agency	County <input type="checkbox"/> Municipality <input type="checkbox"/> School <input checked="" type="checkbox"/> State <input type="checkbox"/>	Size of Public Entity	employees > 3,000 <input checked="" type="checkbox"/> employees > 500,000 <input type="checkbox"/>

MQ#	MQ TITLE	MQ DESCRIPTION	MQ DOCUMENTATION
3.3	FIRM Insurance Coverage	<b>FIRM:</b> Current professional errors and omissions insurance coverage in an amount not less than \$10,000,000.	Documentation to substantiate meeting this Minimum Qualification shall be submitted in the form of a copy of insurance certificate.  Title of document shall be MQ #3, Firm's Insurance Certificate. This document is attached to this form and submitted as a part of proposal.  X Yes <input type="checkbox"/> NO

**4. PRODUCT OR SERVICE SPECIFICATIONS & SCOPE:**

**1. General Specifications**

The Contractor will be Pima County's insurance broker-of-record, and provide a range of general insurance and risk management consulting services associated with Pima County Division of Risk Management (DRM).

The Insurance Broker of Record shall be responsible to develop and place the most effective and cost-efficient insurance coverages for the County. Provide the reports/deliverables as outlined in the scope of work.

Other Broker services include annual claim audit, assistance with unusual contract insurance language, risk assessment for liability exposures, and other Broker related consulting services.

General Risk Management consulting services include but are not limited to: assisting with current risk issues, identifying and minimizing loss potential, reviewing and submitting written reports on specific loss exposures as related to trends in other public entities or within Pima County, researching alternative risk transfer techniques, restructuring cost allocation for workers' compensation, program analysis, reports/deliverables and other risk management consulting services.

**2. Current Insurance Program as of 01/13/17**

The current countywide insurance program consists of coverage for: Public Entity Liability Insurance to include Comprehensive General Liability, Professional Liability, and Law Enforcement Liability; Auto Liability; Property and Boiler & Machinery; Fidelity Crime; Cyber Liability; Aviation; Medical Malpractice; and Workers' Compensation. Coverage is to include the County's 43 departments and its various special districts. Examples of what the Insurance Program encompasses services for include:

Public Entity/Commercial General Liability including or independent placement of:

- Professional Liability
- Law Enforcement Liability
- Public Officials and Employees Liability
- Garage Keepers' Liability
- Special Event/Entertainment Liability
- Liquor Liability
- Sexual Abuse and Molestation
- Automobile Liability (County self-insures Physical Damage)

Workers' Compensation and Employers' Liability

Medical Malpractice

Property

Aircraft

- Hull and Liability
- Non-Owned Aircraft Liability

Airport Liability

Cyber Liability

- Intellectual Property Liability
- Media Liability
- Tech E&O
- Network Liability

Bonds (Fidelity & Surety) and Crime

International (Mexican) Travel insurance

### 3. Insurance Broker of Record Services and Deliverables

The Contractor shall act as the Broker of Record for Pima County and perform the following services and provide the deliverables described in this Scope of Services. The Contractor will provide brokerage and insurance related services including consulting services to assist DRM in fulfilling its critical role to ensure proper protection of the County's assets and activities on behalf of the County and its citizens.

The Contractor will provide general broker and consulting services as requested by DRM to continue to improve the risk management program to protect the County's assets, activities, its employees and the public.

#### Market the coverage and present competitive quotes with recommendations

**Insurance Placement Strategy:** During the period of this Contract, the Contractor shall assist the County in evaluating whether the County's best interests are served by renewal of existing insurance policies or the procurement of new policies and/or insurance carriers. Contractor shall develop a strategy for any upcoming renewal during the contract period to be presented in writing to DRM a minimum of 90 calendar days before expiration. Include and identify any intended intermediaries used in the solicitation process.

**Deliverable:** Market Evaluation Report, no later than ninety (90) calendar days, prior to the renewal date of any policy procured, the Contractor shall evaluate the current retention level as well as the condition of the insurance market generally, and report its findings to DRM in a manner and method mutually agreed upon by the Contractor and DRM. Within such ninety (90) day period, the Contractor shall also ascertain and report to DRM on whether the County's existing insurance carriers propose premium rate increases, coverage modifications and/or anticipate other renewal problems.

**Insurance Application Preparation:** Contractor shall take all steps necessary to place insurance coverages. Such steps shall include assisting Pima County in identifying and organizing pertinent information in order to more effectively market the insurance programs. Contractor will coordinate the collection of data and develop a submission document and related materials designed to communicate the County's insurance needs to the insurance marketplace, and will communicate and negotiate with insurance carriers. Required insurance coverages shall be procured on or before the current policy expiration date each year with policies to follow within sixty (60) calendar days.

Provide annual excess insurance loss runs for each policy a minimum of 60 calendar days before expiration. These reports shall reflect all claims and related financial information above the County's self-insurance layer of insurance; to include all claims opened and closed and claims reserved and paid by policy year (including all allocated loss adjustment expenses) until all claims are closed. These reports shall be cumulative for the coverage year and not just reflect activity for the year. At DRM's request, loss runs shall be provided at any time during the year.



**Deliverable:** Assist DRM in the application process by providing information from the previous year and creating a final document that best communicates the County to the market.

**Program Marketing and Compilation of Quotations:** Market the current program and related coverages. Present a Market Quotes Report each time Broker markets County insurance coverage. Report shall list the competitive quotes, differences in policy coverages and provide recommendations to County. Contractor will consider quotes from all qualified markets as agreed upon by DRM. All contacts from qualified and non-qualified markets must be documented and the Contractor must provide all results to DRM along with recommendations.

**Deliverable:** Prepare a Market Quotes Report to include an Excel spreadsheet with the quotations from insurance markets. Where there are an adequate number of markets to do so, provide multiple quotes. In the event that this requirement is not possible or recommended, the Contractor must submit an explanation/recommendation to DRM for approval. For those markets that decline to offer a quote on coverage, documentation from the market indicating why they chose not to quote must be provided. Disclose coverage additions and coverage restrictions as part of the Market Quotes report on all renewal quotes in a chart format as compared to the expiring coverage.

#### **Place, Review and Ensure Proper Service**

**Bind Insurance:** Upon authorization, bind the program as directed by DRM. Binders and/or confirmation of coverage shall be required upon placement.

**Deliverable:** Contractor shall bind coverage as agreed upon by County within five (5) calendar days of DRM approval. Evidence of bound coverage shall be sent to DRM as soon as possible.

**Review and Verify Coverage:** Broker shall verify proper service from markets on coverage placed and endorsements requested. Determine the coverage placed is correct and verify accuracy of price, rating classification and exposure. The Contractor shall take such steps as are necessary to ensure that insurance policies purchased meet the County's specifications, including the review of applicable insurance binders, policies, certificates, and other documents to ensure accuracy.

**Deliverable:** Verify the accuracy and adequacy of policies, endorsements, coverage, and premiums, noting in writing any variations from the previous year, or from conformance with specifications and any negotiations conducted with underwriters.

**Deliverable:** All documents shall be submitted electronically to DRM within 60 calendar days of the effective date and after documents have been reviewed and verified by Broker. All coverage placed with multiple layers must include an Excel graphic display of the placement showing markets, policy numbers, limits, premiums, taxes, fees, and commissions, if applicable, per layer. Policy and related documents shall be considered by DRM an original document; if this is incorrect then a paper copy must be provided.

**Deliverable:** Provide Pima County's Risk Manager or representative full access to the Broker's working files at the County's convenience and discretion or provide the documentation annually as part of the insurance submittal. DRM may at times request copies of the correspondence between Contractor and the markets.

**Prohibited Income:** Contractor is prohibited from accepting any contingent income, profit sharing, enhanced commission, or other forms of hidden income associated with this contract. Contractor must confirm that compensation, including direct and contingent, on all market proposals has not been assessed or has been credited to the premium billed. The costs associated with the contract shall be subject to audit.

**Deliverable:** Premium rates and any commission rates shall be reported per market per layer on the bound insurance program within thirty (30) calendar days of binding. The preferred method of reporting is an Excel spreadsheet.

**Deliverable:** Contractor shall submit an annual statement identifying all income earned by each party participating in the placement of each of the insurance coverage programs and verify that no direct or indirect compensation has been retained.

**Timely Billing/Endorsement:** Ensure the timely billing of all documents and endorsements premiums will be paid by DRM to Contractor. In the event an issue arising that a Notice of Cancellation may be issued due to nonpayment of premium, work with DRM to resolve the situation and, to the extent possible, make payment on behalf of DRM.

**Deliverable:** Timely invoices so carriers can be paid in a timely manner and not trigger a notice of late payment.

### **Other Broker Related Services**

**Assessment of Insurance Needs:** During the period of this Contract, the Contractor shall assist the County in evaluating whether the County's best interest is served by renewal of existing insurance policies or the procurement of new policies and/or insurance carriers.

**Deliverable: Annually (April 1),** Contractor shall submit a service plan to DRM identifying goals, objectives, and action plan. Included in the report shall be summary descriptions of current coverages, exposures, and premium charges with recommendations outlining options to contain costs without sacrificing coverage for potential catastrophic loss. Contractor shall also incorporate into the report an annual retention analysis and market forecast for use in determining appropriate retention levels.

**Claims Audit:** Perform claims audit or other related services as outlined in this Scope of Service to be agreed upon by the Contractor and DRM.

**Deliverable:** Conduct an annual claims audit that includes a review of an agreed amount of claim files and a review of claims handling policies and procedures. Provide a written report to the Risk Manager of the findings and any recommendations

### **New Policy or Insurance Coverages**

If during the term of this Contract the County elects to procure a new insurance policy or additional coverage, Contractor shall take such steps as are necessary to place the new insurance coverages in accordance with this Scope of Services. Any new insurance coverage requirements shall be procured by a date mutually agreed to in writing by the parties. If the County elects to procure a new insurance policy that is not listed in this Proposal Agreement, Contractor shall be allowed to charge the County an appropriate fee for work done to secure the new policy.

**Deliverable:** The additional insurance coverages and services may be added at any time during the contract period and Contractor will consult with DRM for an approved scope of work and a service price, if the service is not included as part of the annual service fee.

**Market Developments:** Advise DRM on an annual basis, or as requested, about current developments in the marketplace as to coverages, forms, availability, pricing or other significant developments that would impact the County or vendors/contractors dealing with the County.

**Deliverable - Market Forecast:** Each September, provide a simple market forecast by line of coverage to DRM for annual DRM budgeting purposes.

**Deliverable:** Educate DRM to changes or developments in the industry in writing, seminar or webinar. Venue is Broker's choice of keeping DRM informed of the market developments.

**Deliverable:** Provide advice related to unusual contractual insurance requirements for specific contracts within a timeline agreed upon with DRM. Review and comment on the DRM standard insurance requirements.

**Analyze Insurance program:** During the first year and when requested by DRM, Contractor shall provide an in-depth analysis of the County's current insurance programs and risk exposures. This includes an analysis of exposures, claims, coverage forms, specific limits of retentions and policy limits, per occurrence deductibles, annual aggregate deductibles, additional coverages, and ensure there are no gaps and/or overlaps in coverage. Contractor will analyze current program data to determine various options in program structures. Contractor must include in the report comments from the general review of the County guidelines for insurance and indemnification. Contractor will address other related issues during the contract period as the parties may agree.

**Deliverable:** Before the end of the first contract year (6/30/2018), Broker shall provide a written report to DRM summarizing their analysis of the County's exposures, and insurance and make written recommendations to the County regarding areas of concern, identify any program retention levels and policy limits restructuring, products, and markets capable of improving the insurance program to make it more efficient or effective. Contractor shall also make recommendations regarding quality of markets, limits, and differences in various markets' terms and conditions. Contractor will offer creative solutions and innovative suggestions for the County to consider.

**Assessment of Insurance Program:** Contractor will present the annual stewardship report identifying accomplishments for the policy year. Contractor shall also discuss with DRM possible goals, projects and objectives for the coming year. Also included in the report shall be summary descriptions of current coverages, exposures, and premium charges.

**Deliverable:** Contractor will also present an Annual Stewardship Report identifying accomplishments. Contractor shall also discuss with DRM possible projects, goals, objectives, and action plan for the coming year.

### Risk Management Services

**Actuarial Services:** Customary actuarial services when requested by DRM with a scope of work that is agreed upon by Contractor and DRM for annual review of budget fund and overall review of the self-insurance trust fund. Assistance in determining a loss sensitive cost allocation of workers' compensation.

**Deliverable:** Actuarial Report for Self Insurance Trust Fund to include review of fund balances, estimate of annual budget requirements for losses and retention analysis for use in determining appropriate retention levels.

**Deliverable:** When requested by DRM, assistance in determining an appropriate loss sensitive cost allocation method by department for the workers' compensation program.

**Training:** Provide DRM with liability-related training classes as needed for DRM personnel to address risk exposures. Assist DRM in determining training sources for County related risks to provide opportunities County departments for train-the-trainer training sessions. Training on specific topics may be determined by DRM or recommended by the Contractor and provided by outside sources.

**Deliverable:** Communicate to Risk Management when training is available and upon DRM request assist DRM in finding a trainer when needed to address a specialized risk.

**Assess Risk Exposures:** In the first year and based on Contractor's in-depth analysis of the County's current insurance programs and risk exposures, Contractor shall make written recommendations to the County regarding areas of concern, identify programs, products, and markets capable of improving the insurance program to make it more efficient or effective. Contractor will also make recommendations regarding quality of markets, limits, and differences in various markets' terms and conditions. Contractor will offer creative solutions and innovative suggestions for the County to consider. Upon request by DRM, Contractor shall assist DRM in specific risk exposure evaluations, and evaluate the exposure and provide recommendations. Report may include an analysis of historical data and trends in the County or in other public entities. Services may be provided by the Contractor or a sub-contractor.

**Deliverable:** Contractor shall assist DRM in risk exposure evaluation, and development and evaluation of traditional and alternative risk financing mechanisms which may be beneficial to Pima County. Including an analysis of historical data and trends and the various retention levels and insurance limits.

**Deliverable:** Risk Assessment Report: The written recommendations resulting from this risk assessment analysis and any recommendation for program re-structuring options shall be provided to the County on or before April 1st of the first year of the Contract, and, if requested by DRM, any update shall be provided upon an agreed upon date.

**5. SUSTAINABILITY:** In accordance with BOS Resolution 2007-84, Pima County values and encourages sustainable practices. Please **CHECK**  which of the following your business incorporates:

Waste prevention/reduction or material recycling/reuse?

Alternative energy/fuels (such as solar/wind energy, bio-diesel, alternative fuels, hybrid vehicles) in your program's preparation, transportation, and demonstration?

Environmentally preferable materials (such as recycled materials; locally produced/manufactured products)?

Sustainable practices that lessen impact on non-renewable resources and global climate change (such as reduction in water/energy/paper use; minimization of hazardous materials; use of compressed/flexible work schedules)?

Other practices which coincide with the County's definition of sustainable practices (such as alternative modes of transportation; transportation minimization; life-cycle costs; product/packaging "take back" practices; preference to firms located within Pima County)?

**6. OFFER ACCEPTANCE AND ORDER RELEASES:**

County will accept offer and execute this contract by issue of a MA (recurring requirements) to be effective on the document's date of issue without further action by either party. The MA will document the term of the agreement.

Pursuant to the executed MA, County departments requiring the goods or services defined herein will issue a DO to the Contractor. County will furnish the DO to Contractor via facsimile, e-mail or telephone. If County gives the order verbally, the County Department issuing the order will transmit a confirming order document to Contractor within five (5) workdays of the date it gives the verbal order.

Contractor must not supply materials or services that are not specified on the MA and are not documented or authorized by a DO at the time of provision. County accepts no responsibility for control of or payment for materials or services not documented by a County DO.

Contractor will establish, monitor, and manage an effective contract administration process that assures compliance with all requirements of this contract. In particular, Contractor will not provide goods or services in excess of the executed contract items, item quantity, item amount, or contract amount without prior written authorization by contract revision that County has properly executed and issued. Any items Contractor provides in excess of those stated in the contract are at Contractor's own risk. Contractor will decline verbal requests to deliver items in excess of the contract and will report all such requests in writing to the County Procurement Department within one (1) workday of the request. The report must include the name of the requesting individual and the nature of the request.

**7. ACCEPTANCE OF GOODS AND SERVICES:**

The County Department designated on the issued order (DO) will accept goods and services only in accordance with this contract. Such acceptance is a prerequisite to the commencement of payment terms.

**8. COMPENSATION & PAYMENT:**

Contractor will submit Request(s) for Payment or Invoices to the location and entity defined by County's DO document.

All Invoice documents will reference the County's DO number under which the services or products were ordered. **ALL** Invoice line items will utilize the item description, precise unit price and unit of measure defined by the County's order document. County may return invoices that include line items or unit prices that do not match those documented by the County's order to Contractor unprocessed for correction. Contractor will not accept orders, or provide services or products that cumulatively exceed the contract amount.

Standard payment terms are net thirty (30) days from the date of valid invoice document and do not commence until the later of 1) the receiving County Department receives goods or services into County's payment system or 2) County Financial Operations receives and verifies Contractor's invoice.

**OPTIONAL EARLY PAYMENT DISCOUNT TERM:** Pima County Administrative Procedure No. 22-35 section 2.2.4 defines County's practice regarding discounts for early payment. Contractor offers the following discounts to those prices to be used for all orders issued pursuant to this contract. County will utilize the existing payment code that best matches that offered and does not exceed the offered discount percentage. Payment days cannot be less than ten (10) calendar days. Contractor shall submit valid invoice document consistent with the associated PO, DO or DOM to County Finance Department at least seven (7) calendar days prior to the date on which the discounted payment is due. If desired, for any order issued pursuant with this contract, Contractor may offer early payment discounts that exceed this Standard Early Payment Discount.

Standard Early Payment Discount Percent:  0  % if payment tendered within  0  Days as above.

The MA issued to accept Contractor's offer will define the not-to-exceed amount of the contract.

The parties may negotiate and establish unit pricing in writing under the contract for items included in the scope of the contract that has not previously defined unit pricing.

Unless the parties otherwise agree in writing, all pricing will be *F.O.B. Destination & Freight Prepaid Not Billed ("F.O.B. Destination")*. Contractor will deliver and unload products or services at the destination(s) that the delivery article of this contract or accepted Order indicates. The offered Unit Price must include all freight costs.

Although an order may not fully define State and City sales tax, County will pay such taxes as are DIRECTLY applicable to Pima County and Contractor invoices such taxes as a separate line item. Contractor must not include such taxes in the item unit price.

Price Escalation. All unit prices include compensation for Contractor to implement and actively conduct cost and price control activities. Pricing will remain firm during the initial year of the contract term after which the parties may consider price increases no more frequently than once per year. Contractor will submit a written request to County that includes supporting documents justifying requested increases at least ninety (90) days prior to the renewal date. Contractor will provide evidence, cite sources, demonstrate specific conditions and document how those conditions affect the cost of its performance, and identify specific efforts Contractor has taken to control and reduce those and other costs to avoid the need to increase prices. County will review proposed pricing and determine if it is allowable, fair and reasonable, and in the best interest of County to accept the proposal. County reserves the right to continue, accept or reject the price proposal, or terminate and re-solicit the contract.

Quantities in this solicitation are estimates only. County reserves the right to increase or decrease quantities and amounts. County makes no guarantee regarding actual orders for items or quantities during the term of the agreement. County is not responsible for Contractor inventory or order commitment.

Contractor's unit prices must include all incidentals and associated costs required to comply with and satisfy all requirements of this solicitation, which includes the *Instructions to Offerors, Standard Terms and Conditions*, and Offer Agreement. County will make no payments for items not in the contract.

Contractor will provide detailed documentation in support of payment requests, which should be consistent with and not exceed County's DO document. Contractor will bill County within one (1) month after the date on which Contractor's right to payment accrues ("Payment Accrual Date"), which, unless this contract specifically provides otherwise, is the date Contractor delivers goods, performs services or incurs costs. Invoices must assign each billed amount to an appropriate line item of County's order and document each Payment Accrual Date. County may refuse to pay any amount that Contractor bills in which does not conform to County's PO, DO, or DOM document. County will refuse to pay any amount that Contractor bills more than six (6) months after the Payment Accrual Date, pursuant to A.R.S. § 11-622(C).

**UNIT PRICES (Net 30 Days - Payment Terms)**

ITEM #	ITEM NAME (Service Category)	ESTIMATED ANNUAL USAGE QUANTITY	UOM	Annual Unit Price \$	
1	Items to include and satisfy all Solicitation & Proposal Agreement requirements, General & Item Specifications				
1	Annual Broker Fee to include standard risk management services, placement of insurance coverages (net of commission).	1	LOT		\$40,000.00
<b>FOB Destination/Unloaded; Cost of freight should be included in unit price. Although taxes will be paid. IF applicable do NOT include sales tax in unit price.</b>				<b>TOTAL BID</b>	\$40,000.00
ITEM #	ITEM NAME (Service Category)	ESTIMATED ANNUAL USAGE QUANTITY	UOM	Unit Price \$	Annual Extended Amount \$
	Additional Broker Services and Consulting Services				
2	Annual review of the County guidelines for insurance and ongoing consulting on contractual insurance requirements for unusual projects.	20 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
3	Conduct an annual claims audit that includes a review of an agreed amount of claim files and a review of claims handling policies and procedures. Provide a written report to the DRM of the findings and any recommendations	40 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
4	Policy and Insurance needs evaluation	40 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
5	Conduct risk assessments and provide recommendations to reduce County risks and liabilities. Provide written report to DRM.	60 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
6	Annual actuarial report as requested by DRM.	60 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
7	Consulting Services on new or evolving trends.	20 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
8	Risk management and professional services, including, but not limited to researching alternative risk transfer techniques, restructuring cost allocation for workers' compensation.	40 No Cap	Hourly	\$ N/C	\$ Included in Broker Fee
<b>FOB Destination/Unloaded; Cost of freight should be included in unit price. Although taxes will be paid. IF applicable do NOT include sales tax in unit price.</b>				<b>TOTAL BID</b>	\$ Included in Broker Fee with no Cap to amount of hours required to perform services associated with Item #s 2-8.

**9. DELIVERY:**

"On-Time" delivery is an essential part of the consideration that Contractor is to provide to County under the contract. Contractor will make delivery in accordance with the Instructions to Offerors, Standard Terms and Conditions and to the location(s) on the DO document.

Pima County Finance and Risk Management Department 130 W. Congress, Tucson, AZ 85701.

Contractor guarantees delivery of product or service at the time interval as specified in the Scope of Services. If necessary to satisfy the guaranteed delivery time, Contractor will utilize premium freight method at no additional cost to County.

**10. TAXES, FEES, EXPENSES:**

County is exempt from federal excise taxes for goods. County is subject to State and City sales tax. County will pay no separate charges for delivery, drayage, express, parcel post, packing, insurance, license fees, permits, costs of bonds, surcharges, or bid preparation unless the contract expressly includes such charges and the solicitation documents itemizes them.

**11. OTHER DOCUMENTS:**

Contractor and COUNTY in entering into this contract have relied upon information provided or referenced by Pima County Solicitation No. 253270 including the Request for Proposal, Instructions to Offerors, Standard Terms and Conditions, Solicitation Addenda, Contractor's Proposal, documents submitted by Contractor or References to satisfy Minimum Qualifications and any other information and documents submitted by Contractor's response to County's Solicitation. These documents are hereby incorporated into and made a part of this Contract as if set forth in full herein, to the extent not inconsistent with the provisions of this contract.

**12. INSURANCE:**

Contractor will procure and maintain at its own expense insurance policies ("Required Insurance") satisfying the below requirements ("Insurance Requirements") until all of its obligations under this Contract have been met. The below Insurance Requirements are minimum requirements for this Contract and in no way limit Contractor's indemnity obligations under this Contract. The County in no way warrants that the required insurance is sufficient to protect the Contractor for liabilities that may arise from or relate to this Contract. If necessary, Contractor may obtain commercial umbrella or excess insurance to satisfy the Insurance Requirements.

**Insurance Coverages and Limits:**

**Commercial General Liability (CGL):** Occurrence Form covering liability arising from premises, independent contractors, personal injury, bodily injury, broad form contractual liability and products-completed operations with minimum limits not less than \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate.

**Business Automobile Liability:** Coverage for any owned, leased, hired, and/or non-owned autos assigned to or used in the performance of this Contract with minimum limits not less than \$1,000,000 Each Accident.

**Workers' Compensation (WC) and Employers' Liability:** Arizona workers' compensation statutory requirements and benefits. Employers Liability limits of \$1,000,000 each accident and \$1,000,000 each employee – disease.

**Professional Liability Errors and Omissions (E&O) insurance:** Coverage for professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$10,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no later than 30 days after the anticipated completion of the contract.

**Additional Coverage Requirements:**

**Claims Made Coverage:** If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date must precede the effective date of this Contract. Contractor must maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation; coverage shall provide an extended reporting period, with full reinstatement of limits, from the expiration date of the policy.

**Insurer Financial Ratings:** Coverage must be placed with insurers acceptable to the County with A.M. Best rating of not less than A- VII, unless otherwise approved by the County.

**Additional Insured - County and its Agents:** The General Liability policy must be endorsed to include Pima County and all

its related special districts, elected officials, officers, agents, employees and volunteers (collectively "its Agents") as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor. The full policy limits and scope of protection must apply to the County and its Agents as additional insured, even if they exceed the Insurance Requirements.

**Wavier of Subrogation:** Commercial General Liability and Workers' Compensation coverages must each contain a waiver of subrogation in favor of County and its Agents for losses arising from work performed by or on behalf of the Contractor.

**Primary Insurance:** The Required Insurance policies, with respect to any claims related to this Contract, must be primary and must treat any insurance carried by County as excess and not contributory insurance. The Required Insurance policies may not obligate the County to pay any portion of a Contractor's deductible or Self Insurance Retention (SIR).

**Subcontractors:** Contractor must either (a) include any subcontractor as additional insured under its Required Insurance policies, or (b) require the subcontractor to separately meet all Insurance Requirements and verify that the subcontractor has done so, Contractor must furnish, if requested by County, appropriate insurance certificates for each subcontractor. Contractor must obtain County's approval of any subcontractor request to modify the Insurance Requirements as to that subcontractor.

**Verification of Coverage:**

Insurer or Broker of Contractor must evidence compliance with the Insurance Requirements by furnishing certificates of insurance executed by a duly authorized representative of each insurer. Each certificate must include:

- The Pima County tracking number for this Contract, which is shown on the first page of the Contract, and a project description, in the body of the Certificate,
- A notation of policy deductibles or SIRs relating to the specific policy, and
- Certificates must specify that the appropriate policies are endorsed to include additional insured and subrogation wavier for the County and its Agents.

Each Required Insurance policy and appropriate endorsements must be in effect not less than 15 days prior to commencement of work under this Contract. A renewal certificate must be provided to County not less than 15 days prior to the policy's expiration date to include actual copies of the additional insured and wavier of subrogation endorsements. Failure to maintain the Required Insurance, or to provide evidence of renewal, is a material breach of this Contract.

**Cancellation Notice:** Contractor will not permit or allow its insurance policies and endorsements to expire, be cancelled, suspended or materially changed from the agreed upon Insurance Requirements for any reason without thirty (30) days' advance written notice from the Contractor to the County of the change to a policy. Contractor's Broker or Contractor must provide written notice to County within two (2) business days of Contractor's receipt of notice from any insurer of any of the foregoing events. For cancellation of non-payment, Insurer must provide County with written notice ten (10) days prior to cancellation of policy.

**Approval and Modifications:**

Pima County Risk Management reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

**13. PERFORMANCE BOND: N/A**

**14. ACKNOWLEDGEMENT of SOLICITATION ADDENDA:**

Contractor acknowledges that it incorporates the following solicitation addenda in its offer and this contract:

Addendum #	Date	Addendum #	Date	Addendum #	Date
1	3/31/17	2	4/20/17	3	4/21/17

**15. SMALL BUSINESS ENTERPRISE (SBE) CERTIFICATION:**

Is your firm SBE-certified as defined by the solicitation "Instruction to Offerors" section? Yes  No X (Select one)

If 'Yes', have you included your certification document? Yes  No  (Select one)

NOTE: If you do not submit the SBE Certification document with your bid, County will not apply the SBE Preference.

16. BID/OFFER CERTIFICATION:

CONTRACTOR LEGAL NAME: Alliant Insurance Services, Inc.

BUSINESS ALSO KNOWN AS: same as above

MAILING ADDRESS: 1301 Dove Street, Suite 200

CITY/STATE/ZIP: Newport Beach, CA 92660

REMIT TO ADDRESS: same as above

CITY/STATE/ZIP: same as above

CONTACT PERSON NAME/TITLE: Shawn Kraatz, First Vice President

PHONE: (949)660-8117 FAX: (949)756-0271

CONTACT PERSON EMAIL ADDRESS: shawn.kraatz@alliant.com

EMAIL ADDRESS FOR ORDERS & CONTRACTS: shawn.kraatz@alliant.com

CORPORATE HEADQUARTERS ADDRESS: same as above

WEBSITE: www.alliant.com

By signing and submitting these Offer Agreement documents, the undersigned certifies that they are legally authorized to represent and bind Contractor to legal agreements, that all information submitted is accurate and complete, that Contractor has reviewed the Pima County Procurement website for solicitation addenda and has incorporated all such addenda to its offer, that Contractor is qualified and willing to provide the items requested, and that Contractor will comply with all requirements of the solicitation. The Unit Pricing includes all costs incidental to the provision of the items in compliance with the above documents; no additional payment will be made. Conditional offers that modify the solicitation requirements may be deemed not 'responsive' and County may not evaluate them. Contractor's submission of a signed offer agreement shall constitute a firm offer and upon the issuance of a MA or PO document issued by the Pima County Procurement Director or authorized designee will form a binding contract that will require Contractor to provide the goods or services and materials described in this solicitation. The undersigned hereby offers to furnish the goods or services in compliance with all terms, conditions, specifications that the solicitation defines or references, which includes Pima County Standard Terms & Conditions, this Offer Agreement and other documents as listed in this Offer Agreement's "Other Documents" article.

SIGNATURE:  DATE: 6/5/17

PRINTED NAME & TITLE OF AUTHORIZED CONTRACTOR REPRESENTATIVE EXECUTING OFFER SHAWN M. KRAATZ, FIRST VICE PRESIDENT

PHONE AND E-MAIL: (949) 660-8117 SHAWN.KRAATZ@ALLIANT.COM

County Attorney Contract Approval "As to Form":

  
Tobin Rosen, Deputy County Attorney

6/6/17  
Date



**PIMA COUNTY STANDARD TERMS AND CONDITIONS (2/14/17)****1. OPENING:**

Responses will be publicly opened and each respondent's name, and if a Bid the amount, will be read on the date and at the location defined in the *Invitation for Bid (IFB)* or *Request for Proposal (RFP)*. Proposals shall be opened so as to avoid disclosure of the contents of any proposal to competing offerors during the process of negotiation. All interested parties are invited to attend.

**2. EVALUATION:**

Responses shall be evaluated to determine which are most advantageous to Pima County (COUNTY) considering evaluation criteria, conformity to the specifications and other factors.

If an award is made, COUNTY will enter into an agreement with the one or multiple respondent(s) that submitted the lowest responsive bid(s) that were determined responsible for supplying the required goods or services. Unless otherwise specified on the Bid/Proposal document determination of the low/lowest bids will be made considering the total bid amount.

COUNTY, at its sole discretion, reserves the following rights: 1) to waive informalities in the bid or bid procedure; 2) to reject the response of any persons or corporations that have previously defaulted on any contract with COUNTY or who have engaged in conduct that constitutes a cause for debarment or suspension as set forth in COUNTY Code section 11.32; 3) to reject any and all responses; 4) to re-advertise for bids previously rejected; 5) to otherwise provide for the purchase of such equipment, supplies materials and services as may be required herein; 6) to award on the basis of price and other factors, including but not limited to such factors as delivery time, quality, uniformity of product, suitability for the intended task, and bidder's ability to supply; 7) to increase or decrease the item quantity or eliminate any item of this solicitation prior to the award. Pricing evaluations will be based on pre-tax pricing proposed by Contractor.

**3. AWARD NOTICE:**

A *Notice of Recommendation for Award* for IFB or RFP will be posted on the Procurement website and available for review by interested parties. A tabulation of responses will be maintained at the Procurement Department.

**4. AWARD:**

Awards will be made by either the Procurement Director or the Board of Supervisors in accordance with the Pima County Procurement Code. COUNTY reserves the right to reject any or all proposals, bids or proposals or to waive irregularities and informalities if it is deemed in the best interest of COUNTY. Unless expressly agreed otherwise, resulting contracts are not exclusive, are for the sole convenience of COUNTY, and COUNTY reserves the right to obtain like goods or services from other sources.

**5. WAIVER:**

Each offeror, by submission of a proposal, bid or proposal waives any and all claims for damages against COUNTY or its officers or employees when COUNTY exercises any of its reserved rights.

**6. ACKNOWLEDGEMENT AND ACCEPTANCE:**

If Contractor's terms of sale are inconsistent with the terms of the resultant contract, the terms herein shall govern, unless COUNTY accepts Contractor's terms in writing. No oral agreement or understanding shall in any way modify this contract or the terms and conditions herein. Contractor's acceptance, delivery or performance called for herein shall constitute unqualified acceptance of the terms and conditions of the resultant contract.

**7. INTERPRETATION and APPLICABLE LAW:**

The contract will be interpreted, construed and given effect in all respects according to the laws of the State of Arizona. If any of Contractor's terms or conditions is not in agreement with County's terms and conditions as set forth herein, COUNTY's shall govern. This contract incorporates the complete agreement of the parties with respect to the subject matter of this contract. No oral agreement or other understanding will in any way modify the terms and conditions of this contract.

**8. WARRANTY:**

Contractor warrants goods or services to be satisfactory and free from defects.

**9. QUANTITY:**

Contractor will not exceed or reduce the quantity of goods ordered without **written** permission from COUNTY in the form of a properly executed Master Agreement, Purchase Order, Delivery Order or Delivery Order Maximo revision or amendment as required by COUNTY Procurement Code. All quantities are estimates and COUNTY provides no guarantee regarding actual usage.

**10. PACKING:**

Contractor will make no extra charges for packaging or packing material. Contractor is responsible for safe packaging conforming to carrier's requirements.

**11. DELIVERY:**

On-time delivery of goods and services is an essential part of the consideration to be received by COUNTY.

A guaranteed delivery date, or interval period from order release date to delivery, must be given if requested by the Price proposal document. Upon receipt of notification of delivery delay, COUNTY at its sole option and at no cost to COUNTY may cancel the order or extend delivery times. Such extension of delivery times will not be valid unless extended in writing by an authorized representative of COUNTY.

To mitigate or prevent damages caused by delayed delivery, COUNTY may require Contractor to deliver additional quantity utilizing express modes of transport, and or overtime, all costs to be Contractor's responsibility. COUNTY reserves the right to cancel any delinquent order, procure from alternate source, or refuse receipt of or return delayed deliveries, at no cost to COUNTY. COUNTY reserves the right to cancel any order or refuse delivery upon default by Contractor concerning time, cost, or manner of delivery.

Contractor will not be held responsible for unforeseen delays caused by fires, strikes, acts of God, or other causes beyond Contractor's control, provided that Contractor provides COUNTY immediate notice of delay.

**12. SPECIFICATION CHANGES:**

COUNTY has the right to make changes in the specifications, services, or terms and conditions of an order. If such changes cause an increase or decrease in the amount due under an order or in time required for performance, an acceptable adjustment will be made and the order modified in writing. Any agreement for adjustment must be made in writing.

Nothing in this clause reduces Contractor's responsibility to proceed without delay in the delivery or performance of an order.

**13. INSPECTION:**

All goods and services are subject to inspection and testing at place of manufacture, destination or both by COUNTY. Goods failing to meet specifications of the order or contract will be held at Contractor's risk and may be returned to Contractor with costs for transportation, unpacking, inspection, repacking, reshipping, restocking or other like expenses to be the responsibility of Contractor. In lieu of return of nonconforming supplies, COUNTY, at its sole discretion and without prejudice to COUNTY's rights, may waive any nonconformity, receive the delivery, and treat the defect(s) as a warranty item, but waiver of any condition will not be considered a waiver of that condition for subsequent shipments or deliveries.

**14. SHIPPING TERMS:**

Unless stated otherwise by the contract, delivery terms are to be F.O.B. Destination & Freight Prepaid Not Billed ("F.O.B. Destination") and are to be included in the Unit Price proposal by Contractor and accepted by COUNTY.

**15. PAYMENT TERMS:**

Payment terms are net thirty (30) days, unless otherwise specified by the contract.

**16. ACCEPTANCE OF MATERIALS AND SERVICES:**

COUNTY will not execute an acceptance or authorize payment for any service, equipment or component prior to delivery and verification that all specification requirements have been met.

**17. RIGHTS AND REMEDIES OF COUNTY FOR DEFAULT:**

In the event any item furnished by Contractor in the performance of the contract should fail to conform to the specifications thereof, or to the sample submitted by Contractor, COUNTY may reject same, and it thereupon becomes the duty of Contractor to reclaim and remove the same, without expense to COUNTY, and immediately replace all such rejected items with others conforming to the specifications or samples. Should Contractor fail, neglect, or refuse immediately to do so, COUNTY has the right to purchase in the open market, in lieu thereof, a corresponding quantity of any such items and to deduct from any monies due or that may become due to Contractor the difference between the price named in the Master Agreement or Purchase Order and actual cost to COUNTY.

In the event Contractor fails to make prompt delivery as specified of any item, the same conditions as to the rights of COUNTY to purchase in the open market and invoke the reimbursement condition above apply, except when delivery is delayed by fire, strike, freight embargo, or acts of god or of the government. In the event of cancellation of the Master

Agreement, Purchase Order or associated orders, either in whole or in part, by reason of the default or breach by Contractor, Contractor will bear and pay for any loss or damage sustained by COUNTY in procuring any items which the Contractor agreed to supply. The rights and remedies of COUNTY provided above are not exclusive and are in addition to any other rights and remedies provided by law or under the contract.

**18. FRAUD AND COLLUSION:**

Each Contractor, by submission of a bid, certifies that no officer or employee of COUNTY or of any subdivision thereof: 1) has aided or assisted Contractor in securing or attempting to secure a contract to furnish labor, materials or supplies at a higher price than that proposed by any other Contractor; 2) has favored one Contractor over another by giving or withholding information or by willfully misleading the bidder in regard to the character of the material or supplies called for or the conditions under which the proposed work is to be done; 3) will knowingly accept materials or supplies of a quality inferior to those called for by any contract; 4) has any direct or indirect financial interest in the proposal or resulting contract. Additionally, during the conduct of business with COUNTY, Contractor will not knowingly certify, or induce others to certify, to a greater amount of labor performed than has been actually performed, or to the receipt of a greater amount or different kind of material or supplies that has been actually received. If at any time it shall be found that Contractor has in presenting any proposal(s) colluded with any other party or parties for the purpose of preventing any other proposal being made, then any contract so awarded shall be terminated and that person or entity shall be liable for all damages sustained by COUNTY.

**19. COOPERATIVE USE OF RESULTING CONTRACT:**

As allowed by law, COUNTY has entered into cooperative procurement agreements that enable other Public Agencies to utilize procurement agreements developed by COUNTY. Contractor may be contacted by participating agencies and requested to provide services and products pursuant to the pricing, terms and conditions defined by the COUNTY Master Agreement, or Purchase Order. Minor adjustments are allowed subject to agreement by both Contractor and Requesting Party to accommodate additional cost or other factors not present in the COUNTY's agreement and required to satisfy particular Public Agency code or functional requirements and are within the intended scope of the solicitation and resulting contract. Any such usage shall be in accordance with State, COUNTY and other Public Agency procurement rules, regulations and requirements and shall be transacted between the requesting party and Contractor. Contractor shall hold harmless COUNTY, its officers, employees, and agents from and against all liability, including without limitation payment and performance associated with such use. A list of agencies that are authorized to use COUNTY contracts can be viewed at the Procurement Department Internet home page: <http://www.pima.gov/procure> by selecting the link titled *Authorized Use of COUNTY Contracts*.

**20. PATENT INDEMNITY:**

Contractor will indemnify, defend and hold COUNTY, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Master Agreement, Purchase Order, and associated orders. Contractor may be required to furnish a bond or other indemnification to COUNTY against any and all loss, damage, costs, expenses, claims and liability for patent or copyright infringement.

**21. INDEMNIFICATION:**

Contractor will indemnify, defend, and hold harmless COUNTY, its officers, employees and agents from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by Contractor, its agents, employees or anyone under its direction or control or on its behalf in connection with performance of the Master Agreement, Purchase Order or associated orders. Contractor warrants that all products and services provided under this contract are non-infringing. Contractor will indemnify, defend and hold COUNTY harmless from any claim of infringement arising from services provided under this contract or from the provision, license, transfer or use for their intended purpose of any products provided under this Contract.

**22. UNFAIR COMPETITION AND OTHER LAWS:**

Responses must be in accordance with Arizona trade and commerce laws (Title 44 A.R.S.) and all other applicable COUNTY, State, and Federal laws and regulations.

**23. COMPLIANCE WITH LAWS:**

Contractor will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders, without limitation. In the event any services provided under this contract require a license issued by the Arizona Registrar of Contractors (ROC), Contractor certifies that those services will be provided by a contractor licensed by ROC to perform those services in Arizona. The laws and regulations of the State of Arizona govern the rights, performance and disputes of and between the parties. Any action relating to this Contract must be brought in a court of the State of Arizona in Pima County.

Any changes in the governing laws, rules, and regulations during an agreement apply, but do not require an amendment or revisions.

**24. ASSIGNMENT:**

Contractor may not assign its rights to the contract, in whole or in part, without prior written approval of COUNTY. COUNTY may withhold approval at its sole discretion, provided that COUNTY will not unreasonably withhold such approval.

**25. CONFLICT OF INTEREST:**

This contract is subject to the provisions of A.R.S. § 38-511, the pertinent provisions of which are incorporated into and made part of all COUNTY Master Agreements or Purchase Orders as if set forth in full therein.

**26. NON-DISCRIMINATION:**

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 which is hereby incorporated into this contract as if set forth in full herein including flow down of all provisions and requirements to any subcontractors. During the performance of this contract, CONTRACTOR must not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

**27. NON-APPROPRIATION OF FUNDS:**

COUNTY may cancel this contract pursuant to A.R.S. § 11-251(42) if for any reason the COUNTY Board of Supervisors does not appropriate funds for the stated purpose of maintaining the contract. In the event of such cancellation, COUNTY has no further obligation, other than payment for services or goods that COUNTY has already received.

**28. PUBLIC RECORDS:**

Disclosure. Pursuant to A.R.S. § 39-121 et seq., and A.R.S. § 34-603(H) in the case of construction or Architectural and Engineering services procured under A.R.S. Title 34, Chapter 6, all documents submitted in response to the solicitation resulting in award of this Contract, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.

Records Marked Confidential; Notice and Protective Order. If Contractor reasonably believes that some of those records contain proprietary, trade-secret or otherwise-confidential information, Contractor must prominently mark those records "CONFIDENTIAL." In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Contractor of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Contractor has, within that period, secured an appropriate order from a court of competent jurisdiction, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

The Contractor agrees to waive confidentiality of any price terms.

**29. CUSTOM TOOLING, DOCUMENTATION AND TRANSITIONAL SUPPORT:**

Costs to develop all tooling and documentation, such as and not limited to dies, molds, jigs, fixtures, artwork, film, patterns, digital files, work instructions, drawings, etc. necessary to provide the contracted services or products and unique to the services or products supplied to COUNTY are included in the agreed upon Unit Price unless specifically stated otherwise in the contract. Such tools and documentation are the property of COUNTY and will be marked, as is

practical, as the "Property of Pima County" and if requested by COUNTY a copy of the tooling and documentation will be delivered to COUNTY within twenty (20) days of acceptance by COUNTY of the first article sample, or not later than ten (10) days of termination of the contract associated with their development, without additional cost to COUNTY. Contractor also agrees to act in good faith to facilitate the transition of work to a subsequent Contractor if and as reasonably requested by COUNTY at no additional cost. Should exceptional circumstances be present that may justify an additional charge, Contractor may submit said justification and proposed cost and negotiate an agreement acceptable to both Contractor and COUNTY, but Contractor may not withhold any requested tooling, document or support as defined above that would delay the orderly, efficient and prompt transition of work. Should conduct by Contractor result in additional costs to COUNTY, Contractor will reimburse COUNTY for said actual and incremental costs provided that COUNTY had given Contractor reasonable time to respond to COUNTY's requests for support.

**30. AMERICANS WITH DISABILITIES ACT:**

Contractor will comply with all applicable provisions of the Americans with Disabilities Act (public law 101-336, 42 USC 12101-12213) and all applicable federal regulations under the act, including 28 CFR parts 35 and 36.

**31. NON-EXCLUSIVE:**

Contracts resulting from this solicitation are non-exclusive and are for the sole convenience of COUNTY, which reserves the right to obtain like goods and services from other sources for any reason.

**32. PROTESTS:**

An interested party may file a protest regarding any aspect of a solicitation, evaluation, or recommendation for award. Protests must be filed in accordance with the Pima County Procurement Code, Section 11.20.010.

**33. TERMINATION:**

COUNTY reserves the right to terminate any Master Agreement, Purchase Order, Delivery Order, Delivery Order Maximo or award, in whole or in part, at any time, without penalty or recourse, when in the best interests of COUNTY. Upon receipt of written notice, Contractor will immediately cease all work as directed by the notice, notify all subcontractors of the effective date of termination and take appropriate actions to minimize further costs to COUNTY. In the event of termination under this paragraph, all documents, data, and reports prepared by Contractor under the contract become the property of and must be promptly delivered to COUNTY. Contractor is entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures defined by A.A.C. R2-7-701 apply.

**34. ORDER OF PRECEDENCE-CONFLICTING DOCUMENTS:**

In the event of inconsistencies between contract documents, the following is the order of precedence, superior to subordinate, that will apply to resolve the inconsistency: Master Agreement, Delivery Order or Delivery Order Maximo, Purchase Order, proposal agreement or contract attached to a Master Agreement, Purchase Order, Delivery Order or Delivery Order Maximo; these standard terms and conditions; any other solicitation documents.

**35. INDEPENDENT CONTRACTOR:**

The status of Contractor is that of an independent Contractor. Contractor and Contractor officer's agents or employees are not considered employees of COUNTY and are not entitled to receive any employment-related fringe benefits under the COUNTY Merit System. Contractor is responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this Contract and will indemnify and hold COUNTY harmless from any and all liability which COUNTY may incur because of Contractor's failure to pay such taxes. Contractor is solely responsible for its program development and operation.

**36. BOOKS AND RECORDS:**

Contractor will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of COUNTY. In addition, Contractor will retain all records relating to this contract at least five (5) years after its termination or cancellation or, if later, until any related pending proceeding or litigation has been closed.

**37. COUNTERPARTS:**

The Master Agreement or Purchase Order awarded pursuant to this solicitation may be executed in any number of counterparts and each counterpart is considered an original, and together such counterparts constitute one and the same instrument. For the purposes of the Master Agreement and Purchase Order, the signed proposal of Contractor and the signed acceptance of COUNTY are each considered an original and together constitute a binding Master Agreement, if all other requirements for execution have been met.

**38. AUTHORITY TO CONTRACT:**

Contractor warrants its right and power to enter into the Master Agreement or Purchase Order. If any court or administrative agency determines that COUNTY does not have authority to enter into the Master Agreement or Purchase Order, COUNTY is not liable to Contractor or any third party by reason of such determination or by reason of the Master Agreement or Purchase order.

**39. FULL AND COMPLETE PERFORMANCE:**

The failure of either party to insist on one or more instances upon the full and complete performance with any of the terms or conditions of the Master Agreement, Purchase Order, Delivery Order or Delivery Order Maximo to be performed on the part of the other, or to take any action permitted as a result thereof, is not a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future.

The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.

**40. SUBCONTRACTORS:**

CONTRACTOR is fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor, and of persons for whose acts CONTRACTOR may be liable to the same extent that CONTRACTOR is responsible for the acts and omissions of persons directly employed by it. Nothing in this contract creates any obligation on the part of COUNTY to pay or see to the payment of any money due any subcontractor, except as may be required by law.

**41. SEVERABILITY:**

Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law is ineffective to the extent of such prohibition without invalidating the remainder of this Contract.

**42. LEGAL ARIZONA WORKERS ACT COMPLIANCE:**

CONTRACTOR hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to CONTRACTOR's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). CONTRACTOR will further ensure that each subcontractor who performs any work for CONTRACTOR under this contract likewise complies with the State and Federal Immigration Laws.

COUNTY has the right at any time to inspect the books and records of CONTRACTOR and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of CONTRACTOR's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting CONTRACTOR to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, CONTRACTOR will take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

CONTRACTOR will advise each subcontractor of COUNTY's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form:

"SUBCONTRACTOR hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to SUBCONTRACTOR's employees, and with the requirements of A.R.S. § 23-214 (A). SUBCONTRACTOR further agrees that COUNTY may inspect the SUBCONTRACTOR's books and records to insure that SUBCONTRACTOR is in compliance with these requirements. Any breach of this paragraph by SUBCONTRACTOR is a material breach of this contract subjecting SUBCONTRACTOR to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article is the responsibility of CONTRACTOR. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of CONTRACTOR's approved construction or critical milestones schedule, such period of delay will be excusable delay for which CONTRACTOR is entitled to an extension of time, but not costs.

**43. CONTROL OF DATA PROVIDED BY COUNTY:**

For those projects and contracts where COUNTY has provided data to enable the Contractor to provide contracted services or products, unless otherwise specified and agreed to in writing by COUNTY, Contractor will treat, control and limit access to said information as confidential and will under no circumstances release any data provided by COUNTY during the term of this contract and thereafter, including but not limited to personal identifying information as defined by A.R.S. § 44-1373, and Contractor is further prohibited from selling such data directly or through a third party. Upon termination or completion of the contract, Contractor will either return all such data to COUNTY or will destroy such data and confirm destruction in writing in a timely manner not to exceed sixty (60) calendar days.

**44. ISRAEL BOYCOTT CERTIFICATION:**

Contractor hereby certifies that it is not currently engaged in, and will not for the duration of this Contract engage in, a boycott of Israel as defined by A.R.S. § 35-393.01. Violation of this certification by Contractor may result in action by the County up to and including termination of this Contract.

**END OF PIMA COUNTY STANDARD TERMS AND CONDITIONS**