

AMENDMENT NO. 3
CONTRACT NO. C35136
FOR

Web-based benefit enrollment system

This Contract was made and entered into on the 1st day of December, 2003, by and between Aliquant Corporation, hereinafter called Contractor, and the City of Portland, a municipal corporation of the State of Oregon, by and through its duly authorized representatives, hereinafter called City. The Contractor has been providing a web-based benefit enrollment system under the present agreement which expires on June 30, 2010. The City desires to continue this agreement for maintaining benefit enrollment and participant change information in conjunction with the administration of the City of Portland benefit plans as provided under PCC Section 5.33.220.

1. Effective Date and Duration

This contract shall become effective on July 1, 2010,. This contract shall expire, unless otherwise terminated or extended, on June 30, 2013.

2. Consideration

(a) City agrees to pay Contractor a sum not to exceed fees shown in Exhibit A, Section VI for accomplishment of the work. The total expected not to exceed contract amount is \$250,000 for 2010-11 and is estimated to be \$798,000 for the contract period between July 1, 2010 – June 30, 2013.

3. Section 3 of Agreement C35136 is hereby amended to change the Effective and Termination Dates as follows:

3. EFFECTIVE DATE AND DURATION

This agreement shall be effective as of July 1, 2010 and shall terminate as of June 30, 2013. The passage of the Contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this contract with respect to any default or defect in performance that has not been cured.

4. Section 19 of Agreement C35136 is hereby amended to change the Amendment provision of the contract as follows:

All changes to this contract, included changes to the scope of work and contract amount, must be made by written amendment and approved by the Human Resource Director to be valid. Any amendment that increases the original contract amount by 25% or more must be approved by the City Council to be valid.

5. Exhibit A, Section VI, Subsection 2b is hereby amended to clarify the content and modify the language to be consistent with the City's model contract as follows:

2. Monthly Administrative Fee:

b. The Contractor agrees the monthly per member cost for each current benefit eligible enrollee in 2010-11 is \$3.48. The Contractor further agrees that future renewal increases are capped at 5% of the base rate per member per month in each subsequent plan year within the contract period. On a monthly basis, the City determines the employee census data for each billing.

The effective date of this amendment is July 1, 2010. All other terms and conditions of the agreement shall remain unchanged and in full force and effect.

Aliquant Corporation

By: _____
Date

(Name and Title)

Address: _____

Telephone: _____

Approved as to Form:

CITY OF PORTLAND

By City Attorney Date

By: _____
Mayor, City of Portland

Date

AMENDMENT NO. 2
CONTRACT NO. 35136
FOR

183738

Web-based benefit enrollment system

This Contract was made and entered into on the 1st day of December, 2003, by and between Aliquant Corporation, hereinafter called Contractor, and the City of Portland, a municipal corporation of the State of Oregon, by and through its duly authorized representatives, hereinafter called City. The Contractor has been providing a web-based benefit enrollment system and related services under the present agreement which expires on June 30, 2008. The City desires to continue this agreement for maintaining benefit enrollment and participant change information in conjunction with the administration of the City of Portland benefit plans.

1. Section 3 of Agreement 35136 is hereby amended to change the Effective and Termination Dates as follows:

3. EFFECTIVE DATE AND DURATION

This agreement shall be effective as of December 1, 2003 and shall terminate as of June 30, 2010. The passage of the Contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this contract with respect to any default or defect in performance that has not been cured.

2. Exhibit A, Section VI, Subsection 2b is hereby amended to clarify the content and modify the language to be consistent with the City's model contract as follows:

2. Monthly Administrative Fee:

b. The Contractor agrees the monthly per member cost for each current benefit eligible employee, retiree, COBRA participant or State Continuation enrollee shall in no event annually increase more than 5% of the base rate of \$3.16 per member per month in plan year 2008-09 and no more than 5% of the base rate of \$3.31 for plan year 2009-10. On a monthly basis, the City determines the employee census data for each billing.

The effective date of this amendment is July 1, 2008. All other terms and conditions of the agreement shall remain unchanged and in full force and effect.

Aliquant Corporation

By: [Signature] 1/29/2009
Date
Sarah A Myott VP, General Counsel
(Name and Title) 440 Wheeler's Farms Rd
Address: Milford, CT 06461
Suite 103
Telephone: 203/882-3226

APPROVED AS TO FORM
Approved as to Form:
[Signature]
By City Attorney
CITY ATTORNEY

CITY OF PORTLAND
By: [Signature]
Elected Official or Delegate
Date: 2/6/09
City Auditor: N/A
Date

Exhibit C
183738
NOV 06 2006

AMENDMENT NO. 1

CONTRACT NO. 35136

FOR

Web-based benefit enrollment system

This Contract was made and entered into on the 1st day of December, 2003, by and between Aliquant Corporation, hereinafter called Contractor, and the City of Portland, a municipal corporation of the State of Oregon, by and through its duly authorized representatives, hereinafter called City. The Contractor has been providing a web-based benefit enrollment system under the present agreement which expires on June 30, 2006. The City desires to continue this agreement for maintaining benefit enrollment and participant change information in conjunction with the administration of the City of Portland benefit plans.

1. **Section 3 of Agreement 35136 is hereby amended to change the Effective and Termination Dates as follows:**
 3. **EFFECTIVE DATE AND DURATION**

This agreement shall be effective as of December 1, 2003 and shall terminate as of June 30, 2008. The passage of the Contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this contract with respect to any default or defect in performance that has not been cured.
2. **Exhibit A, Section VI, Subsection 2b is hereby amended to clarify the content and modify the language to be consistent with the City's model contract as follows:**
 2. **Monthly Administrative Fee:**
 - b. The Contractor agrees the monthly per member cost for each current benefit eligible employee, retiree, COBRA participant or State Continuation enrollee shall in no event annually increase more than 5% of the base rate of \$2.87 per member per month in plan year 2006-07 and no more than 5% of the base rate of \$3.01 for plan year 2007-08. On a monthly basis, the City determines the employee census data for each billing.

The effective date of this amendment is July 1, 2006. All other terms and conditions of the agreement shall remain unchanged and in full force and effect.

Aliquant Corporation

By: F. Saleh 7/6/06
Faisal A. Saleh ^{Date} Chairman
(Name and Title)

Address: 440 Wheelock Farm Rd, Suite 103
Milford Ct 06461
Telephone: 203-882-3201

APPROVED AS TO FORM

Approved as to Form. ^{KAMM}
Anda Henry
CITY ATTORNEY
By City Attorney Date 7-11-06

CITY OF PORTLAND

By: [Signature] 10-6-06
Purchasing Agent Date

JAN 14 2004

Exhibit D

AGREEMENT FOR PROFESSIONAL, TECHNICAL, OR EXPERT SERVICES
CONTRACT NO. 35136
SHORT TITLE OF WORK PROJECT: Web-based benefit enrollment system

183738

This contract is between the City of Portland, ("City,") and Aliquant, Corporation ("Contractor"), collectively referred to as "parties." The City's Project Managers for this contract are Cathy Bless and Mike Fryer.

Effective Date and Duration

This contract shall become effective on December 1, 2003. This contract shall expire, unless otherwise terminated or extended, on June 30, 2006 (the "initial term") and can be extended annually through June 30, 2008 upon the agreement of the parties.

Statement of Work

- (a) The statement of work is contained in EXHIBIT A attached hereto and by this reference made a part hereof.
- (b) The delivery schedule for the work is identified in EXHIBIT A.

Consideration

- (a) City agrees to pay Contractor a sum not to exceed fees shown in EXHIBIT A, Section VI for accomplishment of the work.
- (b) Interim payments shall be made to Contractor according to the schedule identified in EXHIBIT A, Section VI, 1.

=====

CONTRACTOR DATA, CERTIFICATION, AND SIGNATURE

Name (please print): ALIQUANT CORPORATION
Address: 440 Wheelers Farms Road, Suite 103, Milford, CT 06460

Social Security #: _____
Federal Tax ID #: 06-1511920 State Tax ID #: _____ Business License # 660071

Citizenship: Nonresident alien ___ Yes ___ No
Business Designation (check one): ___ Individual ___ Sole Proprietorship ___
Partnership ___ X Corporation
___ Limited Liability Co (LLC) ___ Estate/Trust ___ Public Service Corp. ___
Government/Nonprofit

Payment information will be reported to the IRS under the name and taxpayer I.D. number provided above. Information must be provided prior to contract approval. Information not matching IRS records could subject Contractor to 20 percent backup withholding.

Contractor agrees to perform work outlined in this contract in accordance with its terms and conditions and the statement of work. It hereby certifies under penalty of perjury that its business is not in violation of any Oregon tax laws, that it is certified as an Equal Employment Opportunity Affirmative Action Employer as required by Chapter 3.100 of Code of the City of Portland, and that it is an independent Contractor as defined in ORS 670.600.

IT IS SO AGREED

183738

Contractor: ALIQVANT CORPORATION

Faisal Saleh
Faisal Saleh

Signature/Title Chairman

Date 12-9-03

=====
CITY OF PORTLAND SIGNATURES

Approved by Mayor or Commissioner:

Vera Katz
Vera Katz

Elected Official or Delegate

1/13/04

Date

Approved by Purchasing Agent:

Purchasing Agent

Date

Approved by City Auditor:

Greg Chabrowsky
Greg Chabrowsky

City Auditor

1/14/04

Date

Approved as to form
by City Attorney:

Abby L. Rogers
Abby L. Rogers

Office of City Attorney

Date

(Rev.07/03)

CITY ATTORNEY

CITY OF PORTLAND
STANDARD CONTRACT PROVISIONS FOR
PROFESSIONAL, TECHNICAL & EXPERT SERVICES (MANDATORY PROVISIONS)

1. Access to Records

The Contractor shall maintain, and the City of Portland ("City") and its duly authorized representatives shall have access to the books, documents, papers, and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records shall be made available upon request, subject to no more than 30 days advanced written notice to Contractor. Payment for cost of copies is reimbursable by the City.

2. Audits

(a) The City, either directly or through a designated representative, may conduct financial and performance audits of the billings and services specified in this agreement upon 10 days written notice in the course of the agreement and during the three (3) year period established by section 1, **Access to Records**. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States General Accounting Office.

(b) If an audit discloses that payments to the Contractor were in excess of the amount to which the Contractor was entitled, then the Contractor shall repay the amount of the excess to the City.

(c) If any audit shows performance of services is not efficient in accordance with Government Auditing Standards, or that the program is not effective in accordance with Government Auditing Standards, the City may pursue remedies provided under section 5, **Early Termination of Agreement** and section 7, **Remedies**.

3. Effective Date and Duration

The passage of the contract expiration date (as recorded on reverse side) shall not extinguish, prejudice, or limit either party's right to enforce this contract with respect to any default or defect in performance that has not been cured.

4. Funds

The City certifies that sufficient funds are available and authorized for expenditure to finance the cost of this contract.

5. Early Termination of Agreement

(a) The City and the Contractor, by mutual written agreement, may terminate this Agreement at any time.

(b) The City, on thirty (30) days written notice during the implementation phase of the contract and after the implementation phase, upon 90 days written notice, to the Contractor, may terminate this Agreement for any reason deemed appropriate in its sole discretion.

(b) Either the City or the Contractor may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the party has not entirely cured the breach within thirty (30) days of the notice, then the party giving the notice may terminate the Agreement at any time thereafter by giving a written notice of termination.

6. Payment on Early Termination

(a) In the event of termination under subsection 5(a) or 5(b), **Early Termination of Agreement** hereof, the City shall pay the Contractor for work performed in accordance with the Agreement prior to the termination date.

(b) In the event of termination under subsection 5(c), **Early Termination of Agreement** hereof, by the Contractor due to a breach by the City, then the City shall pay the Contractor as provided in subsection (a) of this section.

(c) In the event of termination under subsection 5(c), **Early Termination of Agreement** hereof, by the City due to a breach by the Contractor, then the City shall pay the Contractor as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in section 7(a), **Remedies**.

(d) In the event of early termination all of the data source documents and files provided by the City and accumulated during the term of the contract shall remain property of the City. City Data includes all enrollee elections; all change transactions, source data, history and information developed by the City for enrollees. All processes and systems used by Contractor in the performance of the services described in the Statement of Work shall remain the property of Contractor.

(e) In the event of early termination the Contractor will not charge the City for any services related to the transfer of City data, as defined in (d) above, to the City or other system the City designates. The Contractor will provide a transfer no later than 30 days prior to the termination date and a final transfer within two business days after the termination date.

7. Remedies

(a) In the event of termination under subsection 5(c), **Early Termination of Agreement**, hereof, by the City due to a breach by the Contractor, then the City may complete the work either itself, by agreement with another Contractor or by a combination thereof. In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this contract, then the Contractor shall pay to the City the amount of the reasonable excess at rates that do not exceed the rates charged by Aliquant for similar services.

(b) The remedies provided to the City under section 5, **Early Termination of Agreement** and section 7, **Remedies** for a breach by the Contractor shall not be exclusive. The City also shall be entitled to any other equitable and legal remedies that are available to the extent permitted under Oregon law.

(c) In the event of breach of this Agreement by the City, then the Contractor's remedy shall be limited to termination of the Agreement and receipt of payment as provided in section 5(c), **Early Termination of Agreement** and section 6(b), **Payment on Early Termination** hereof.

8. Termination of Agreement at end of Contract term

Contractor agrees to transfer all City data as defined in Section 6(d) above at the termination of the contract. The Contractor will not charge the City for any services related to the transfer of City data to the City or other system the City designates. The Contractor will provide a transfer in a standard Access database no later than 30 days prior to the termination date and a final transfer within two business days after the termination date.

9. Subcontracts and Assignment

Contractor shall not subcontract, assign or transfer any of the work scheduled under this agreement, without the prior written consent of the City. Notwithstanding City approval of a subContractor, the Contractor shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to the Contractor hereunder. The Contractor agrees that if subContractors are employed in the performance of this Agreement, the Contractor and its subContractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

10. Compliance with Applicable Law

In connection with its activities under this Agreement, Contractor shall comply with all applicable federal, state and local laws and regulations. Contractor shall complete Exhibit B, Independent Contractor/Workers' Compensation Insurance Questionnaire, which is attached hereto and by this reference made a part hereof.

10a. Indemnity - Claims for Other than Professional Liability

Contractor shall defend, save, and hold harmless the City of Portland, its officers, agents, and employees, from all claims, suits, or actions of whatsoever nature, including intentional acts, resulting from or arising out of the activities of Contractor or its subContractors, agents or employees

under this agreement to the extent permitted under Oregon law, provided Contractor's total liability to the City of Portland under this Agreement shall not exceed \$3,000,000.

10b. Indemnity - Claims for Professional Liability

Contractor shall defend, save, and hold harmless the City of Portland, its officers, agents, and employees, from all claims, suits, or actions arising out of the professional negligent acts, errors or omissions of Contractor or its subContractors and sub-consultants, agents or employees in performance of professional services under this agreement to the extent permitted under Oregon law, provided Contractor's total liability to the City of Portland under this Agreement shall not exceed \$3,000,000.

10c. Indemnity - Standard of Care

If Contractor's services involve engineering or consulting, the standard of care applicable to Contractor's service will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services at the time such services are performed. Contractor will re-perform any services not meeting this standard without additional compensation.

11. Insurance

Exhibit C is hereby referenced and made a part of this contract.

12. Ownership of Work Product

All data and files provided by the City and accumulated during the term of the contract shall remain property of the City. City Data includes all enrollee elections; all change transactions, source data, history and information developed by the City for enrollees. All processes and systems used by Contractor in the performance of the services described in the Statement of Work shall remain the property of Contractor.

13. Nondiscrimination

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans With Disabilities Act of 1990 (Pub L. No. 101-336) including Title II of that Act, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.

14. Successors in Interest

The provisions of this contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.

15. Severability

The parties agree that if any term or provision of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held to be invalid.

16. Waiver

The failure of the City to enforce any provision of this contract shall not constitute a waiver by the City of that or any other provision.

17. Errors

The Contractor shall perform such additional work as may be necessary to correct errors in the work required under this contract without undue delays and without additional cost.

18. Governing Law

The provisions of this contract shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this contract must be brought in the appropriate court in Multnomah County Oregon.

19. Amendments

All changes to this contract, including changes to the scope of work and contract amount, must be made by written amendment and approved by the Purchasing Agent to be valid. Any amendment that increases the original contract amount by 25% or more must be approved by the City Council to be valid.

20. Business License

The Contractor shall obtain a City of Portland business license as required by PCC 7.02.030 prior to beginning work under this Agreement. The Contractor shall provide a business license number in the space provided on page one of this Agreement.

21. Prohibited Interest

(a) No City officer or employee during his or her tenure or for one year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

(b) No City officer or employee who participated in the award of this Agreement shall be employed by the Contractor during the period of the Agreement.

22. Payment to Vendors and SubContractors

The Contractor shall timely pay all suppliers, lessors and Contractors providing it services, materials or equipment for carrying out its obligations under this Agreement. The Contractor shall not take or fail to take any action in a manner that causes the City or any materials that the Contractor provides hereunder to be subject to any claim or lien of any person without the City's prior written consent.

Merger Clause

THIS CONTRACT AND ATTACHED EXHIBITS CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION, OR CHANGE OF TERMS OF THIS CONTRACT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION, OR CHANGE IF MADE, SHALL BE EFFECTIVE ONLY IN SPECIFIC INSTANCES AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT. CONTRACTOR, BY THE SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT HE OR SHE HAS READ THIS CONTRACT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

OPTIONAL PROVISIONS (selected by City Project Manager)**23. Arbitration: / X / Not Applicable / / Applicable**

(a) Any dispute arising out of or in connection with this Agreement, which is not settled by mutual agreement of the Contractor and the City within sixty (60) days of notification in writing by either party, shall be submitted to an arbitrator mutually agreed upon by the parties. In the event the parties cannot agree on the arbitrator, then the arbitrator shall be appointed by the Presiding Judge (Civil) of the Circuit Court of the State of Oregon for the County of Multnomah. The arbitrator shall be selected within thirty (30) days from the expiration of the sixty (60) day period following notification of the dispute. The arbitration, and any litigation arising out of or in connection with this Agreement, shall be conducted in Portland, Oregon, shall be governed by the laws of the State of Oregon, and shall be as speedy as reasonably possible. The applicable arbitration rules for the Multnomah County courts shall apply unless the parties agree in writing to other rules. The arbitrator shall render a decision within forty-five (45) days of the first meeting with the Contractor and the City. Insofar as the Contractor and the City legally may do so, they agree to be bound by the decision of the arbitrator.

(b) Notwithstanding any dispute under this Agreement, whether before or during arbitration, the Contractor shall continue to perform its work pending resolution of a dispute, and the City shall make payments as required by the Agreement for undisputed portions of work.

24. Progress Reports: /X/ Applicable / /

The Contractor shall provide weekly progress reports to the City Project Manager as defined in Exhibit A Section I, 1.c.

25. Contractor's Personnel: /X/ Applicable / /

The Contractor shall assign the personnel as stated in Exhibit A Section I, Project Management to do the work in the capacities designated:

AGREEMENT FOR PROFESSIONAL, TECHNICAL, OR EXPERT SERVICES
EXHIBIT A

Statement of the Work
and
Payment Schedule

Scope of Contractor Service

The Contractor shall provide services specifically to the Bureau of Human Resources. The Contractor shall provide to the City the online services selected and set out in EXHIBIT D, **City of Portland Request for Proposal, Interactive Voice and Web Based Benefit Enrollment System**. In addition, the Contractor shall provide the City those services set out below. In the event of conflict between the services described in Exhibit D and those stated in Exhibit A, the services stated in Exhibit A supersede those described in Exhibit D.

I. Project Management:

Contractor will designate as Project Managers, Scott Paulsen and Faisal Saleh to manage the services provided. Contractor has also assigned the following personnel to the account, Sally Butts and Saraab Saleh. Contractor's Project Managers will perform duties at City designated locations, when required by the City and will review progress in accordance with the schedule set forth below.

1. Quality Assurance

- a. The Contractor will provide a schedule showing when its deliverables will be provided within 7 days of contract approval by City Council. The schedule will include an implementation/system activation date no later than March 1, 2004, unless otherwise mutually agreed. The City will review and recommend any necessary changes to the schedule for approval. Adoption of changes is subject to mutual agreement by the City and the Contractor.
- b. The City and the Contractor will meet with appropriate benefit program vendors within 10 days of contract approval by City Council. The City will schedule a mutually agreed time, date and location of the meeting in advance of the Council schedule.
- c. The Contractor's Project Managers will participate every week in the City's designated project oversight task group. A mutually agreed upon time, date and location of the meeting will be established by the parties. The Contractor's Project Managers shall develop, track and maintain the following reports to be shared with the task group:
 - A. Accomplishments to date
 - B. Status Report of current project deliverables
 - C. Compliance with Final Work Product Deliverables Schedule
 - D. Issues/Resolutions Log Review
- d. The Contractors Project Managers shall participate in other designated task groups/sub-groups as determined and scheduled by the City. The frequency and/or duration of additional meetings will be determined at a later date and a schedule will be provided to the Contractor Project Manager.

2. Problem/Issue Resolution

A problem is any matter that could impact the schedule or quality of any deliverable required by the Contractor. When a problem arises the Contractor will notify the City within 24 hours of the initial identification of the problem. The project management team, including the Contractor's Project Managers, will provide an initial analysis of the problem and based upon this analysis, the Contractor's Project Managers will keep a record of

the problem in a document called the Issue Log, which is designed to keep track of ongoing problems. At a minimum, the Issue Log shall include the following information:

- a. Statement of problem/issue
- b. Possible solutions
- c. Resources required
- d. Implementation schedule of resolution

3. Training

The Contractor's Project Managers shall provide a work plan and schedule for training of City technical staff, City administrative staff and the end users (employee, retiree, COBRA, State Continuation participant). A training document subject to City review and approval will be provided by the Contractor in each category as defined under Section III item 3 – Communications.

II. Technical Requirements:

The Contractor will provide a system based upon the City's rules governing the City's benefit program and related payroll and accounting systems whereby participants in the City's benefit program can use the World Wide Web ("web") and interactive tools to enroll and make choices in the City's benefit program and which also allows City management the ability to administer the various program functions. The City of Portland's goal will be to replace the existing benefit administration tools while improving administration accuracy and efficiency. The Contractor is required to provide the following deliverables associated with this task in addition to the timelines established in Section VI, Compensation and Schedule of Deliverables.

1. The Contractor will build and maintain an automated benefits administrative system as follows:
 - a. **Payroll Transactions:** Interface (connection) from Contractor to City of Portland for payroll transactions for active City of Portland enrollees.
 - i. Description: The Contractor is to regularly produce and transmit a file of payroll transactions to the City according to the City's specifications.
 - ii. Format shall be text file layout to be provided as mutually agreed between the City and the Contractor.
 - iii. Timing: The Contractor will transmit a file every Friday prior to a City payday by 5:00 pm. However, if a legal City holiday falls on or before Thursday of the pay week, the Contractor shall transmit the file on the Thursday prior to a City payday by 5:00 pm. At the City's request, Contractor shall transmit the files at a time specified by the City at the close of the Calendar year and the City's fiscal year.
 - iv. Transmission will be via mutually acceptable protocol (e.g.. SECURE File Transfer Protocol (FTP)).
 - v. Security: mutually acceptable encryption/decryption protocol (e.g. "pretty good privacy" (PGP)).
 - vi. The payroll transaction deliverables shall be implemented and functional by February 2, 2004 based upon the following schedule:
 1. The details of the interface design (e.g., file layouts, security and transmission protocols, etc.) will be provided by the Contractor on or before December 23, 2003.
 2. Transmission test will be provided by the Contractor on or before December 30, 2003.
 3. Test file to be sent by Contractor before January 22, 2004 for final approval by the City prior to test implementation.

b. **Demographic Interface:** Interface from City of Portland to Contractor for demographic data transmission for active employees, retirees, COBRA and State Continuation enrollees.

- i. Description: The City is to regularly produce and transmit a file of new enrollees, employment status changes and family life status changes to the Contractor according to mutually acceptable specifications.
- ii. Format shall be text file layout to be provided as mutually agreed between the City and the Contractor.
- iii. Timing: The City will transmit a file every Friday by 5pm following a City payday, which occurs on a Thursday of alternate weeks. Should that Friday following a City payday occur in the following calendar month, the file will be transmitted on Thursday instead of Friday. At the City's request, Contractor shall transmit the files at a time specified by the City at the close of the Calendar year and the City's fiscal year.
- iv. Transmission will be via mutually acceptable protocol (e.g. SECURE FTP).
- v. Security: mutually acceptable encryption/decryption protocol (e.g. PGP)
- vi. Demographic deliverables to be implemented and functional by February 2, 2004.
 1. The details of the interface design (e.g., file layouts, security and transmission protocols, etc.) will be reviewed by the Contractor on or before December 23, 2003.
 2. Transmission test will be hosted by the Contractor on or before December 30, 2003.
 3. Content of the Test file will be reviewed with results communicated to the City by the Contractor on or before December 30, 2003.

c. **Benefit Program Vendor Interface:** Interface from Contractor to Specified Vendors for active employees, retirees, COBRA and State Continuation enrollee's eligibility data.

- i. Description: regularly produce and transmit a file of eligibility data to each of the City's vendors according to the vendors' specifications and approved by the City.
- ii. Format: Contractor shall provide each file in a format and layout designated to the vendor(s) and approved by the City.
- iii. Timing: The Contractor shall transmit each file by 5pm on the last working day of each month. At the City's request, Contractor shall transmit the files at a time specified by the City at the close of the Calendar year and the City's fiscal year.
- iv. Transmission will be via mutually acceptable protocol (e.g.. SECURE FTP).
- v. Security: mutually acceptable encryption/decryption protocol (e.g. PGP).
- vi. Benefit program vendor deliverables to be implemented and functional by February 2, 2004.
 1. Upon mutual agreement with the City, the Contractor will establish a timeline and testing schedule for each vendor. The Contractor will provide the schedule to the City on or before December 30, 2003.

d. **Administrative Interface:** Interface from Contractor to City of Portland of data transmission for City internal analysis.

- i. Description: regularly produce and transmit files of benefit enrollees, plan and dependent data to the City according to specifications required by the City.
- ii. Format shall be text file layouts to be provided as mutually agreed.

- iii. Timing: The Contractor should transmit the files by 5pm every other Friday to coincide with transmission of the payroll file. If a City holiday should fall on the scheduled Friday or prior to Thursday the following week, the file should be transmitted 24 hours earlier. Special scheduling arrangements need to be accommodated for calendar and fiscal year end processes and upon request by the City.
 - iv. Transmission will be via mutually acceptable protocol (e.g. SECURE FTP).
 - v. Security: mutually acceptable encryption/decryption protocol (e.g. PGP) .
 - vi. Administrative deliverables to be implemented and functional by February 2, 2004.
 - 1. The details of the interface design (e.g., file layouts, security and transmission protocols, etc.) will be provided by the Contractor on or before January 12, 2004.
 - 2. Transmission/Content test will be provided by the Contractor on or before January 16, 2004.
2. **New Enrollee Functions:** Build and Maintain Initial enrollment online services for active employees, retirees, COBRA and State Continuation enrollees.
- a. The Contractor is to provide web-based access to permit online plan elections, entry of dependent information and other enrollee information for initial enrollment to persons newly eligible to receive City benefits as outlined below. The on-line services shall permit enrollees to submit or access the following:
 - i. Make health and welfare plan elections as defined by the City of Portland.
 - ii. Permit enrollment of eligible dependents as defined by the City of Portland.
 - iii. Permit beneficiary designation and tracking for life and supplemental life coverage as defined by the City of Portland.
 - iv. Permit address changes as defined by the City of Portland.
 - v. Permit entry of emergency contact Information.
 - vi. Provide messages to employees on elections, enrollment, premium payment and other necessary issues.
 - vii. Provide online access to download forms for submitting evidence of insurability for supplemental life insurance and long-term disability as defined by the City of Portland.
 - b. Format: The design of the web page and functionality will be reviewed and approved by the City.
 - c. Timing: The online services will be active seven days a week and 24 hours a day except for scheduled maintenance. The City will specify the initial election period for new enrollees.
 - d. Security: The Contractor will provide web security in compliance with HIPAA, the regulations thereunder and the conditions specified by the City in the Business Associate Agreement executed by the Contractor.
 - e. New enrollees deliverables to be implemented and functional by February 2, 2004.
 - i. Initial Web design layout to be provided for approval to the City by the Contractor on or before January 6, 2004.
 - ii. Contractor will provide test website for user test on or before January 16, 2004.
3. **Annual Enrollment:** Build and Maintain annual enrollment online services for active employees, retirees, COBRA and State Continuation enrollees for the 2004/05 Annual Enrollment election period beginning May 24, 2004 and annually thereafter at a time to be determined by the City.

- a. The Contractor is to provide a comprehensive web-based service that permits Annual Enrollment benefit plan elections and changes to dependent information during the Annual Enrollment period. The on-line services shall permit enrollees to submit or access the following:
 - i. Make health and welfare plan elections as defined by the City of Portland.
 - ii. Permit enrollment of eligible dependents as defined by the City of Portland.
 - iii. Permit beneficiary designation and tracking for life and supplemental life coverage as defined by the City of Portland.
 - iv. Permit address changes as defined by the City of Portland.
 - v. Permit entry of emergency contact Information.
 - vi. Provide messages to employees on elections, enrollment, premium payment and other necessary issues.
 - vii. Provide online access to download forms for submitting evidence of insurability for supplemental life insurance and long-term disability as defined by the City of Portland.
- b. Format: The design of the interface will be mutually determined and reviewed and approved by the City.
- c. Timing: The online services will be active seven days a week and 24 hours a day except for scheduled maintenance. The City will specify the election period for Annual Enrollment
- d. Security: The Contractor will provide web security in compliance with HIPAA, the regulations thereunder and the conditions specified by the City in the Business Associate Agreement executed by the Contractor.
- e. Annual Enrollment deliverables to be functional by May 14, 2004
 - i. Initial Web design layout to be provided for approval to the City by the Contractor on or before March 15, 2004.
 - ii. Contractor will provide test website for user test on or before April 15, 2004

4. Employment Status and Family Event Changes: Build and Maintain ongoing work/life event online services for active employees, retirees, COBRA and State Continuation enrollees

- a. The Contractor is to provide a web-based service that permits enrollees to make and/or change a benefit plan election during the plan year based upon all applicable qualifying mid-year events as determined by the City. The on-line services shall permit enrollees to submit or access the following:
 - i. Make health and welfare plan elections as defined by the City of Portland.
 - ii. Permit enrollment of eligible dependents as defined by the City of Portland.
 - iii. Permit beneficiary designation and tracking for life and supplemental life coverage as defined by the City of Portland.
 - iv. Permit address changes as defined by the City of Portland.
 - v. Permit entry of emergency contact Information.
 - vi. Provide messages to employees on elections, enrollment, premium payment and other necessary issues.
 - vii. Provide online access to download forms for submitting evidence of insurability for supplemental life insurance and long-term disability as defined by the City of Portland.
- b. Format: The design of the interface will be mutually determined and reviewed and approved by the City.
- c. Timing: The online services will be active seven days a week and 24 hours a day except for scheduled maintenance. The City will specify the election period for qualifying events.

- d. Security: The Contractor will provide web security in compliance with HIPAA, the regulations thereunder and the conditions specified by the City in the Business Associate Agreement executed by the Contractor.
- e. Employment status and family event deliverables to be implemented and functional by February 2, 2004
 - i. Initial Web design layout to be provided for approval to the City by the Contractor on or before January 6, 2004
 - ii. Contractor will provide test website for user test on or before January 16, 2004

5. History Tracking: Build and maintain City benefit program history:

- a. The Contractor shall develop and maintain a method to track changes to each data element. Changes must be identifiable by date, time and source of authorization. These records should be maintained for the duration of the contract and provided upon request by the City. In addition, the Contractor will provide a separate record of annual enrollment election indicators.
- b. The Contractor will maintain the employee database regardless of employee status, e.g., terminated, inactive, etc.
- c. Format: The design of the interface will be mutually determined.
- d. Timing: The change tracking system will function continuously. The Contractor shall provide access to the data upon request by the City.
- e. Security: The Contractor will provide web security in compliance with HIPAA, the regulations thereunder and the conditions specified by the City in the Business Associate Agreement executed by the Contractor.
- f. History deliverables to be implemented and functional by February 2, 2004:
 - i. The Contractor agrees to provide a test file to the City on or before January 16, 2004.
 - ii. The Contractor agrees to have the history/change tracking system implemented and functional on or before February 2, 2004.

6. Administrative Tools: Build and Maintain Web-based Administrative Functions

- a. Description: the Contractor is to provide an array of administrative web-based tools that will include the following capabilities:
 - i. Enrollee inquiry: The ability for City staff to access participant information.
 - ii. Enrollee data changes/input: The ability for City staff to edit participant data and to add new enrollees.
 - iii. Enrollee data entry of initial, ongoing and annual enrollment paper enrollments.
 - iv. Enrollee default benefit election access: The ability for City staff to maintain settings for default benefits plan elections.
 - v. Pend/Add/Change: The ability for City staff to change the status of benefits plan elections.
 - vi. Analysis: The ability for City staff to view, search and review participant data, including history files and produce ad hoc reports.
 - vii. Reporting: The ability for City staff to run a standard suite of reports the contents of which will be specified by the City.
 - viii. Web Content Editor: The ability to place special City notices on the front page of the user access screen.
 - ix. History: The ability to view, search and receive historical participant data.
 - x. Format: The design of the interface will be mutually determined.
 - xi. Timing: The interface will be active during a period of time and under conditions specified by the City.
 - xii. Security: Different levels of clearance need to be available (i.e. view only, report access, etc.) The Contractor will provide web security in

compliance with HIPAA regulations and City privacy and confidentiality requirements.

- xiii. Administrative deliverables to be implemented and functional by February 17, 2004:

1. Each component shall be tested via a test website and should incorporate each of the above stated elements on or before February 5, 2004 to ensure functionality before February 17, 2004.

7. Security: In addition to security concerns detailed in other sections, the Contractor shall undertake and provide the following services:

- a. Comply with HIPAA privacy and security regulations and the terms of the Business Associate Agreement.
- b. Website security to protect the privacy of participant data in accordance with City specifications.
- c. Unique participant and administrator logins with user-customizable passwords.
- d. Backups—the Contractor will be responsible for providing full restoration of systems and data within 24 hours of systems failure. The restored data must be no more than 24 hours old and the Contractor must be able to track what data was lost and provide that information to the City.

8. Testing

- a. Changes to the data, data structures or underlying code will be tested on a system isolated from the production system utilized by the City. This includes system restoration.
- b. Tests will be developed by the Contractor and agreed to by the City. Changes to data, data structures and underlying code will not be implemented without City authorization.
- c. The test system will be maintained as a backup system should the production system fail.

III. Communications:

The Contractor will provide communication, administrative and training functions and deliverables as outlined below. The Contractor will develop these products as directed by the Project Oversight Group and in concert with the Communications Strategies Task Group.

1. Employee/Retiree/COBRA and State Continuation Communications:

- a. Email Confirmation Statements: Contractor will provide and maintain a system for sending e-mail confirmation statements to Enrollees of their elections and/or changes upon initial enrollment, ongoing work/life event changes and annual enrollment.
 - i. The Contractor will provide a draft of the e-mail confirmation statement for initial enrollments and ongoing work/life event changes on or before January 9, 2004.
 - ii. The initial enrollment and ongoing work/life event changes City-approved e-mail notification system will be operational no later than March 1, 2004.
 - iii. The Contractor on or before April 1, 2004 will provide the Annual Enrollment draft confirmation statement to the City.
 - iv. The Annual Enrollment City-approved e-mail notification system will be operational no later than May 14, 2004.
- b. Annual/Initial Enrollment and Life/Work Events Paper Confirmation Statements: Contractor shall provide a system allowing employee/ retiree/COBRA/State

continuation participants to print out a confirmation statement at the end of the online session which details changes made. The Contractor's system will identify if a confirmation statement was sent to the enrollee to print. Contractor shall provide an electronic file containing confirmation statements for each employee, retiree, COBRA or State Continuation participant whose identifier indicates they did not have a confirmation statement sent electronically. The electronic file and confirmation statement will be in a mutually agreed format that will allow the City to download, print and mail to the participants' home addresses. Initial COBRA notices and COBRA, Retiree or State continuation election notices will not be provided by the Contractor.

- i. The Contractor on or before January 9, 2004 will provide the draft confirmation statement and a test file to the City.
 - ii. Electronic file and final City-approved confirmation statement to be in place no later than March 1, 2004.
 - c. Annual Enrollment and New Hire instruction sheets: Contractor will provide an instruction sheet to be distributed via email or, at the City's discretion, on paper, to be sent to and distributed to new employees, retirees, COBRA participants, State Continuation enrollees and to all enrollees during annual enrollment. Contractor shall provide paper instruction sheets that include the participant's name and address in a manner that allows the name and address to be visible in an envelope when mailed to the participant's home address. In addition, the Contract shall provide a supply of printed worksheets to be provided to enrollees upon request.
 - i. The Contractor on or before January 9, 2004 will provide the draft instruction sheet for newly hired employees to the City.
 - ii. Final City-approved version in place no later than February 20, 2004.
 - iii. The Contractor on or before April 1, 2004 will provide the draft instruction sheet for Annual Enrollment to the City.
 - iv. Final City-approved version in place no later than May 10, 2004.
 - d. The Contractor shall work with the City regarding the set-up, content and text of the online enrollee access computer screens. The Contractor will develop and maintain the enrollee online access screens and make changes to the screens as mutually agreed. The schedule for this component of the project is set forth in Section II, Technical Requirements.
 - e. The Contractor shall work with City technical personnel in the development of a portal through PortlandOnline that will display all periodic announcements to be programmed and posted online on the Contractors front page for the City for all employees, retirees, COBRA and/or State Continuation enrollees. The schedule for this component of the project is set forth in Section II, Technical Requirements.
 - f. From time to time and upon mutual agreement, the City may request the assistance from the Contractor for other enrollee communications. If so requested, Contractor agrees to provide those additional communications provided that distribution, cost, scope of work and scheduling is mutually agreed upon.
2. The Contractor shall provide routine administrative reports designated by the City. The Contractor agrees the following types of reporting are included in the administrative fees charged the Contractor and no additional compensation will be paid to the Contractor for

development of the reports described below. A meeting will be scheduled on or before January 5, 2004 to review requirements.

- a. The Contractor shall provide monthly carrier premium calculation and eligibility reports. These reports will be in mutually agreed upon electronic format and sent to the City and to the City's carrier if the City so chooses. The premium calculation and eligibility reports prepared for each carrier must include, at a minimum, the following elements; name of participant, the month being reported, the participant's plan number, group number and sub-group number, whether the participant is a member of a union, the bureau for which the participant works, whether the participant is an active employee, a retiree, a COBRA participant, a State Continuation participant, whether the participant is a full-time or part-time employee, the participant's status code, participant counts under each plan enrolled and the monthly City contribution charge, monthly premium and any employee contribution. This list of requirements can be revised at the discretion of the City at no additional charge.
 - i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004.
- b. The Contractor will provide an electronic report in a mutually agreed format that will track employees who's pay is less then required to maintain their designated status for benefit eligibility in each payroll data transmission. The Contractor and the City agree to meet regarding the required elements for this report.
 - i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004.
- c. Demographic/Census reporting is a critical element of benefit administration. The Contractor shall provide such reporting. The Contractor shall meet with the City and define the scope, timing, and layout of the report defined in Section II, Technical Requirements.
- d. The Contractor shall provide an electronic report in a mutually agreed format that will track any leave status code assigned to enrollees during each payroll data transmission. The Contractor and the City agree to meet regarding the required elements for this report.
 - i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004
- e. The Contractor shall provide an electronic report in a mutually agreed format that will track necessary eligibility exceptions affecting enrollee eligibility and/or contributions that have been manually entered from the City into the Contractors web-based administrative interface during each payroll data transmission.
 - i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004.
- f. The Contractor will provide electronic reports in a mutually agreed format that will track new hires and terminations.

- i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004.
- g. The Contractor will provide electronic reports in a mutually agreed format that will track work/life event status changes, including those in a pending status.
- i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004.
- h. The Contractor will provide electronic reports in a mutually agreed format that will track supplemental and dependent life insurance elections that are in a pending status awaiting Evidence of Insurability (EOI) paperwork to be received by the City from the participant.
- i. The layout of this report must be prepared and provided for approval to the City on or before January 15, 2004.
 - ii. Final, City-approved report to be completed by March 1, 2004.

3. Training

- a. The Contractor agrees to provide the City's administrative staff handling benefit issues a comprehensive written training manual and onsite training assistance and demonstration. The manual shall include step-by-step instructions regarding how to access participant information, history, eligibility, exceptions, reports, and all other pertinent instruction necessary to understand and operate the system.
 - i. An outline of the manual shall be provided for approval to the City by January 5, 2004 for review and comment.
 - ii. Final copy and on-site training materials are due by the Contractor by February 26, 2004.
- b. The Contractor shall provide to the City's Project Managers a comprehensive written training manual for City of Portland Staff to assist them in offering support to persons who will use the Contractor's web-based services. The manual shall include comprehensive step-by-step instructions regarding how benefit elections are made, how to add a dependent, how to download an application for Evidence of Insurability (EOI), how to change a beneficiary and all other necessary instructions.
 - i. An outline of the manual and/or a copy of the Contractors current manual used for other clients of the Contractor will be provided for approval to the City by January 5, 2004 for review and comment.
 - ii. Final copy and on-site training materials are due by the Contractor by February 26, 2004.

IV. Customization:

Recognizing the City of Portland has added additional compensation within this agreement for customization services, the City of Portland and the Contractor agree the following system modifications or reporting capabilities will be included without additional compensation.

1. Changes in Plan Design Citywide or by Union: During each annual enrollment period, the City may change any premium, charges related to the health and welfare plans offered participants and the availability of plans offered by the City. The Contractor shall make all necessary and appropriate changes to its system to support such changes.

The Contractor agrees to make all programming changes and to internally test any and all changes to confirm that the system properly work in light of the changes.

- a. If the City contemplates changes, as described above, the City will notify Contractor of those changes by April 1st of each calendar year. Thereafter, the Contractor will make the necessary changes to its system and test its system in light of the changes by May 3rd, unless an alternate schedule has been mutually agreed.
2. The Contractor will provide eligibility data to the City's benefit plan vendors or an administrator hired by the City at the City's direction. If the City terminates a contract with one of its insurance or administrative carrier(s) the Contractor shall complete any programming and testing of a new interface with the new contracted vendor within 30 days of the City's request.
3. The Contractor will alter the rules governing payroll transaction generation either on a temporary basis or a permanent change at the City's request. The Contractor will provide all necessary programming and testing to ensure compliance with payroll requirements. The effective date of such changes will generally be by mutual agreement of the Contractor and the City. However, if the City declares an emergency and notifies the Contractor of that emergency the Contractor shall make the required changes within 48 hours or less.
4. City policies, procedures or collective bargaining agreements may from time to time have direct impact on rules affecting the administration of the benefit program. In that event, the Contractor shall work with the City to implement any type of programming change that may be required including, the scope of the change within already established processes, the duration of project, and necessary testing.
5. Changes to or different interpretation of existing law may affect benefit administration, how data files are sent to and from the City to the Contractor or to and from the Contractor to the benefit program vendor(s), election requirements, or plan offerings. The Contractor shall work with the City to implement any necessary programming change that may be required, including the scope of such changes within already established processes, duration of project, testing and implementation of the change.
6. The Contractor agrees to develop and maintain secure Internet access through the City's official website, <http://www.portlandonline.com>. This access point will permit eligible enrollees using the City's website to transfer to the Contractors website.

V. Scope of City Services

To assist the Contractor in carrying out its obligations hereunder, the City Project Managers will ensure the City shall perform the services set out below:

1. The City will provide necessary electronic data required to fulfill proposed online system contractual specifications at the Contractor's request. The data provided to the Contractor will include all enrollee specific data, dependent information, election, salary, current plan election, premium and/or charge data relative to the successful implementation of the project.
2. The City will provide current rules and administrative practice information (work/life/event matrix) to the Contractor to assist them in the development of tables necessary to develop the enrollee access, eligibility and election capability.
3. The City will provide all necessary technical and/or administrative personnel and system resources to successfully implement and complete this project.

4. The City will establish a project oversight task group. This group will endeavor to meet regularly at a date, time and location determined by the City as defined in Section I, 1. (c.). Changes to the scheduling of meetings will be communicated to all participants.
5. The City will establish a communications/training strategy task group. This group will endeavor to meet regularly at a date, time and location determined by the City.
6. The City will schedule meetings as necessary between the City's benefit program vendors and the Contractor in support of the development of the interfaces necessary between the Contractor and those carrier(s). As described in Section I, 1., (b.) an initial meeting with the benefit program vendors and the Contractor will be scheduled at a mutually agreed upon time and place within 10 days of approval of this contact by City Council.

VI. Compensation and Schedule of Deliverables

The City shall pay the Contractor for work performed that satisfactorily meets the City's requirements under the Agreement at the following rates subsequent to implementation. The total compensation to the Contractor shall not exceed the specified individual rate paid to the Contractor on a monthly basis for each current benefit eligible employee, retiree and/or COBRA participant as determined by the City unless specifically detailed below. The pricing contained within Exhibit A supersedes over any pricing listed within Exhibit D.

1. **Implementation Schedule and Deliverables:** The City will pay the Contractor \$97,000 during implementation of the online benefit election/administrative services project to be paid as follows:
 - a. \$15,000 upon City Council approval of this agreement and finalization of a defined deliverables schedule for each of the Technical Requirement elements of the contract as stated in Section II, page 2 of Exhibit A above.
 - b. \$10,000 upon delivery of an implemented and approved functional web-based enrollment application set-up for testing purposes.
 - c. \$10,000 upon delivery of an implemented and approved functional online administrative service application set-up for testing purposes.
 - d. \$20,000 upon delivery of an implemented and approved functional payroll transmission testing file.
 - e. \$25,000 When system is activated and fully functional for initial enrollment and life/work status changes. (targeted for March 1, 2004).
 - f. \$17,000 to be held in reserve and payable upon successful completion of the 2004-05 Annual Enrollments function.
2. **Monthly Administrative Fee:**
 - a. The City of Portland agrees to pay \$2.87 per month to the Contractor for each current benefit eligible employee, retiree, COBRA participant and State Continuation enrollee as determined by the City beginning with the first day of the first month the functional and implemented online enrollment and administrative service capabilities are offered to City enrollees and administrative staff until the initial term of the contract has terminated.
 - b. The Contractor agrees the monthly per member cost for each current benefit eligible employee, retiree, COBRA participant or State Continuation enrollee as determined by the City shall in no event increase more than 5% beginning July 1, 2006 and annually thereafter until the termination of the contract, subject to City Council approval.
 - c. The City will self-bill to the Contractor based upon eligible enrollees. The City will provide payment within 35 days of the 1st of the month in which payment is due.

EXHIBIT B
INDEPENDENT CONTRACTOR CERTIFICATION STATEMENT

SECTION A

CONTRACTOR CERTIFICATION I, undersigned, am authorized to act on behalf of entity designated below, hereby certify that entity has current Workers' Compensation Insurance.

Signature [Signature] Date 12-9-03
Entity ALIQUANT CORPORATION

If entity does not have Workers' Compensation Insurance, City Project Manager and Contractor complete the remainder of this form.

SECTION B

ORS 670.600 Independent Contractor; standards. As used in various provisions of ORS Chapters 316, 656, 657, and 701, an individual or business entity that performs labor or services for remuneration shall be considered to perform the labor or services as an "independent Contractor" if the standards of this section are met. The contracted work meets the following standards:

1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;
2. The individual or business entity providing labor or services is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local government ordinances for the individual or business entity to conduct the business;
3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for performance of the contracted labor or services;
4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;
5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

Project Manager Signature Date

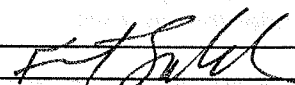
SECTION C

Independent Contractor certifies he/she meets the following standards:

1. The individual or business entity providing labor or services is registered under ORS Chapter 701, if the individual or business entity provides labor or services for which such registration is required;
2. Federal and state income tax returns in the name of the business or a business Schedule C or form Schedule F as part of the personal income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent Contractor in the previous year; and

3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when an individual or business entity files a Schedule F as part of the personal income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist. Contractor check four or more of the following:

- A. The labor or services are primarily carried out at a location that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set-aside as the location of the business;
- B. Commercial advertising or business cards as is customary in operating similar businesses are purchased for the business, or the individual or business entity has a trade association membership;
- C. Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or services;
- D. Labor or services are performed only pursuant to written contracts;
- E. Labor or services are performed for two or more different persons within a period of one year; or
- F. The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.



 Contractor Signature
 ALIQUANT CORPORATION

Date 12-9-03

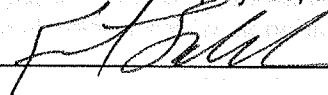
EXHIBIT B

Rev. 07/03

INSURANCE (The Project Manager must answer and initial 2, 3, and 4 below).

During the term of this contract Contractor shall maintain in force at its own expense, each insurance noted below:

- 1. Workers Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers (Contractors with one or more employees, unless exempt under ORS 656.027).



- 2. Required and attached or Waived by City Attorney : _____

General Liability insurance with a combined single limit of not less than \$500,000 each occurrence for Bodily Injury and Property Damage. It shall include contractual liability coverage for the indemnity provided under this contract, and shall provide that City of Portland, and its agents, officers, and employees are Additional Insured but only with respect to the Contractor's services to be provided under this Contract:

- 3. _____ Required and attached or Waived by City Attorney : _____

Automobile Liability insurance with a combined single limit of not less than \$500,000 each occurrence for Bodily Injury and Property Damage, including coverage for owned, hired, or nonowned vehicles, as applicable:

- 4. Required and attached or Waived by City Attorney : _____

Professional Liability insurance with a combined single limit of not less than \$1,000,000 each claim, incident, or occurrence. This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under this contract.

- 5. On all types of insurance. There shall be no cancellation, material change, reduction of limits, or intent not to renew the insurance coverage(s) without 30-days written notice from the Contractor or its insurer(s) to the City.

- 6. Certificates of insurance. As evidence of the insurance coverages required by this contract, the Contractor shall furnish acceptable insurance certificates to the City at the time Contractor returns signed contracts. The certificate will specify all of the parties who are Additional Insured and will include the 30-day cancellation clause that provides that the insurance shall not terminate or be cancelled without 30 days written notice first being given to the City Auditor. Insuring companies or entities are subject to City acceptance. If requested, complete policy copies shall be provided for approval to the City. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

183738

**EXHIBIT D
CITY OF PORTLAND
REQUEST FOR PROPOSAL
STATEMENT OF COMPLIANCE**

Please submit the following form regarding this proposal.

We hereby acknowledge receipt of this RFP for:

City of Portland

and we certify that our proposal conforms to the RFP and City Service Agreement, except as detailed below:

We have reservations regarding some of the provisions in the service agreement. We reserve the right to negotiate the terms of the agreement.

We are now beginning our Equal Employment Opportunity Affirmative Action certification and expect to have our paperwork filed this week.

We have never had to submit a performance bond before. If Aliquant is selected, the cost of the bond will be billed to the City of Portland.

Name of Vendor: Aliquant Corporation

Signature of Authorized Officer

Title: President

Date: February 4, 2002

A. GENERAL QUESTIONNAIRE

1. Provide the name, title, address, telephone, email and fax number for the person submitting this proposal.

Name: Faisal Saleh
Title: President
Portland Office: Fox Tower, 805 SW Broadway, Suite 480, Portland, OR 97205
Corporate Headquarters: 41 Village Lane, Suite B, Bethany, CT 06524
Telephone: 203/393-4100 ext 101
Fax: 203/393-4188
E-mail: f@aliquant.com

2. Briefly describe your organization. Include the following:

a. Business background and history

Our organization consists of two affiliated entities. BeneSoft, Inc., the technology software arm, and Aliquant Corporation, the benefits administration outsourcing arm. BeneSoft licenses benefits administration systems to employers for use in-house, while Aliquant provides benefits administration outsourcing services based on the BeneSoft benefits administration systems technology. BeneSoft has over 100 in-house system installations; Aliquant administers benefits for 30 clients with combined employee population of 500,000 lives.

b. Ownership Structure

Aliquant is a privately held corporation owned entirely by its officers.

c. Subsidiary relationships

None.

d. Alliance relationships

Aliquant is affiliated with BeneSoft (which is also a privately held corporation) as described in question 2a above. Aliquant and BeneSoft have common ownership.

e. Number of years in business

BeneSoft was founded in 1985 and began outsourcing services in 1996. Aliquant spun-off from BeneSoft in 1998 to take over the outsourcing services.

f. Number of employees

35 permanent employees.

g. Annual revenue associated with health and welfare plan services

\$10 million for the year ending September 30, 2001.

3. List five (5) agencies (list governmental clients first and/or of similar size) for whom you have contracted to implement an IVR/Online employee benefit enrollment program. Please include name of client, address, name of contact, and telephone number. Please include one (1) new client, one (1) long-term client and one (1) client who has ended their contract with your organization with the last 12 months.

Company Name/Contact / Phone number	Number of employees	Number /type of plans serviced	Length of relationship
Long-Term client: Newport News Shipbuilding Norfolk, VA Debbie Upton, 757/688-6950	10,000	Main Groups: Salaried and hourly active employees and retirees. Plans: medical, dental, vision, AD&D, employee and dependent life, FSAs, Legal, ESPAP.	6 years
Long-Term client: Farmers Insurance Linda Yezek, 323/932-7158	8,000	Main Groups: Agents and employees of agents, retirees, COBRA Plans: medical, dental, vision, AD&D, employee and dependent life, FSAs	2 years
Long-Term client: Children's Hospital Seattle Washington Tony Paolozzi, 206/368-4931	9,000	Main Groups: active salaried employees, retirees Plans: medical, dental, vision, AD&D, employee and dependent life, FSAs, Legal, ESPAP.	3 years
New client: Sentara Health Joyce VanLinderen	10,000		1 year
Former client: Dime Savings Bank Ken Cummings, 516/745-2474	6,000		2 years

3. Does your organization subcontract any part of your health and welfare IVR/Web system?

no

4. Does your organization "Host" the application. If No, what is your relationship with the subcontractor, how long have you had the relationship and what changes if any, do you anticipate in the future?

Yes.

5. Describe confidentiality and security procedures for your IVR/online systems?
Aliquant's security procedures are detailed in the enclosed **Security Overview**.
6. How is authorization handled for the employer for internal updates and design?
Through password security.
7. How are security problems solved?
By contacting the appropriate person at our data center.
8. Who will have access to our data?
Aliquant staff on a need to know basis.
9. What is your standard data retention period?
There is no limit to the length of time data can be retained.

B. IMPLEMENTATION

1. Please provide a proposed detailed implementation schedule for the City's IVR/Web enrollment systems. Provide a calendar and written narrative. The calendar should outline implementation from the beginning of the contract, February 15, 2002 going "Live" May 20, 2002 through the end of annual enrollment June 30, 2002. Please break out initial development phase, testing phases and ongoing enrollment capabilities beyond annual enrollment. Secondly, provide the same materials with a start date of July 1, 2002 for delayed implementation of the Web/online product only.
Please see the **Implementation Plan** section of this binder.
2. Please provide the following information about the role individuals would play, both during implementation and for all ongoing administrative needs.
 - A. Name(s)
 - B. Location (s)
 - C. Key role (s) and responsibilities
 - D. Time commitment for installation of the program

Aliquant Staff	Functional Responsibility
Faisal Saleh, President <i>Bethany, CT</i>	Executive Contact. Available whenever needed. Faisal has been in the Benefits field for over 25 years.
Scott Paulsen Implementation Manager <i>Portland</i>	Technical project manager responsible for overall system implementation and delivery. Act as the lead manager during system implementation and conversion. Responsible for future system changes and annual rollovers. This person also oversees a team of technical analysts responsible for implementation and system programming. Time commitment = 50%. Scott has over 10 years experience in flexible benefits systems implementation and support.
Nancy VanLaningham, Account Manager <i>Portland</i>	Responsible for overall client relationship, including day-to-day operations and change management. Acts as the main contact point between Aliquant and Client and coordinates the delivery of various services. Time commitment = 25% Nancy has 20 years experience in Customer Service and Support.
Diana Mickaelson, Graphic Design and Print Manager <i>Portland</i>	Graphic and print specialist responsible for graphic design of enrollment forms, confirmation statements, envelopes, and print vendor coordination. Time commitment = 10% Diana has over eight years experience in designing benefit-related employee communication materials.
Nancy VanLaningham Literature Fulfillment Manager <i>Portland</i>	In addition to her duties as Account Manager, Nancy would also be responsible for coordination and management of client literature fulfillment projects for open enrollment and during the year. Time commitment = 10%
Lisa Fraser Call Center Supervisor <i>Pittsburgh, PA</i>	Works closely with Account Manager and Client to plan and coordinate Call Center services. Also responsible for overseeing training of customer service representatives. Time commitment = 20%. Lisa has over 10 years of experience in the benefits administration field.
Rod Wyatt Data Center Manager, <i>Portland</i>	Responsible for coordination of technical configurations, telecommunications and network management. Time commitment = 10%. Rod has been in the IT field for over 15 years.

3. Provide a resume for each team member listed above, including a description of the individual's experience with similar projects.

A short biography of each team member is listed in the staff table above.

4. Who is responsible in your organization to keep this project on task and within the agreed upon timeline.

Our Implementation Manager keeps the project on track for the initial implementation and open enrollment. Then for ongoing enrollments, the Account Manager makes sure the day-to-day tasks are accomplished on schedule.

5. Identify the "Go To" person responsible when emergency/troubleshooting issues arise.

The Account Manager is the first person to contact in the event an emergency issue arises.

6. What City of Portland resources will be required for implementation?

Benefits manager, payroll manager and IT staff.

C. IVR/ Web System

1. Describe your voice response and web enrollment systems, its functionality and various benefit transactions?

Our system provides integrated IVR and Web enrollment directly into the administration system without the need for separate IVR or Web databases.

The system provides employees with a comprehensive tool for the self-service administration of benefits. Functionality available in our system includes, but is not limited to, the following:

- Facilitates enrollment in benefits in a variety of modes (annual re-enrollment, qualified life event enrollments, and qualified work status change enrollments such as newhires).
- Gather and validate primary care physician/primary care dentist elections
- Optionally pend enrollment elections requiring evidence of insurability, and facilitate the EOI application process.
- Review historical enrollment data
- Maintain dependent/beneficiary demographic data on a current and historical basis. Dependent enrollment and beneficiary designation data is maintained for individual benefits.
- Provide links to internally and externally housed content
- Request literature (both constant and personalized), in either electronic or hardcopy format

In addition to developing, maintaining and hosting the web and IVR systems, Aliquant's administrative services include all aspects of data maintenance and employee service. Aliquant will develop and maintain interfaces between all necessary systems, including eligibility, deduction and demographic data. Aliquant can also provide a fully staffed and trained customer service center, as well as all necessary fulfillment services, or Aliquant can provide support for a customer-maintained call center.

2. How many callers can be handled on the voice response system at one time?
How many online?

IVR : As many as desired by client. All lines are dedicated.
Web: Unlimited.

3. What is the capacity threshold (%), which you would not exceed before enhancing the system to handle greater volume? What about during peak times? How long would the enhancement take? What impact would this have on our service?

We can build the capacity to whatever level desired by client.

4. If your IVR system is not 24 hours, what message will employees hear if they call during "off" hours?

Our system is operational 24/7, with the exception of a short period in the middle of the night when database maintenance is performed. If an employee calls during that time, they hear the message "The system is currently unavailable. Please try again later." This message can be modified if the client wishes.

5. Indicate which of the following activities (as applicable) can be performed by your voice response/online systems?

- a. Annual Plan Enrollment
- b. On-going New Hire Enrollment
- c. Flexible Spending Account elections
- d. Dependent data and/or enrollment
- e. Family status changes
- f. IRC Section 457 deferred compensation contribution changes
- g. Form Requests
- h. Plan material requests
- i. Interactive Eligibility Verification
- j. Download information to multiple sites/contracted vendors
- k. Beneficiary designation
- l. Beneficiary and address changes
- l. Vendor Contact Information
- m. Other Benefit related information not mentioned above
- n. Opt-out/Waive Provisions for medical and dental plans
- o. Access to live person for assistance

Our system can perform all of the above activities.

6. Can sophisticated users go directly to the question or transaction they are interested in or must they follow a menu?

For the IVR system, short cuts have been added to the script allowing the more sophisticated user a shorter call time. For the Web system, the process is already very streamlined for experienced as well as novice users.

7. Is the system accessed through a single 800 number? Are we charged for this service separately from your charges?

The system is accessed either through a single 800 number, or both an 800 number plus a local number can be provided to the employees, whichever the client prefers. The client is charged for the toll calls to the system and the lines going to the system.

8. Can a special message be played or displayed for a limited duration?

Yes.

9. Describe your process for implementing plan design changes or update data in your system?

All plan design changes are required in writing. The Implementation Manager reviews the changes and resolves any questions or issues with the client. The technical implementation team can begin updates while unresolved issues are being discussed.

10. When and how are voice response changes/online enrollment confirmed to participants? To our department? Describe how your system would accommodate ending the annual enrollment process for a short period, then open again for a short period to accommodate the need to confirm elections and allow a period for corrections.

Personalized confirmation statements are printed for each employee either daily, or at the end of the enrollment period. In addition, Web users may be given the option of printing their own confirmation statement from their web browser after enrolling, or having their statement emailed to them. Enrollment reports are sent to the client.

Most of our clients choose to re-open the IVR and web for a corrections period. The lines are simply reopened at a time when it is estimated all employees have received their confirmation statements.

11. Provide a map and dialogue for a typical system. Please describe your mapping and dialogue development process for the IVR system.

Please see the **Sample IVR Documents** section of this binder.

12. How many times can participants change their elections during annual enrollment?

Participants can change their elections as often as they like before the enrollment deadline.

13. Are there limits to the length of the dialogue/questions for the IVR?

No

14. How would your organization handle a request from us to make changes after the system is "live"?

Our implementation manager would discuss the request with the client and assess the impact of such change. After evaluating the request and fully understanding the request, the implementation manager, along with the technical analyst team, would discuss an action plan for making the updates. The first step is to make updates to a test system and test those updates. Once the technical team and the client agree that the updates are as desired, the same updates are made to the live system and tested again. Depending on the request, the employees may never be interrupted by the request.

15. Does your organization have a web site available for plan participants to access information and direction on enrollment process? Would your organization agree to link to an internal site within the City?

Yes, our web interface can link to a clients' intranet. Links to enrollment instructions and information can be placed on the client intranet site, or on the Aliquant web interface, or both. Enrollment instructions can simply appear on the screen, or can be in the form of a downloadable PDF document.

16. Discuss how your organization would resolve the enrollment of employees on a leave of absence, new employees not in the original data and employees who experience job changes during the enrollment process?

Information on new employees can be passed from the client to Aliquant during routine weekly or bi-weekly data feeds. The same would hold true for information regarding life and work-related status changes. At that time, an ongoing enrollment form would be printed and sent to the employee, if necessary, according to procedures previously agreed upon by the client and Aliquant.

17. How do you update government regulation in your system? Does your organization have any responsibility to maintain legislative changes, and will you guarantee that we are in compliance with all regulatory changes? Will we be notified when a change occurs?

Our role is to provide the tools and functions in the system according to client specifications. We cannot guarantee client compliance.

18. How do the administrative data systems and voice response systems interface? Will it generate text files? Is FTP available to regularly transmit those files?

Our administration system and IVR/Online systems are all one and the same system. There is no need to interface.

19. Can your voice response system be integrated with other voice response systems through call path servers?

No. But calls can be transferred from one system to another.

20. What hours is technical support available? Please identify email and telephone methods to contact individual(s) providing this support?

24/7 at the data center for emergencies. Normal support 9 to 5 workdays.

D. CUSTOMER SERVICE

1. Can you provide special access to live operators for employees who are not able to use the IVR system because of special circumstances or who are having difficulty using the system?

Yes.

2. What is the process when a participant forgets the PIN number? Can this be resolved without person/person contact?

If the client desires, it can be.

3. Explain the support you have for non-English speaking participants, the hearing impaired, and those with other challenges/disabilities.

For the hearing impaired we suggest they contact their HR departments for assistance. AT&T translation services are available at extra cost. We can also support a second language on the IVR system, such as Spanish, for an additional \$10,000 to \$15,000.

4. Do you record call center phone calls? If yes, how do you store and retrieve an individual call to review? What is your retention period?

We currently are not recording calls but we expect to start doing so in 2002.

5. Discuss how phone inquiries are documented. Does your system have the capacity to code inquiries by subject area to recognize trends? Please describe how you use, monitor and audit this information, how you would propose to make it available to the City of Portland.

During each call the Call Center receives, representatives access the system through an administrator's Web-based application and are able to enter employee call tracking information into the system.

6. Do you have the capability to reproduce, warehouse and/or distribute various forms and other printed materials?

Yes. Our graphic designer is experienced in form/document design and print management, and our fulfillment center routinely stores and distributes enrollment forms and other employee communications materials.

7. What standard employee communications do you provide? Enclose samples. Please see the **Sample Enrollment Materials** section of this binder.

8. Where will the call center(s) be located?

The call center is located in Pittsburgh, PA.

9. What hours and days are customer service representatives available?

Each client decides the staffing and hours of operation for its service center team. We will make recommendations but the client has the final say on the number of representatives and the hours they will be deployed. The cost of our service center is based on the representative hours requested by each client. This way each client controls its own costs and service levels directly. We are able to make staffing adjustments during open enrollment to match the incoming call volumes.

10. How is the call center managed?

There is a call center manager in charge of operating and managing the call center.

11. What level of training do your call center representatives receive?

The service team makeup is determined by each client's requirements. Basically there are two levels of service:

Level I Service:

The customer service representatives assist employees with the enrollment process and procedures and refer employees to other points of service, such as carriers, for out of scope issues. Customer service representatives do not address issues related to details of coverage and eligibility rules nor do they get involved in denied claims appeals or other complex benefit-related problem resolution.

Level II Service:

Customer service representatives are actually benefit administrators able to discuss coverage and eligibility issues with employees, resolve coverage and claim issues, and handle complex benefit related problems. They also can take on an advocacy role and perform follow up tasks on behalf of the employee.

Clients desiring a basic level of service are assigned a number of Level I representatives. Those with a need for full-service are assigned one or more benefit administrators (Level II), in addition to the team of Level I representatives. In either case, the service representatives report to the Account Manager and are also supervised by a Call Center Supervisor.

12. What information do your representatives have available to them to assist City of Portland callers? How is the information supported?

All benefit documents from client, such as enrollment guides, SPDs, and other summary sheets along with FAQs.

13. The City of Portland desires to maximize problem resolution during the initial employee contact. What are your procedures for problem resolution? How quickly are you committed to resolving issues?

Our representatives try to resolve the issues on the first call if that is possible.

14. What are the available options for City of Portland Administrative staff and its employees to communicate with you?

Email, phone, mail, fax.

15. Provide current Performance Guarantees your organization has with other clients or that your organization would propose.

Aliquant will be willing to consider any reasonable and objective performance guarantees required by the City of Portland. The fees quoted in the proposal are based on Aliquant's standard service level.

E. BILLING, REPORTING AND FEES:

1. How soon after the end of the month do you provide standard monthly reports? Are you willing to offer any guarantees on timeliness of reports? Provide samples of all pertinent reports.

Please see the **Sample Reports** section of this binder. Sample reports are provided at a schedule defined by the client.

2. Please describe the steps and timing to generate custom reports. What are the fees associated with generating custom reporting?

Custom report requests are received in writing, evaluated, and a cost estimate is produced. After client approval the report is programmed and tested by Aliquant and the client. Once approved by the client, it is put into production, unless it is a one-time report request. Custom reports are developed at a rate of \$150 / hour.

3. Please document an itemized billing for services and include any travel expenses that may be necessary.

Please see the "Other Costs" section of the following fee schedule.

4. Please explain your fees in as much detail as possible. Please detail separately the costs for implementation of a (1) IVR system only and (2) for an IVR and Web Online enrollment system. Please detail costs for ongoing administration and services based on contract period of 3 years. Provide for cost guarantees for the first 2 years and capped increases in year 3.

Implementation Package – Costs per year

Item	Service Description	Cost per year
	User requirements analysis and definition (includes on-site review & planning meetings; discussions/conference calls with carriers)	\$10,000
	Project management including weekly conference calls with client	\$15,000
	<ul style="list-style-type: none"> • Setup of benefit plan definitions including tables, calculations (eligibility, costs, credits, effective dates, tables, etc.) and all other parameters for all facilities. 	\$20,000
	<ul style="list-style-type: none"> • Demographic data import programming 	\$10,000
	<ul style="list-style-type: none"> • Personalized enrollment worksheet and confirmation statement programming 	\$10,000
	<ul style="list-style-type: none"> • Payroll deduction interface programming 	\$10,000
	<ul style="list-style-type: none"> • Carrier eligibility reporting interfaces for all facilities 	\$25,000
	<ul style="list-style-type: none"> • Setup premium calculations and reporting for all carriers (self-billing reports) 	\$15,000
	<ul style="list-style-type: none"> • Web enrollment application development and (life and work-related) event processing customization 	\$35,000
	<ul style="list-style-type: none"> • IVR system setup and customization, including script development and professional voice recording 	\$25,000
	<ul style="list-style-type: none"> • Conversion and verification of demographic (employee and dependent) and enrollment data from the current system 	\$15,000
	<ul style="list-style-type: none"> • Customer-specific procedures 	\$5,000
	<ul style="list-style-type: none"> • Final system testing 	\$10,000
	<ul style="list-style-type: none"> • Two days on site training for client remote access users including preparation and training material. Client to provide training facilities. 	\$5,000
	Total Implementation	\$210,000
	Future programming and customization changes as a result of benefit changes or acquisitions	Based on hourly rates (\$150 per hour)

ORDINANCE No. 178105

*Authorize contract with the Aliquant Corporation to provide a Web-based Benefit Enrollment system for the City of Portland for the period December 1, 2003 through June 30, 2006.
(Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Office of Management Finance, Bureau of Human Resources requires an Information Technology system for maintaining benefit enrollment and participant change information in conjunction with the administration of the City of Portland benefit plans.
2. A Consultant Selection Process has been conducted pursuant to the provisions of Section 5.68 of the City Code. Four responses were received in reply to the City's Request for Proposals, which was issued on January 18, 2002 and the Consultant Selection Committee unanimously selected Aliquant's proposal as the most advantageous to the City.
3. The Bureau of Human Resources and the Bureau of Technology Services reviewed the value of an internally designed solution compared to purchasing an experienced vendor's system and concluded there is more efficiency and potential cost savings with an outsourced program.
4. The initial implementation costs through FY2004 will total an amount not to exceed \$173,916. After FY 2004, the annual ongoing cost of the new employee benefit system is estimated to be \$230,750. The project is expected to be cost neutral beginning in FY 2006, as administrative efficiencies are achieved.
5. Funds are available to cover the FY 2004 and FY 2005 implementation costs through non-medical, dental, vision insurance premium rebate revenue, which the City has received. An increase in appropriation in BHR's operating budget, supported by this revenue, will be required in the 2004 Winter Budget Monitoring Process Report to fund the implementation of the new system.

NOW, THEREFORE, the Council directs:

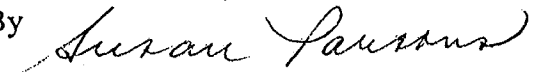
- a. The Mayor and the Auditor are hereby authorized to execute the contract, attached hereto as Exhibit A.
- b. The Mayor and the Auditor are hereby authorized to draw and deliver warrants to pay for costs outlined in Exhibit A over the life of the contract.

Section 2. The Council declares that an emergency exists in order to avoid undue and costly delay in providing services to plan participants; therefore, this Ordinance shall be in full force and effect from and after its passage by Council.

Passed by the Council: DEC 17 2003

Prepared by:

GARY BLACKMER
Auditor of the City of Portland

By 
Deputy

183738

GARY BLACKMER
Auditor of the City of Portland
Filed

JAN 14 2004

By

A handwritten signature in black ink, appearing to be 'A', written over a horizontal line.

Deputy