

**CITY OF KNOXVILLE**  
**REQUEST FOR PROPOSALS**

**Workers' Compensation Pharmacy Services**

**Proposals to be Received by 11:00:00 a.m., Eastern Time**

**January 28, 2020**

Submit Proposals to:  
City of Knoxville  
Office of the Purchasing Division  
City/County Building  
Room 667-674  
400 Main Street  
Knoxville, Tennessee 37902

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**CITY OF KNOXVILLE**  
**Request for Proposals**  
**Workers' Compensation Pharmacy Services**

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**City of Knoxville  
Request for Proposals  
Workers' Compensation Pharmacy Services**

**I. Statement of Intent**

The City of Knoxville is requesting proposals from responsible firms or teams to provide pharmaceutical services in regard to the City's self-insured workers' compensation program. The City intends to award a contract for a base term of three years (3) with two options for on-year renewals.

**II. RFP Time Line**

Availability of RFP .....January 3, 2020

Deadline for questions to be submitted in writing to the  
Purchasing Division .....January 17, 2020

**Proposals Due Date .....January 28, 2020**

This timetable is for the information of submitting entities. These dates are subject to change. **However, in no event shall the deadline for submission of the proposals be changed except by written modification from the City of Knoxville Purchasing Division.**

**III. Background**

The City of Knoxville has approximately 1,550 regular full-time employees and a varying number of part-time and seasonal employees, a substantial number of those involved in law enforcement, firefighting, and maintenance of roads, grounds and facilities. The City has self-insured and self-administered its workers' compensation program since January 1, 1979, when it elected to be covered by Tennessee Workers' Compensation Laws. The City acts as its own administrator in adjusting claims and issuing all checks for medical payments, TTD payments, and PPD payments. The City files all necessary reports to the Tennessee Division of Workers' Compensation and defends suits filed against the City.

The City has contracted on-site medical staff, including but not limited to a full-time physician medical director, full-time nurse practitioner, full-time physical therapist and full-time RN case manager.

The City wishes to work with a PBA vendor motivated to assist in the continued development of an innovative workers' compensation program, including innovative data analysis and medication management. The City is interested in programs to manage all prescription utilization, but particularly narcotic prescription utilization.

Effective July 1, 2013 the City began including employees of K-Trans Management (KAT) in the City's self-insured workers' compensation program. KAT is a 501 (c) (3) fully owned by the

City and has approximately 312 employees involved in the operation of public buses, trolleys and vans.

Submission Form S-3 Drug Cost, attached to this RFP, contains medications filled for the last fiscal year in the City’s workers’ compensation program.

As of September 1, 2019, the City had 222 open workers’ compensation claims (not including KAT). This includes a number of hypertension cases which were accepted as work related during a period in the past as well as other long term work related injuries. Annual pharmacy claims for the City (not including KAT for the past three fiscal years were:

<i>Fiscal Year</i>	<i>City Pharmacy</i>
July 1, 2016 – June 30, 2017	\$ 479,830
July 1, 2017 – June 30, 2018	\$ 480,355
July 1, 2018 – June 30, 2019	\$ 426,312

Annual pharmacy costs for KAT for the past three fiscal years are taken from reports which included hospital and diagnostic pharmacy costs. We are not able to remove these from the year by year amounts, but were able to estimate that the hospital and diagnostic pharmacy would have totaled over \$85,000 for the three-year period. The annual totals (including hospital and diagnostic pharmacy) were:

<i>Fiscal Year</i>	<i>KAT Pharmacy</i>
July 1, 2016 – June 30, 2017	\$ 5,616
July 1, 2017 – June 30, 2018	\$ 11,822
July 1, 2018 – June 30, 2019	\$ 2,392

**IV. General Conditions**

4.1 The following data is intended to form the basis for submission of proposals to provide Workers’ Compensation Pharmacy Services for the City of Knoxville.

4.2 This material contains general conditions for the procurement process, the scope of service requested, contract requirements, instructions for submissions of proposals, and submission forms that must be included in the proposal. The RFP should be read in its entirety before preparing the proposal.

4.3 All materials submitted pursuant to this RFP shall become the property of the City of

Knoxville.

4.4 To the extent permitted by law, all documents pertaining to this Request for Proposals shall be kept confidential until the proposal evaluation is complete and a recommendation submitted to City Council for review. No information about any submission of proposals shall be released until the process is complete, except to the members of the Evaluation Committee and other appropriate City staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected consultant.

4.5 Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFP shall be made **in writing and be in the hands of the Assistant Purchasing Agent by the close of the business day on January 17, 2020.** Questions can be submitted by letter, fax (865-215-2277), or email to [powens@knoxvilletn.gov](mailto:powens@knoxvilletn.gov). The City of Knoxville is not responsible for oral interpretations given by any City employee, representative, or others. The issuance of written addenda is the only official method whereby interpretation, clarification, or additional information can be given. If any addenda are issued to this Request for Proposals, the Purchasing Division will post them to the City's website at [www.knoxvilletn.gov/bids](http://www.knoxvilletn.gov/bids). Submitting organizations are strongly encouraged to view this website often to see if addenda are posted. Failure of any proposer to receive such addendum or interpretation shall not relieve such Proposer from any obligation under his proposal as submitted. All addenda so issued shall become part of the Contract Documents.

4.6 The City of Knoxville reserves the right to (a) accept or reject any and/or all submissions of proposals; (b) to waive irregularities, informalities, and technicalities; and (c) to accept any alternative submission of proposals presented which, in its opinion, would best serve the interests of the City. The City shall be the sole judge of the proposals, and the resulting negotiated agreement that is in its best interest, and its decision shall be final. The City also reserves the right to make such investigation as it deems necessary to determine the ability of any submitting entity to perform the work or service requested. Information the City deems necessary to make this determination shall be provided by the submitting entity. Such information may include, but is not limited to, current financial statements by an independent CPA, verification of availability of equipment and personnel, and past performance records.

4.7 Included in the Contract Documents is an affidavit that the undersigned has not entered into any collusion with any person in respect to this qualification. The qualifier is required to submit this affidavit with the submission. Also included is the Diversity Business Program contracting packet. Submissions must indicate on the enclosed form whether or not the proposer/qualifier intends to use subcontractors and/or suppliers from one of the defined groups. Proposers/Qualifiers are advised that the City tracks use of such use, but it does not influence or affect evaluation or award.

4.8 Subsequent to the Evaluation Committee's review and the Mayor's recommendation of a firm(s), Knoxville City Council approval may be required before the final contract may be executed.

4.9 All expenses for making a submission of proposal shall be borne by the submitting entity.

4.10 Any submission of proposals may be withdrawn up until the date and time for opening of the submissions. **Any submission not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of 120 days to the City of Knoxville for the services set forth in the Request for Proposals until one or more of the submissions have been duly accepted by the City.**

4.11 Prior to submitting their proposals, proposers are to be registered with the Purchasing Division through the City of Knoxville's online Vendor Registration system. Instructions for registering on-line are available at [www.knoxvilletn.gov/purchasing](http://www.knoxvilletn.gov/purchasing). **Proposals from un-registered proposers may be rejected.**

4.12 **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Division representative listed herein or with said representative's authorization. Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction. Proposals must include a notarized No Contact/No Advocacy Affidavit (to be found in the "Submission Forms" section of this document).

4.13 **INCLEMENT WEATHER:** During periods of inclement weather, the Purchasing Division will enact the following procedures with regard to solicitations and weather delays:

- If City offices are closed due to inclement weather on the date that bids/proposals/qualifications/letters of interest are due into the Purchasing Office, all solicitations due that same day will be moved to the next operational business day.
- The City of Knoxville shall not be liable for any commercial carrier's decision regarding deliveries during inclement weather.

## **V. Scope of Service**

The City is seeking pharmaceutical services in regard to its self-insured workers' compensation program. The services sought include, but are not limited to, the following:

- 5.1 Contractor must be able to provide prescription drugs to employees entitled to medicine under the City's workers' compensation programs.
  - 5.1.1 The provider must have systems in place to ensure prescription drugs are provided only for a condition determined by the City to be compensable under the City's workers' compensation programs and prescribed by a physician approved by the City to provide treatment for that condition.
  - 5.1.2 Prescription amounts will be limited to a thirty-four (34) day supply unless authorized for (90) day maintenance supply.
  - 5.1.3 Over-the-counter medications for compensable claims prescribed by an approved treating physician will be covered.
  - 5.1.4 A mail order program is desired, but opioids may not be dispensed by mail order.

- 5.1.5 If an Average Wholesale Price (AWP) is proposed, the provider must provide the City access to AWP data in an on demand, web-based format.
- 5.2 Contractor must be able to provide services at convenient locations throughout the Knoxville metropolitan statistical area.
- 5.3 Information on billing required by the City must include at a minimum:
  - a. Name of employee;
  - b. Prescription number;
  - c. Quantity prescribed;
  - d. Prescription name;
  - e. Prescription NDC number;
  - f. Ordering physician name;
  - g. Ordering physician NPI number;
  - h. Date prescription filled; and
  - i. Claim number.
- 5.4 The contractor will agree and acknowledge that the City owns its paid claims data and that Contractor shall at the City's direction make any and all claims data available electronically to the City's data warehouse vendor. This data must include all data listed in Exhibit A, Innovu Data Dictionary. There should not be an additional charge to supply this data.
- 5.5 At a minimum, the City will require the following reports with the ability to run each on demand via a web-based portal:
  - a. Utilization and cost savings, including savings for state mandated fee schedule, by generic and brand name;
  - b. Formulary compliance;
  - c. Percentage of generic substitutions;
  - d. Network penetration, including percentage of in-network first fills and in-network second fills;
  - e. Top 100 prescribed medications, by dollar, by number, and claimant;
  - f. Overuse and overprescribing "redflags";
  - g. Rejection analysis reports; and
  - h. Mail order vs retail.
- 5.6 Contractor should provide support services, including professional services and an online interface, to assist the City in managing appropriateness of prescribed medications, including but not limited to managing appropriate prescribing of narcotic medications. Professional services may include providing consultation to the City regarding usage and plan design, consultation to the patient and/or physician regarding appropriate alternatives, and/or providing programs such as step therapy, preauthorization and utilization management.

5.7 The negotiated payment from the City will be considered payment in full for medications under the program. No fees, copayments or coinsurance may be collected from the employee for covered medications.

5.8 The City requires vendor to bill monthly with no deposit required. Monthly bill should include all charges for the prior month. The City will pay monthly invoices upon receipt and will not accept invoices that are not part of the monthly billing process. Vendor also agrees to audits at the City's request by a third party vendor of the City's choosing with no additional fees.

## **VI. Contract Requirements**

Submitting entities, if selected, must be willing to sign a contract with the City which will include certain provisions, among which are the following:

6.1 **Contract Documents.** The contract shall consist of (1) the RFP; (2) the proposal submitted by the contractor to this RFP; and (3) the contract. In the event of a discrepancy between the contract, the RFP and the submitted proposal, the terms that provide the greater benefit to the City and/or impose the greater obligation to the contractor will prevail.

6.2 **Administration.** The contract will be administered by the City of Knoxville Employee Benefits and Risk Department.

6.3 **Invoices.** Invoices for services will be submitted to the City in accordance with the contract terms.

6.4 **Independent Contractor.** The relationship of contractor to the City will be that of independent contractor. The contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants and subcontractors done during the performance of the contract. All services performed by the contractor shall be provided in an independent contractor capacity and not in the capacity of officers, agents, or employees of the City.

6.5 **Assignment.** The contractor shall not assign or transfer any interest in this contract without prior written consent of the City of Knoxville.

6.6 **Indemnification and Hold Harmless.** The successful proposer will be required to sign a contract with the City which contains the following indemnification clause. This indemnification clause will not be altered in any way. Failure to agree with this indemnification clause in the contract may result in the City moving to the next responsible responsive proposer.

Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any



claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

6.7 Termination. The City may terminate this Agreement at any time, with or without cause, by written notice of termination to the Contractor.

If the City terminates this Agreement, and such termination is not a result of a default by the Contractor, the Contractor shall be entitled to receive as its sole and exclusive remedy the following amounts from the City, and the City shall have no further or other obligations to the Contractor: the amount due to the Contractor for work executed through the date of termination, not including any future fees, profits, or other compensation or payments which the Contractor would have been entitled to receive if this Agreement had not been terminated.

The City may, by written notice of default to the Contractor, terminate the whole or any part of this Agreement if the Contractor fails to perform any provisions of this Agreement and does not cure such failure within a period of ten (10) days (or such longer period as the Purchasing Agent may authorize in writing) after receipt of said notice from the Purchasing Agent specifying such failure. If this Agreement is terminated in whole or in part for default, the City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those terminated.

6.8 Insurance. When applicable and prior to the commencement of the contract, contractor must, at its sole expense, obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. Contractor shall furnish the City of Knoxville with properly executed certificates of insurance which shall clearly evidence all insurance required by the City. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better. Such insurance shall be at a minimum the following:

- A. **Commercial General Liability Insurance**; occurrence version commercial general liability insurance, and if necessary umbrella liability insurance, with a

limit of not less than \$2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than \$3,000,000.

Such insurance shall:

(a.) Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.

(b.) For any claims related to this project, Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, officers, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Contractor's insurance and shall not contribute with it.

(c.) At the sole discretion of the City, dedicated limits of liability for this specific project may be required.

B. **Automobile Liability Insurance;** including vehicles owned, hired, and non-owned, with a combined single limit of not less than \$1,000,000 each accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of Contractor.

C. **Workers' Compensation Insurance.** Contractor shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance with limits of not less than \$500,000. Contractor shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by Contractor's workers' compensation insurance coverage.

D. **Other Insurance Requirements.** Contractor shall:

- Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days' prior written notice to the City Attorney of Knoxville;

P.O. Box 1631; Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.

- Upon the City's request, provide certified copies of endorsements and policies if requested by the City in lieu of or in addition to certificates of insurance. Copies of policies will only be requested when contracts are deemed to be extremely or uniquely hazardous, include a dollar amount that is significant to the overall budget of the City or a City Department, or the coverage(s) may not follow standard insurance forms. A policy will only be requested after the City's Risk Manager has reviewed the contract and proof of coverage has been provided. Should the certificate of insurance refer to specific coverage wording or endorsements(s), proof of such policy wording or endorsement(s) will be required.
- Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
- Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.
- If Contractor cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, Contractor may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than A. Modification of this standard may be considered upon appeal to the City Law Director.
- Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employer's Liability insurance (unless subcontractor's employees are covered by Contractor's insurance) in the same manner as specified for Contractor. Contractor shall furnish subcontractors' certificates of insurance to the City without expense immediately upon request.
- Large Deductibles; Self-Insured Retentions. Any deductibles and/or self-insured retentions greater than \$50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions may require proof of financial ability as determined by the City.
- Waiver of Subrogation Required. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by Contractor for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.
- Occurrence Basis Requirement. All general liability policies must be written on an occurrence basis, unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made

basis must be approved by the City. Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.

6.9 Ethical Standards. Attention of all firms is directed to the following provisions contained in the Code of the City of Knoxville: Chapter 24, Article II, Section 24-33 entitled “Debts owed by persons receiving payments other than Salary;” Chapter 2, Article VIII, Division 11. the Contractor hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

A. Section 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee’s knowledge there is a financial interest possessed by:

- (1) the employee or the employee’s immediate family;
- (2) A business other than a public agency in which the employee or member of the employee’s immediate family serves as an officer, director, trustee, partner or employee; or
- (3) Any person or business with whom the employee or a member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment.

B. Section 2-1049. Receipt of Benefits from City Contracts by Council Members, Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

C. Section 2-1050. Gratuities and Kickbacks Prohibited.

It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

- (1) An official action taken, or to be taken, or which could be taken;
- (2) A legal duty performed, or to be performed, or which could be performed; or
- (3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

Kickbacks. It is unlawful for any payment, gratuity, or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

D. Section 2-1051. Covenant Relating to Contingent Fees.

(a) Representation of Contractor. Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) Intentional Violation Unlawful. The intentional violation of the representation specified in subsection (a) of this section is unlawful.

E. Section 2-1052. Restrictions on Employment of Present and Former City Employees. Contemporaneous employment prohibited. It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

- (1) Oral or written warnings or reprimands;
- (2) Cancellation of transactions; and
- (3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

6.10 Firms must comply with the President's Executive Order No. 11246 and 11375 which prohibit discrimination in employment regarding race, color, religion, sex or national origin. Firms must also comply with Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contract Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, all of which are herein incorporated by reference.

6.11 Firms shall give consideration to the inclusion of minority firms or individuals in this project, and shall advise the city in this proposal of their efforts to do so.

6.12 Firms shall give consideration to the use of environmentally sustainable best practices, and shall advise the city in this submittal of qualifications of their efforts to do so.

6.13 Federal, State, and Local Requirements. Each submitting entity is responsible for full compliance with all laws, rules and regulations which may be applicable.

6.14 Licenses. Before a contract is signed by the City, the submitting entity, if selected, **must** provide the City Purchasing Division with a copy of its valid business license **or** with an affidavit explaining why it is exempt from the business licensure requirements of the city or county in which it is headquartered. If a contract is signed, the contractor's business license shall be kept current throughout the duration of the contract, and the contractor shall inform the City of changes in its business name or location. The contractor must be a licensed professional as required by the state of Tennessee, see T.C.A. Sections 62-2-101 et. seq., for any services in this contract requiring such licensure.

6.15 Funding. The City's performance and obligation to pay under this contract is subject to funding contingent upon an annual appropriation.

6.16 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Tennessee and its conflict of laws provisions. Venue for any action arising between the City and the Contractor from the Agreement shall lie in Knox County, Tennessee.

6.17 Subcontracts to the Agreement. Contractor shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.

6.18 Amendments. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of the Agreement.

6.19 Captions. The captions appearing in the Agreement are for convenience only and are not a part of the Agreement; they do not in any way limit or amplify the provisions of the Agreement.

6.20 Severability. If any provision of the Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in the Agreement. Failure to enforce any provision of the Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

6.21 No Benefit for Third Parties. The services to be performed by the Contractor pursuant to the Agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to the Agreement. No such person or entity shall be entitled to rely on the Contractor's performance of its services hereunder, and no right to assert a claim against the City or the Contractor, its officers, employees, agents, or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety, or any other third party as a result of this

Agreement or the performance or non-performance of the Contractor's services hereunder.

6.22 Non-Reliance of Parties. Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in the Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.

6.23 Force Majeure. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

6.24 EEO/AA. The City of Knoxville is an EE/AA/Title VI/Section 504/ADA/ADEA Employer.

6.25 By submitting a proposal, the submitting entity agrees to all terms and conditions established in this RFP, including its contract requirements.

## **VII. Instructions to Submitting Entities**

All submissions of proposals shall comply with the following instructions. These instructions ensure that (1) submissions contain the information and documents required by the City RFP and (2) the submissions have a degree of uniformity to facilitate evaluation.

### **7.1 General**

Submission forms and RFP documentation may be obtained on or after January 3, 2020, at no charge from:

City of Knoxville Purchasing Division  
City/County Building  
400 Main Street, Room 667  
Knoxville, Tennessee 37902

between 8:30 a.m. and 4:30 p.m. (Eastern Time), Monday through Friday or by calling 865/215-2070. Forms and RFP information are also available on the City web site at [www.knoxvilletn.gov/bids](http://www.knoxvilletn.gov/bids) where it can be read or printed using Adobe Acrobat Reader software.

## 7.2 Submission Information

Proposals shall include six (6) hard copies (one original and five duplicates—**mark the original as such**) and one electronic copy of the proposal (.pdf format on CD or USB drive only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract. **Electronic submissions must be included with the sealed submissions; do not email your submission.**

**IMPORTANT NOTE: A minimum of one of the submitted proposals must bear an original signature, signed in ink (duplicated signatures substituted for original ink signatures may result in rejection of the proposals). This document is the official, original submission; the required copies may have copied signatures.** The signature must be entered above the typed or printed name and title of the signer. All proposals must be signed by an officer of the company authorized to bind the firm to a contract.

Proposals will be received until 11:00:00 a.m. (Eastern Time) on January 28, 2020. Each proposal must be submitted in a sealed envelope addressed to:

City of Knoxville Purchasing Division  
City/County Building  
400 Main Street, Room 667  
Knoxville, TN 37902

**IMPORTANT NOTE: Each mailing envelope or carton containing a proposal or multiple copies of the proposal must be sealed and plainly marked on the outside “Workers’ Compensation Pharmacy Services.”** Proposers are reminded that the Purchasing Division receives many bids and proposals for any number of solicitations; **unlabeled submissions are extremely difficult to match to their appropriate solicitations and therefore may be rejected.**

Any proposals received after the time and date on the cover sheet will not be considered. It shall be the sole responsibility of the submitting entity to have the proposal delivered to the City of Knoxville Purchasing Division on or before that date.

Late proposals will not be considered. Proposals that arrive late due to the fault of United States Postal Service, United Parcel Service, DHL, FEDEX, any delivery/courier service, or any other carrier of any sort are still considered late and shall not be accepted by the City. Such proposals shall remain unopened and will be returned to the submitting entity upon request.

## 7.3 Format

The City is committed to reducing waste. Submissions of qualifications must be typed on 8.5 x 11 inch wide white paper, printed on both sides. **DO NOT BIND** the document; instead, staple or binder clip the submission together and place in a sealed envelope (see Paragraph 7.2). Pages must be consecutively numbered. A table of contents must be included in the proposal immediately after the title page, and each of the following numbered sections must be tabbed.



Proposals shall be structured as follows. Numbered items listed below should have a numbered tab page:

1. Title Page
2. Table of Contents
3. Submission Forms:
  - A. Submission Form S-1
  - B. Submission Form S-2 Questionnaire
  - C. Submission Form S-3 Drug Cost (Attached)
  - D. Non-Collusion Affidavit
  - E. No Contact/No Advocacy Affidavit
  - F. Iran Divestment Act Certification of Noninclusion
  - G. Diversity Business Enterprise Program
4. Body of Proposal: Information which submitting entity wishes to include

NOTE: All required submission forms may be found in this solicitation document.

#### 7.4 Evaluation of Proposals

All qualified submissions received by the deadline will be analyzed by the Evaluation Committee according to the criteria outlined in these specifications. Failure to comply with the provisions of the RFP may cause any proposal to be ineligible for evaluation. Each submittal of proposals will be initially analyzed and judged according to the evaluation criteria below. The maximum score is 100 points.

The City reserves full discretion to determine the capability of proposing entities. Proposers, if asked, will provide, in a timely manner, any and all information that the City deems necessary to make such a decision. In addition to materials provided in the written responses to this RFP, the Committee may request additional material, information, references, a site visit, or a live test demonstration from the submitting entity or others.

The Evaluation Committee may or may not decide to interview any or all proposing entities at a time and date determined by the City in order to address questions and more fully ascertain how the solution to this project satisfies the evaluation criteria. Firms and/or teams responding to this Request for Proposals shall be available for interviews with the Evaluation Committee. Discussions may be conducted with responsible submitting entities for purposes of clarification to assure full understanding of and conformance to the RFP requirements. Selection shall be based on the firms' qualifications applicable to the scope and nature of the services to be performed per this request for proposals. Determination of firms' qualifications shall be based on their written responses to this Request for Proposals and information presented to the Evaluation Committee during oral interviews, if any.

In addition to materials provided in the written responses to this Request for Proposals, the Committee may request additional material, information, or references from the submitting entity or others.

Provided it is in the best interest of the City of Knoxville, the firm or team determined to be the

most responsive to the City of Knoxville, taking into consideration the evaluation factors set forth in this Request for Proposals, will be selected to begin contract negotiations. The firm or team selected will be notified at the earliest practical date and invited to submit more comprehensive information if necessary. If no satisfactory agreement can be reached with the “most responsive firm,” the City may elect to negotiate with the next best and most responsive firm or team.

### **VIII. Evaluation Criteria**

An evaluation team, composed of representatives of the City, will evaluate proposals on a variety of quantitative and qualitative criteria. Upon receipt of proposals, the City will review to determine whether the proposal is acceptable or non-acceptable based on the criteria outlined below.

The criteria and the associated weights upon which the evaluation of the proposals will be based include, but are not limited to, the following:

Firm Experience and Expertise	(10 points)
Administration and Support Services	(25 points)
Financial	(35 points)
Pharmacy Availability	(10 points)
Reporting	(20 points)

## **Submission Forms**

**CITY OF KNOXVILLE**  
**REQUEST FOR PROPOSALS**  
**Worker's Compensation Pharmacy Services**

**Submission Form S-1**

**Proposals to be Received by 11:00:00 a.m., Eastern Time; January 28, 2020; in Room 667-674, City/County Building; Knoxville, Tennessee.**

**IMPORTANT:** Proposals shall include six (6) hard copies (one original and five duplicates—**mark the original as such**) and one electronic copy of the proposal (.pdf format on CD or USB drive only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract. **Electronic submissions must be included with the sealed submissions; do not email your submission.**

**Please complete the following:**

**Legal Name of Proposer:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**DUNS #:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Name and Title of Signer:** \_\_\_\_\_

**Note: Failure to use these response sheets may disqualify your submission.**

## Submission Form S-2 Questionnaire

Proposing Firm \_\_\_\_\_

Referring to Section V. Scope of Services, if there are any items listed your firm will not be able to comply with, list them below as well as reasons for non-compliance.

List any exceptions to your compliance with Sections IV, V and VI of this request for proposals or state your acceptance of these sections.

### **Firm Experience and Expertise (10 points maximum)**

1. Discuss your firm's history providing workers' compensation PBM services. Include number of companies and total number of members services, as well as success stories.
2. Discuss the volume of workers' compensation PBM services your firm currently provides.
3. Discuss your firm's experience providing workers' compensation PBM services directly to self-administered and/or local government employers similar to the City. Include success stories.
4. Provide reference information for at least two (2) current clients and at least two (2) former clients that have terminated within the past twelve (12) months. Include the name of a contact person and phone number for each.
5. Is your firm currently in or have plans to merge with and/or acquire another company?

### **Administration and Support Services (30 points maximum)**

1. Provide the name, location, and qualifications of the primary contact for the City's account. Describe whether periodic account and utilization review meetings will be provided.
2. Will the City have a dedicated account manager/account management team to assist in the administration of claims? If so, provide the experience and qualifications of the team.
3. What services would your firm provide for the initial installation of this account? Provide a timeline for installation of this account. The timeline should begin with notification of contract award and continue through the first month's billing and report.
4. Provide a listing of all services included in your base fee structure. Include any clinical consultative services you will provide to the City, such as analysis of City member utilization, recommendations based on trends, etc. which will be included as part of your base fee structure.
5. Provide a sample of the billing formats available to the City. Describe your billing process and any options available to the City.
6. Provide examples of training materials for the City team to include new drugs to market

communications, any drug guides regarding commonly prescribed workers' compensation drugs, etc.

7. Describe your firm's procedure for notifying network providers and familiarizing them with the City's program.
8. Provide a demo of your online administrative capabilities.
9. Describe the online and administrative capabilities for the City to check the status of prescription orders, adjudicate pre-authorization requests, and authorize ongoing regular prescriptions.
10. Provide your procedures for administering eligibility of claims.
11. Explain how and why a claimant may be terminated in your system. Further, if a claim is terminated inappropriately, how can the City reopen the claim with no interruption to the claimant?
12. Describe your procedures for handling prescriptions filled before a claim has been accepted ("first fill" prescriptions) include the notification process and whether multiple adjusters can receive notification. Describe the process for which you guarantee payment of first fills.
13. Describe how your pharmacy benefit management (PBM) program works with existing claims and for new claims, including, but not limited to:
  - a. Use and distribution of temporary and/or "first fill" cards;
  - b. Use and distribution of permanent cards;
  - c. Cardless system, if available;
  - d. The process you have in place to prevent use of a card by another, unauthorized person;
  - e. The process for reimbursement if an employee pays for a prescription out of pocket instead of by using the pharmacy card;
  - f. Mail order program;
  - g. "First fill" policy;
  - h. Generic substitution policy; and
  - i. Surgery planner.
14. Describe in detail how you will assist the City in introducing and educating its employees about the pharmacy program, including, but not limited to:
  - a. Issuance of temporary or "first fill" drug program cards;
  - b. Issuance of permanent drug program cards;
  - c. Cardless system, if available;
  - d. Mail order program;
  - e. "First Fill" policy; and
  - f. Generic drug substitution policy.
15. Describe customer service available for the City team. Who answers the phone when questions arise regarding prescriptions and what is their clinical level, if any? What are the hours of operation at the customer service call center?

16. Will a registered pharmacist be available to the City for clinically-related inquiries? Describe resources available to conduct claim level pharmacy plan audits and peer-to-peer intervention with treating physicians, including any additional fees for these services?
17. Provide your firm's available drug utilization review program and services. The State of Tennessee workers' compensation law provides for utilization review of pain management prescriptions; discuss the services your firm will provide specifically related to pain management prescription utilization. Describe any additional fees to the base fee structure for these services.
18. Describe your PBM's cost containment and other features, including but not limited to:
  - a. Retrospective utilization reviews;
  - b. Early detection and prevention of fraud and abuse, including monitoring narcotics usage;
  - c. Prescribing and overutilization patterns;
  - d. Identification of duplicate prescriptions;
  - e. Management of multiple medications and multiple providers for an employee;
  - f. Treatment/diagnosis appropriateness, including drug interaction analysis;
  - g. Confirmation that the prescription was written by a licensed medical provider;
  - h. Use of generic substitutions, including how you encourage the use of generic substitutions; and
  - i. How you track leakage of pharmacy billings to third party billers.
19. Describe any additional fees associated with any of the programs in Question 18.
20. How do you prevent prescriptions from being released in the following situations:
  - a. To an employee whose claim has been denied;
  - b. For a medication prescribed by a medical provider who is not authorized under the workers' compensation claim;
  - c. For a prescription for a particular medication that is no longer authorized under the workers' compensation claim; and
  - d. For an unrelated illness or injury.
21. Under what circumstances will you be financially responsible for non-authorized prescriptions that are filled?
22. For "point of sale" prescriptions that require prior authorization, how quickly can you address the sale or otherwise prevent the employee from going out-of-network? What assistance do you offer to the pharmacies when obstacles occur?
23. Can your system limit prescriptions on a claim by claim basis to a specifically authorized physician or medical facility?
24. Provide a sample of any cards, materials or instructions you distribute to injured workers and to employers. Do you provide replacement cards upon request and, if so, how long does it take to issue one? Describe how employees will identify network pharmacies. Are materials provided

customizable?

25. Reviewing the claims information from Submission Form S-3 Drug Cost, provide any insights regarding potential programs to more effectively manage claims for the City or KAT.
26. Describe your security policies, procedures, and processes for securing personally identifiable information, verifying the identity of customers, and detecting and preventing account fraud and abuse.
27. Do you have any interface capabilities with the City's Risk Management Information System, Riskmaster?
28. Concisely describe any services and support not already addressed in this questionnaire. You may provide more comprehensive information as attachments.

**Financial (30 points maximum)**

1. Describe your approach in moving an employee from brand to generic.
2. Under an AWP arrangement, how long are you willing to guarantee your reimbursement formula and associated charges?
3. State (with an example) your firm's reimbursement formula for brand name medications (AWP minus \_\_\_\_ % discount) dispensed at the pharmacy. Indicate whether there is a dispensing fee.
4. State (with an example) your firm's reimbursement formula for generic medications (AWP minus \_\_\_\_ % discount) dispensed at the pharmacy. Indicate whether there is a dispensing fee.
5. If you provide a mail order service, state (with an example) your firm's reimbursement formula for brand name mail order (or 90 day retail pharmaceutical prescription) medications (AWP minus \_\_\_\_% discount). Indicate whether there is a dispensing fee.
6. If you provide a mail order service, state (with an example) your firm's reimbursement formula for generic mail order (or 90 day retail pharmaceutical prescription) medications (AWP minus \_\_\_\_% discount). Indicate whether there is a dispensing fee.
7. Provide your definition of generic medication.
8. Underwriting logic as well as guarantees are to be based on the following logic:
  - a. No effective rate discounts (all discount rates must apply per claim);
  - b. For the purpose of discount guarantees, no drug with an ANDA will be paid at your brand discount rates;
  - c. Rebates must be quoted on a per claim basis (to include specialty and compound drugs). There will be no quantity limit exclusions;
  - d. For the purposes of generic fill rate guarantees, only those drugs with an ANDA will be classed as a generic;



- e. The same MAC logic will apply at both mail and retail. The only generic drugs that will not be paid at MAC will be those in their 180-day exclusivity period. You should provide a non-MAC discount rate guarantee;
  - f. Discount rates will not have any form of quantity limit.; and
  - g. Claims paid at the U&C rate shall be excluded from any calculation of an achieved discount rate.
9. List and describe all costs to the City associated with the services requested in this RFP.
  10. Will your firm pass rebates or any other cost savings on to the City? Explain and indicate range of rebates or savings that can be expected. If rebates are available, are rebates handled through an aggregator? If yes, who owns the aggregator?
  11. Using Submission Form S-3 Drug Cost, provide the cost your firm would charge under your quoted guaranteed reimbursement formula for each medication dispensed at the pharmacy at the listed dosage and quantity.
  12. Does your firm offer any other ancillary services, such as sale of Durable Medical Equipment? If so, provide what savings, if any, you could guarantee below the Tennessee Medical Fee Schedule were we to contract with your firm exclusively for those services.
  13. Provide information on the performance guarantees your firm will make, including penalties for failure to meet standards.

**Pharmacy Availability (10 points maximum)**

1. Provide a list of all pharmacies within your network in Knox County and each of the counties immediately contingent to Knox County.
2. Discuss your network's ability to provide services on a twenty-four (24) hour, seven (7) days a week basis throughout Knox County and those counties contingent to Knox County.

**Reporting (20 points maximum)**

1. Confirm that your firm will agree and acknowledge that the City owns its paid claims data and that your firm shall at the City's direction make any and all claims data available electronically to the City and the City's data warehouse vendor by monthly claims files. This data must include, but not be limited to all data listed in Exhibit A.
2. Discuss the online ability the City will have to access and analyze claims data in your system. Discuss online analysis availability by patient, drug classification, drug name, prescribing physician, and pharmacy.
3. Confirm that you will comply with Section 5.5 of the RFP. Confirm your ability to provide such reports and provide samples of each. For each such report, specify the frequency in which you will provide them, the lag time of the data, and the manner in which you will remit them

**NON-COLLUSION AFFIDAVIT**

State of \_\_\_\_\_

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn, deposes and says that:

- (1) He/She is the \_\_\_\_\_ of \_\_\_\_\_, the firm that has submitted the attached Proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;
- (3) Such Proposal is genuine and is not a collusive or sham Proposal;
- (4) Neither the said firm nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other vendor, firm or person to submit collusive or sham proposal in connection with the contract or agreement for which the attached Proposal has been submitted or to refrain from making a proposal in connection with such contract or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the proposal price or the proposal price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Knoxville or any person interested in the proposed contract or agreement; and
- (5) The proposal of service outlined in the Proposal is fair and proper and is not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties including this affiant.

(Signed): \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires \_\_\_\_\_

No Contact/No Advocacy Affidavit

State of \_\_\_\_\_

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn, deposes and says that:

(1) He/She is the owner, partner, officer, representative, or agent of \_\_\_\_\_  
\_\_\_\_\_, the Proposer that has submitted the attached Proposal;

(2) The Proposer \_\_\_\_\_ swears or affirms that he/she will abide by the following “No Contact” and “No Advocacy” clauses:

a) **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Assistant Purchasing Agent (Penny Owens). Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction.

b) **NO ADVOCATING POLICY:** To ensure the integrity of the review and evaluation process, companies and/or individuals submitting proposals for any part of this project, as well as those persons and/or companies representing such proposers, may not lobby or advocate to the City of Knoxville staff including, but not limited to, members of City Council, Office of the Mayor, the Employee Benefits and Risk Department, or any other City staff.

**Any company and/or individual who does not comply with the above stated “No Contact” and “No Advocating” policies may be subject to having their proposal rejected from consideration.**

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

My commission expires: \_\_\_\_\_

## IRAN DIVESTMENT ACT

### Certification of Noninclusion

**NOTICE:** Pursuant to the Iran Divestment Act, Tenn. Code Ann. § 12-12-106 requires the State of Tennessee Chief Procurement Officer to publish, using creditable information freely available to the public, a list of persons it determines engage in investment activities in Iran, as described in § 12-12-105. Inclusion on this list makes a person ineligible to contract with the state of Tennessee; if a person ceases its engagement in investment activities in Iran, it may be removed from the list. A list of entities ineligible to contract in the State of Tennessee Department of General Services or any political subdivision of the State may be found here:

[https://www.tn.gov/content/dam/tn/generalservices/documents/cpo/cpo-library/public-information-library/List\\_of\\_persons\\_pursuant\\_to Tenn. Code Ann. 12-12-106 Iran Divestment Act updated 7.7.17.pdf](https://www.tn.gov/content/dam/tn/generalservices/documents/cpo/cpo-library/public-information-library/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106_Iran_Divestment_Act_updated_7.7.17.pdf)

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to T.C.A. § 12-12-106.

Vendor Name (Printed)	Address
By (Authorized Signature)	Date Executed
Printed Name and Title of Person Signing	

**NOTARY PUBLIC:**

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

My commission expires: \_\_\_\_\_

# DIVERSITY BUSINESS ENTERPRISE (DBE) PROGRAM

The City of Knoxville strongly encourages prime contractors to employ diverse businesses in the fulfillment of contracts/projects for the City of Knoxville.

The City of Knoxville's Fiscal Year 2020 goal is to conduct 4.28% of its business with minority-owned businesses, 10.73% of its business with woman-owned businesses, and 33.94% with small businesses.

While the City cannot engage (pursuant to state law) in preferential bidding practices, the City does **strongly encourage** prime contractors to seek out and hire diverse businesses in order to help the City meet its goals as stated above. As such, the City encourages prime contractors to seek out and consider competitive sub-bids and quotations from diverse businesses.

For DBE tracking purposes, the City requests that prime contractors who are bidding, proposing, or submitting statements of qualifications record whether or not they plan to employ DBE's as sub-contractors or consultants. With that in mind, please fill out, sign and submit (with your bid/proposal) the following sub-contractor/ consultant statement.

## CITY OF KNOXVILLE DIVERSITY BUSINESS DEFINITIONS

Diversity Business Enterprise (DBE's) are minority-owned (MOB), women-owned (WOB), service-disabled veteran-owned (SDVO), and small businesses (SB), who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. These persons must own at least 51% of the entity and operate or control the business on a daily basis.

Minority: A person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. African American, persons having origins in any of the Black racial groups of Africa;
- b. Hispanic American, persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. Native American, persons who have origin in any of the original peoples of North America ;
- d. Asian American, person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

Minority-owned business (MOB) is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals.

Woman-owned business (WOB) is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women.

Service Disabled Veteran-owned business (SDOV) is a continuing, independent, for profit business that performs a commercially useful function, owned by any person who served honorably on active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service connected. Meaning such disability was incurred or aggravated in the line of duty in the active military, naval or air service, and is at least fifty-one percent (51%) owned and controlled by one (1) or more service disabled veteran.

Small Business (SB) is a continuing, independent, for profit business which performs a commercially useful function and has total gross receipts of not more than ten million dollars (\$10,000,000) average over a three-year period or employs no more than ninety-nine (99) persons on a full-time basis.

**Subcontractor/Consultant Statement**  
(TO BE SUBMITTED IN THE BID/PROPOSAL ENVELOPE)

We \_\_\_\_\_ do certify that on the  
(Bidder/Proposer Company Name)

\_\_\_\_\_  
(Project Name)  
\$ \_\_\_\_\_  
(Amount of Bid)

**Please select one:**

**Option A: Intent to subcontract using Diverse Businesses**

A Diversity business will be employed as subcontractor(s), vendor(s), supplier(s), or professional service(s). The estimated **dollar value** of the amount that we plan to pay is:

\$ \_\_\_\_\_.  
Estimated Amount of Subcontracted Service

<b>Diversity Business Enterprise Utilization</b>			
Description of Work/Project	Amount	Diverse Classification (MOB, WOB, SB, SDOV)	Name of Diverse Business

**Option B: Intent to perform work “without” using Diverse Businesses**

We hereby certify that it is our intent to perform 100 % of the work required for the contract, work will be completed without subcontracting, or we plan to subcontract with non-Diverse companies.

DATE: \_\_\_\_\_ COMPANY NAME: \_\_\_\_\_

SUBMITTED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_  
(Authorized Representative)

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP CODE: \_\_\_\_\_

TELEPHONE NO: \_\_\_\_\_