

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VIRGINIA 22201

CONTRACT AMENDMENT COVERPAGE

TO: AON CONSULTING 200 E. RANDOLPH STREET CHICAGO, ILLINOIS 60601	ORIGINAL DATE ISSUED: DECEMBER 30, 2019 CONTRACT NO: 20-054-R CONTRACT TITLE: EMPLOYEE BENEFITS & CONSULTING SERVICES
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THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract documents consist of the terms and conditions of AGREEMENT No. 20-054-R including any attachments or amendments thereto.

EFFECTIVE DATE: APRIL 20, 2020

EXPIRES: MAY 31, 2022

RENEWALS: TWO (2) ADDITIONAL TWELVE (12) MONTH PERIODS FROM June 1, 2022 to May 31, 2024.

COMMODITY CODE(S): 91840; 91832

LIVING WAGE: N

ATTACHMENTS:

AMENDMENT NO.2

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: KAREN KISSAM

VENDOR TEL. NO.: (410) 783-4342

EMAIL ADDRESS: KAREN.KISSAM@AON.COM

COUNTY CONTACT: COLLEEN DONNELLY (HRD)

COUNTY TEL. NO.: (703) 228-3447

COUNTY CONTACT EMAIL: CDONNELLY@ARLINGTONVA.US

PURCHASING DIVISION AUTHORIZATION

VANESSA MOOREHEAD TITLE: PROCUREMENT OFFICER DATE: 4/20/2021

Statement of Work

Employee Benefit Plan Consulting Services

This Statement of Work (“SOW”), effective as of March 15, 2021, and the services provided hereunder are subject to the terms and conditions in the Rider Agreement No. 20-054-R (“Agreement”) between Aon Consulting, Inc. (“Aon”) and Arlington County Government, (“Client”), dated as of December 30, 2019 (“Agreement”).

The term of this SOW shall begin on March 15, 2021 and terminate on February 29, 2024 contingent on the County of Fairfax, Virginia’s renewals from July 1, 2022 thru May 31, 2024.

Services

The services to be provided under this SOW are set forth in Exhibit A hereto (“Services”).

Client acknowledges that, in order for Aon to meet critical completion dates and operate within budget expectations, Client will need to provide information requested by Aon at various intervals. For example, Aon may need Client to:

- Provide historical benefit plan documentation.
- React to preliminary project findings.
- Approve final versions of project-related documentation.

Fees and Payment Schedule

For completing the RFP assignment outlined in this Agreement, Client will pay to Aon a fixed fee of \$110,000 plus any associated out-of-pocket expenses. The fee applies without regard to the amount of time that Aon spends on the assignment. For illustrative purposes, the fee is based on the following hourly rates and estimated hours.

Role	Contract Rates	Estimated Hours
SVP	\$ 435	45
VP	\$ 390	22
AVP	\$ 300	150
Sr. Cons	\$ 270	5
Cons	\$ 250	70
Analyst	\$ 200	150
specialist	\$ 170	
Admin	\$ 100	
	Estimate	\$ 122,005
	Fixed Fee	\$ 110,000

The fee will be invoiced in equal monthly installments,. The fee anticipates evaluating up to 4 medical/Rx administrators, 4 on-site clinic providers, and up to 5 dental bidders.

For the Audit services outlined in this Agreement, both parties agree and acknowledge such services are vendor-paid through allowances provided by the vendor to Client in response to the RFP.

For any additional services requested and not defined in the services listed above, fees will be determined on a time and materials basis in accordance with Aon's contract billing rates as provided in the Agreement.

Out-of-Pocket Expenses

Charges from third-party vendors for printing or production services on Client's behalf will be passed through to Client, as well as any sales or use tax that Aon becomes obligated to pay in connection with services provided on Client's behalf (no out of pocket expenses are anticipated for this SOW).

If Client require copies of files for transferring services to other service providers during or after this engagement, such services will be available on a time and materials cost based on Aon's contractual rate for Client.

Change In Scope

Please be aware that requested changes in the scope of services provided by Aon could result in an increase in fees and charges. Changes in scope could include, but are not limited to, the following:

- Assignment of additional roles, responsibilities, or functions related to the plan; or
- Other factors which were not anticipated and increase the complexity of timing of plan operations or which affect Aon's responsibilities or duties.

In the event that Client's operations or insurance programs substantially change in scope and nature of exposures, Client will inform Aon, and Client and Aon will negotiate in good faith to revise this SOW as appropriate.

Changes in the services or additional projects may also be included as part of this engagement, as mutually agreed to in writing or email by the parties.

Disclosures

Aon will disclose to Client all marketing quotes, including any applicable commission rates, received prior to binding any coverages for Client's insurance programs. Client will also be provided prior to binding with a disclosure of any amounts to be paid to Aon and/or Aon affiliate intermediaries if available, in connection with coverages placed for Client's insurance programs, including any fees, if applicable, paid to Aon for services it provides to third parties.

Aon's goal is to procure insurance for Client with insurance companies possessing the financial strength to perform in today's economic environment. Toward this objective, Aon regularly reviews publicly available information concerning an insurer's financial condition, including, but not limited to:

- Approvals by various regulatory authorities;
- Analyses of insurers by professional rating agencies such as A.M. Best, Standard and Poor's, Moody's, and/or Fitch; and
- The input of Aon's global affiliates and correspondents.

Most Aon placements are made with insurers that are rated "Excellent" by the professional rating agencies; however, Aon does not guarantee the solvency of any insurer. Aon encourages Client to review

the publicly available information made available by Aon. The decision to accept or reject an insurer will be made solely by Client.

Aon and/or its affiliates may from time to time maintain contractual relationships with the insurers that are recommended as potential markets, or with whom Client's coverage may ultimately be placed. Further details concerning Aon's relationship with insurance carriers can be found at <http://www.aon.com/about-aon/corporate-governance/corporate/market-relationships/contractual-relationship-with-carriers.jsp#>.

Aon's professional services do not in any case include legal, investment, or accounting services, and we are not a fiduciary to your plans. The services and work product provided by Aon hereunder are provided solely for Client's internal use; they are not intended to be used or relied upon by third parties.


This SOW must be signed below by authorized representatives of the parties. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Scope of Work Accepted by

WITNESS these signatures:


THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

AON CONSULTING INC.

AUTHORIZED
SIGNATURE:



AUTHORIZED
SIGNATURE:



NAME: Vanessa Moorehead

NAME: Dan Miller

TITLE: Procurement Officer

TITLE: COO, US Health Solutions

DATE: 4/20/2021

DATE: 4/20/2021

Exhibit A—Services to Be Provided

RFP Services (March 15, 2021 through December 31, 2021)

We will provide consulting services for one comprehensive RFP covering three offers 1) medical/Rx 2) On-site clinic and 3) dental benefits. We will follow a similar process for each benefit area, but benefit specifics would vary by each RFP section.

Phase I—Update and Distribute RFP

Step 1: Update RFP

We will make minor adjustments to the most recent RFP Excel files. We anticipate the following changes:

- Separate On-site clinic into bid option for bidders to propose stand along service
- Update dates for July 1, 2022 Effective date
- Clarify specific questions to elicit a more accurate or complete response
- Update Fee Quotation pages
- Obtain updated claim, enrollment, provider, pharmacy, and clinic data as needed

Step 2: Update Selection Criterion

We will work with the Client to identify potential changes in scoring criteria and weights

Step 3: Attend Pre-bid Conference

Client will distribute and manage the vendor correspondence during the RFP process. Aon will participate in a pre-bid conference and in formulating responses to vendor questions.

Phase II—Analysis

Step 1: Evaluation of Proposals—Qualitative

After client determines which bidders meet mandatory requirements, Aon will evaluate proposals and conduct a thorough analysis of each bidder by:

- Using RFP responses/data to provide comprehensive answers;
- Leveraging RFP response reports supplemented with our analysis, including our provider network disruption and access analysis;and
- Delivering a list of questions by vendor for further clarification during finalist meetings.

Step 2: Provider Disruption Analysis (medical, dental and Rx)

For each vendor, we will perform a study of current medical providers, dentists, and pharmacies being used by your population, their existence in each vendor's provider networks, and the disruption that would be caused by changing provider networks. We then integrate this information into a comparison of the financial impact to Client.

Step 3: GeoAccess Network Analysis (medical, dental, Rx)

Our GeoAccess network analysis tool allows us to conduct comprehensive, customized network evaluations. Vendors compare employee files with provider files to show access based on specific standards (e.g., percent of employees with access to two primary care physicians within ten miles).

Step 4: Discount Analysis (medical)

We will use our standard network disruption and access reports as well as Discount Analysis database to benchmark the value of the discounts available by geographic market and plan/network. Client agrees to execute a Nondisclosure Agreement (“NDA”) regarding the discount database tool (the “DDT”) and acknowledges that Client will not have access to the DDT results (until the NDA is executed).

Pharmacy discounts and will be assessed separately

Step 5: Overall Costs

We will estimate the total overall costs to include fees, expected claims, and rebates (Rx only).

Step 6: Finalist Selection

Using the above analyses and selection criteria, we will review the information collected, share our insights with the Selection Team. We anticipate the Selection Team will select two vendors for each finalist meeting (Med/Rx, On-site clinic, dental).

Phase III—Negotiations

Step 1: Finalist Meetings

In conjunction with representatives of Client, we will conduct face-to-face finalist meetings. We treat these meetings as an integral tool in the evaluation process. Before the meetings occur, we will develop discussion guides and agendas.

Step 2: Finalist Negotiations and Performance Guarantees

After finalist meetings/site visits are completed and all follow-up materials have been submitted, we recommend giving the two finalists a last opportunity to present a best and final financial proposal (including performance guarantees) for your review.

In conjunction with representatives of Client, we will develop a strategy for negotiation. We will develop a list of items the finalist vendor needs to address both financial as well as operational perspectives. We will provide input on negotiating the most competitive terms with the finalist vendor.

Step 3: Vendor Selection

Once negotiations are complete, Client will issue the business award and communicate results to all bidders who participated in the RFP. We will work in conjunction with your staff to review contract terms with the selected vendor. Please note our contract review process includes one comprehensive review of the vendor’s draft Services Agreement contract, with red-line comments and edits provided to Client by Aon. The review focuses on the codified financial and service guarantees, verifying that they match the guarantees set forth in the vendor’s proposal and subsequent correspondence.

Project Timeline

We will follow the approximate timeline outlined below. Deviations will be discussed and mutually agreed upon.

Task	Target Completion Date
RFP update--first draft to ACG	April 7,2021
RFP draft provided to Procurement	April 15, 2021
RFP released to bidders	May 1,2021
RFP responses due	June 1,2021
Meeting to review results	July 15,2021
Selection Scoring	July 15, 2021
Finalist interviews	August 1, 2021
Negotiations	September 1, 2021
Contracts Finalized	December 31, 2021
Implementation begins	January 1, 2022
Open enrollment	May 2022
Effective Date of coverage	July 1, 2022

Audit Services

The following Audit Services will be provided contingent on the County of Fairfax, Virginia's renewals from July 1, 2022 thru May 31, 2024. For each of the audits, Aon and the vendor will document scope, fee, and timing in agreements between the two parties. (Audits are vendor paid.)

Pre-Implementation Audit (June 15, 2022 to August 1, 2022)

Aon will conduct a pre-implementation audit of the new Medical/Rx vendor if a new vendor is selected.

Aon will conduct a pre-implementation audit of the new Dental vendor if a new vendor is selected.

Claim Audit (March 1, 2022 to July 1, 2022)

Aon will conduct a random sample claim audit of the incumbent Medical/Rx vendor if a new vendor was not selected as a result of the RFP.

Aon will conduct a random sample claim audit of the incumbent dental vendor if a new vendor was not selected as a result of the RFP.

Pharmacy Pricing Audit (June 1, 2023 to February 29, 2024)

Aon will conduct a pharmacy pricing audit of the Medical/Rx vendor to verify the terms effective in the first plan year were accurately administered.