



**The City of Lee's Summit**  
**Final Agenda**  
**Finance and Budget Committee**

Monday, September 18, 2017

5:30 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

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1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. PUBLIC COMMENTS
5. BUSINESS
  - A. [2017-1450](#) Minutes from F&BC Meeting August 7, 2017
  - B. [2017-1470](#) Investment Portfolio Report for the quarter ending June 30, 2017  
*Presenter:* Presenter: Sherri Staub
  - C. [2017-1410](#) A RESOLUTION APPROVING THE LIST OF AUTHORIZED INSTITUTIONS FOR INVESTMENT BIDS.  
*Presenter:* Presenter: Sherri Staub
  - E. [TMP-0649](#) AN ORDINANCE APPROVING THE AWARD OF BID NO. 2018-012 FOR A ONE YEAR CONTRACT WITH FOUR (4) POSSIBLE ONE YEAR RENEWALS FOR THE PROVISION OF FERRIC CHLORIDE TO KEMIRA WATER SOLUTIONS, INC., AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR THE SAME BY AND ON BEHALF OF THE CITY.  
*Presenter:* Presenter: Michael Riley, Facilities Manager, Lee's Summit Water Utilities
  - F. [2017-1482](#) PRESENTATION OF PRIORITY BASED BUDGETING  
*Presenter:* Presenter: Jack Feldman, Management Analyst
  - G. [2017-1483](#) PRESENTATION OF THE FY19 BUDGET CALENDAR  
*Presenter:* Presenter: Jack Feldman, Management Analyst

- H. [2016-0063](#) AN ORDINANCE REPEALING THE CURRENT CITY OF LEE'S SUMMIT PURCHASING POLICY MANUAL AS ADOPTED BY RESOLUTION NO. 99-04 AND ADOPTING IN LIEU THEREOF A NEW POLICY ENTITLED THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY.

Presenter: Ben Calia, Procurement and Contract Services Manager

- I. [TMP-0628](#) AN ORDINANCE APPROVING AMENDMENT NO. 4 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN, AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI, WITH PARTIAL FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED FROM THE GENERAL FUND RESERVE BALANCE.

Presenter: Presenter: Jack Feldman, Management Analyst

- J. [TMP-0645](#) AN ORDINANCE APPROVING THE CALENDAR YEAR 2018 EMPLOYEE BENEFIT PROGRAMS, APPROVING AGREEMENTS FOR SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND BLUE CROSS BLUE SHIELD OF KANSAS CITY, VSP, THE STANDARD, NEW DIRECTIONS, TABEN GROUP, THE HARTFORD, AND TRUSTMARK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS OR OTHER DOCUMENTS AS NECESSARY TO ADMINISTER EMPLOYEE BENEFITS FOR CALENDAR YEAR 2018 BY AND ON BEHALF OF THE CITY.

Presenter: Presenter: Nick Edwards, Director of Administration & Jackie McCormick Heanue, Chief Counsel of Management & Operations/Deputy City Attorney

- K. [TMP-0648](#) AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COOPERATIVE AGREEMENT FOR RECYCLING SERVICES BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE CITY OF KANSAS CITY, MISSOURI

Presenter: Presenter: Jack Feldman, Management Analyst

6. ROUNDTABLE  
7. ADJOURNMENT

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".



# The City of Lee's Summit

220 SE Green Street  
Lee's Summit, MO 64063

## Packet Information

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**File #:** 2017-1450, **Version:** 1

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Minutes from F&BC Meeting August 7, 2017



**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

**Monday, August 7, 2017**  
**5:30 PM**  
**City Council Chambers**  
**City Hall**  
**220 SE Green Street**  
**Lee's Summit, MO 64063**

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1. CALL TO ORDER
2. ROLL CALL

**Present:** 4 - Chairperson Rob Binney  
Vice Chair Phyllis Edson  
Councilmember Dave Mosby  
Councilmember Craig Faith

**Absent:** 1 - Alternate Fred DeMoro

3. APPROVAL OF AGENDA

**Motion by Councilmember Faith, seconded by Councilmember Edson, the agenda was approved.**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

4. PUBLIC COMMENTS
5. BUSINESS

- A. [2017-1390](#) Approval of Minutes from F&BC Meeting (F&BC 8-7-17)

**ACTION: A motion was made by Vice Chair Edson, seconded by Councilmember Faith that the Minutes be approved. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

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- B. [TMP-0594](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO A REAL PROPERTY AND MONOPOLE SITE LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND T-MOBILE CENTRAL, LLC EXTENDING THE LEASE TERM AND INCREASING THE ANNUAL RENTAL PAYMENT. (F&BC 8-7-17)

**Recommendation:** Recommendation: Staff recommends approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO A REAL PROPERTY AND MONOPOLE SITE LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND T-MOBILE CENTRAL, LLC EXTENDING THE LEASE TERM AND INCREASING THE ANNUAL RENTAL PAYMENT

**Presenter:** Presenter: Bette Wordelman, Deputy Finance Director

**ACTION: A motion was made by Councilmember Faith, seconded by Councilmember Mosby, that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

- C. [TMP-0608](#) AN ORDINANCE APPROVING A PUBLIC SERVICE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MO FOR THE SUPPORT OF THE MCC-LONGVIEW CAMPUS FLIGHTS OF FANCY MEGA KITE FESTIVAL AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 8-7-17)

**Recommendation:** Recommendation: Staff Recommends Approval

**Presenter:** Presenter: Nick Edwards

**ACTION: A motion was made by Councilmember Mosby, seconded by Vice Chair Edson, that this Ordinance be forwarded without recommendation to the City Council - Regular Session, for consideration, due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

Finance and Budget Committee

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- D. [TMP-0574](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE KANSAS BUREAU OF INVESTIGATION AND THE CITY OF LEE'S SUMMIT, MISSOURI FOR THE USE OF MIDWEST HIGH INTENSITY DRUG TRAFFICKING AREA AWARD FUNDS. (F&BC 8-7-17)

**Recommendation:** Recommendation:  
Staff recommends adoption of the ordinance.

**Presenter:** Presenter: Major Boenker

**ACTION: A motion was made by Vice Chair Edson, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council - Regular Session due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

- E. [TMP-0590](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) (GP43). (F&BC 8-7-17)

**Recommendation:** Recommendation: Staff recommends passage

**Presenter:** Presenter: Major Mansell

**ACTION: A motion was made by Vice Chair Edson, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

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- F. [TMP-0570](#) AN ORDINANCE APPROVING THE AWARD OF A SOLE SOURCE FOR THE ONE TIME PROCUREMENT OF FOUR BMW R1200 RT-P POLICE MOTORCYCLES AND ASSOCIATED FACTORY INSTALLED EMERGENCY RESPONSE PACKAGES IN THE TOTAL AMOUNT OF \$97,445.76 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO ANY AGREEMENTS NECESSARY TO EFFECTUATE THE PROCUREMENT OF THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 8-7-17)

**Recommendation:** Recommendation: Staff recommends approval of AN ORDINANCE APPROVING THE AWARD OF A SOLE SOURCE FOR THE ONE TIME PROCUREMENT OF FOUR BMW R1200 RT-P POLICE MOTORCYCLES AND ASSOCIATED FACTORY INSTALLED EMERGENCY RESPONSE PACKAGES IN THE TOTAL AMOUNT OF \$97,445.76 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO ANY AGREEMENTS NECESSARY TO EFFECTUATE THE PROCUREMENT OF THE SAME BY AND ON BEHALF OF THE CITY

**Presenter:** Presenter: Major Mike Childs, Police Department

**ACTION: A motion was made by Councilmember Faith, seconded by Vice Chair Edson, that this Ordinance be forwarded without recommendation to the City Council - Regular Session, for consideration due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Nay:** 1 - Councilmember Mosby

**Absent:** 1 - Alternate DeMoro

- G. [TMP-0605](#) AN ORDINANCE APPROVING THE DUAL AWARD OF BID NO. 2017-120 FOR A ONE YEAR CONTRACT WITH FOUR (4) POSSIBLE ONE-YEAR CONTRACT RENEWALS FOR FIBER OPTIC NETWORK INSTALLATION AND REPAIR TO LAN-TEL COMMUNICATIONS SERVICES, LLC AS CONTRACT NO. 2017-120-1 AND TO MARTIN UNDERGROUND CONSTRUCTION AS CONTRACT NO. 2017-120-2 BASED ON THE ATTACHED BID TABULATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 8-7-17)

**Recommendation:** Recommendation: Staff recommends approval of AN ORDINANCE APPROVING THE DUAL AWARD OF BID NO. 2017-120 FOR A ONE YEAR CONTRACT WITH FOUR (4) POSSIBLE ONE-YEAR CONTRACT RENEWALS FOR FIBER OPTIC NETWORK INSTALLATION AND REPAIR TO LAN-TEL COMMUNICATIONS SERVICES, LLC AS CONTRACT NO. 2017-120-1 AND TO MARTIN UNDERGROUND CONSTRUCTION AS CONTRACT NO. 2017-120-2 BASED ON THE ATTACHED BID TABULATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

**Presenter:** Presenter: Stephen L. Marsh

**ACTION: A motion was made by Councilmember Mosby, seconded by Vice Chair Edson, that this Ordinance be forwarded without recommendation to the City Council - Regular Session for consideration due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

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**Absent:** 1 - Alternate DeMoro

- H. [TMP-0606](#) AN ORDINANCE APPROVING A SOLE SOURCE AGREEMENT WITH ANALYSTS INTERNATIONAL CORPORATION (AIC) APPROVING SCOPE OF WORK AGREEMENTS WITH AIC IN A TOTAL AMOUNT NOT TO EXCEED \$43,300.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY FOR THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 8-7-17)

**Recommendation:** Recommendation: Staff recommends approval of AN ORDINANCE APPROVING A SOLE SOURCE AGREEMENT WITH ANALYSTS INTERNATIONAL CORPORATION (AIC) APPROVING SCOPE OF WORK AGREEMENTS WITH AIC IN A TOTAL AMOUNT NOT TO EXCEED \$43,300.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY FOR THE SAME BY AND ON BEHALF OF THE CITY.

**Presenter:** Presenter: Stephen L. Marsh, Chief Technology Officer

**ACTION: A motion was made by Councilmember Faith, seconded by Councilmember Mosby, that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 8/24/2017. The motion carried by the following vote:**

**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

- I. [TMP-0607](#) AN ORDINANCE APPROVING THE AWARD OF A SOLE SOURCE TO FDM SOFTWARE FOR THE IMPLEMENTATION OF AUTOMATIC VEHICLE LOCATION & CLOSEST UNIT RECOMMENDATION SOFTWARE IMPLEMENTATION SERVICES, APPROVING AN AGREEMENT FOR SERVICES AND AMENDED AND RESTATED SOFTWARE SUPPORT AND MAINTENANCE AGREEMENT BY AND BETWEEN FDM SOFTWARE LTD. AND THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO EFFECTUATE THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 8-7-17)

**Recommendation:** Recommendation: STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING THE AWARD OF A SOLE SOURCE TO FDM SOFTWARE FOR THE IMPLEMENTATION OF AUTOMATIC VEHICLE LOCATION & CLOSEST UNIT RECOMMENDATION SOFTWARE IMPLEMENTATION SERVICES, APPROVING AN AGREEMENT FOR SERVICES AND AMENDED AND RESTATED SOFTWARE SUPPORT AND MAINTENANCE AGREEMENT BY AND BETWEEN FDM SOFTWARE LTD. AND THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO EFFECTUATE THE SAME BY AND ON BEHALF OF THE CITY.

**Presenter:** Presenter: Stephen L. Marsh, Chief Technology Officer and Rick Poeschl, Fire Chief

**ACTION: A motion was made by Vice Chair Edson, seconded by Councilmember Faith, that this Ordinance be forwarded without recommendation to the City Council - Regular Session, for consideration due back on 8/24/2017. The motion carried by the following vote:**



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**Aye:** 4 - Chairperson Binney  
Vice Chair Edson  
Councilmember Mosby  
Councilmember Faith

**Absent:** 1 - Alternate DeMoro

J. [2017-1418](#) PRESENTATION OF THE JUNE GENERAL FUND FINANCIAL DASHBOARD

**Recommendation:** Recommendation: N/A

**Presenter:** Presenter: Jack Feldman, Management Analyst

6. ROUNDTABLE -NEXT MEETING SEPT. 11, 2017 @ 5:30 P.M.

7. ADJOURNMENT

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## Packet Information

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**File #:** 2017-1470, **Version:** 1

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Investment Portfolio Report for the quarter ending June 30, 2017

Issue/Request:

[Enter text here]

Key Issues:

This investment report is prepared to provide a summary of the status of the current investment portfolio by noting the transactions over the previous quarter. The report lists new purchases as well as maturities.

At June 30, 2017 the largest portion of the portfolio was invested in US Treasuries (84%); followed by cash (7%), certificates of deposit (5%) and municipal obligations (2%). Cash balances are invested in an overnight repurchase agreement and are collateralized.

Proposed Committee Motion:

Background:

A "Mark to Market" adjustment is required at each quarter end to recognize any change in value of the portfolio in the event that securities would need to be liquidated. Fair values are provided by our custodial bank.

At June 30, 2017 the market adjustment across all funds was an unrealized loss of \$247,724.74.

Impact/Analysis:

At June 30, 2017 the average yield on the portfolio was 1.147%.

Timeline:

Start: \_\_\_\_

Finish: \_\_\_\_

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Sherri Staub

Recommendation: [Enter Recommendation Here]

Committee Recommendation: [Enter Committee Recommendation text Here]



# CITY OF LEE'S SUMMIT, MISSOURI

## QUARTERLY INVESTMENT PORTFOLIO REPORT

### QUARTER ENDED JUNE 30, 2017

**Purpose and Goals**

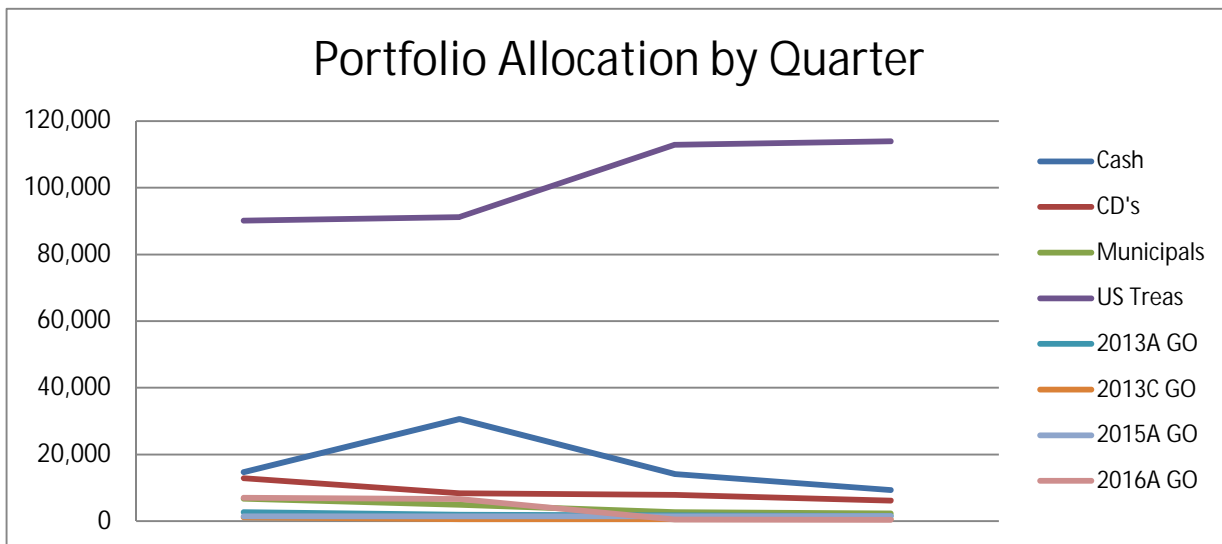
In compliance with the Investment Policy of the City of Lee's Summit, this quarterly investment portfolio report for the quarter ended June 30, 2017 is hereby submitted for your review. This report will provide you with an overview of the City's current cash and investment portfolio holdings along with a summary of all investment activity for the last fiscal quarter.

Cash and investments held by the City represent financial resources provided by its citizens to fund current operations and additionally to provide for future economic development, enhancement of services and programs, construction of major capital improvements and allow for unforeseen emergencies. Monies held for future use in meeting identifiable long-term needs are invested in authorized securities in order to provide additional earnings until such time as these funds are required to be expended. While the objective is to obtain a market rate of return, the City believes that the priority should be on the safety of principal, liquidity of its investments, and stability of earnings.

**Current Portfolio**

The City has sought to achieve a balance within the combined investment portfolio. While maintaining relatively strong liquidity, it strives to achieve earnings stability. As of June 30, 2017, the portfolio was allocated as follows: Cash (7%), Certificates of Deposit (5%), Municipal Obligations (2%) and US Treasury (84%). The following table illustrates the composition of the portfolio, in comparative dollar amounts (000) and component percentages, for the quarter ending June 30, 2017 and the previous three quarters.

| Portfolio    | -----Book Value in 000's----- |                  |                  |                  | -----Percent of Portfolio----- |             |             |             |
|--------------|-------------------------------|------------------|------------------|------------------|--------------------------------|-------------|-------------|-------------|
|              | 9/30/2016                     | 12/31/2016       | 03/31/2017       | 06/30/2017       | 9/30/2016                      | 12/31/2016  | 03/31/2017  | 06/30/2017  |
| Cash         | 14,689                        | 30,637           | 14,091           | <b>9,304</b>     | 11%                            | 21%         | 10%         | <b>7%</b>   |
| CD's         | 12,852                        | 8,418            | 7,922            | <b>6,197</b>     | 9%                             | 6%          | 6%          | <b>5%</b>   |
| Municipals   | 6,748                         | 4,940            | 2,732            | <b>2,314</b>     | 5%                             | 3%          | 2%          | <b>2%</b>   |
| US Treas     | 90,151                        | 91,202           | 112,851          | <b>113,873</b>   | 66%                            | 63%         | 80%         | <b>84%</b>  |
| 2013A GO     | 2,694                         | 1,920            | 1,755            | <b>1,516</b>     | 2%                             | 1%          | 1%          | <b>1%</b>   |
| 2013C GO     | 1,139                         | 560              | 561              | <b>562</b>       | 1%                             | 0%          | 0%          | <b>0%</b>   |
| 2015A GO     | 1,504                         | 1,506            | 1,508            | <b>1,511</b>     | 1%                             | 1%          | 1%          | <b>1%</b>   |
| 2016A GO     | 7,052                         | 6,625            | 483              | <b>396</b>       | 5%                             | 5%          | 0%          | <b>0%</b>   |
| <b>Total</b> | <b>\$136,829</b>              | <b>\$145,808</b> | <b>\$141,903</b> | <b>\$135,673</b> | <b>100%</b>                    | <b>100%</b> | <b>100%</b> | <b>100%</b> |



| <b>Purchases</b> |                             |                    |               |
|------------------|-----------------------------|--------------------|---------------|
|                  |                             | Amount             | Maturity Date |
| 06/29/2017       | US Treasury                 | \$ 3,000,000       | 04/30/2019    |
| 06/29/2017       | US Treasury                 | \$ 4,000,000       | 08/31/2019    |
|                  | <b>TOTAL</b>                | <b>\$7,000,000</b> |               |
| <b>MATURITY</b>  |                             |                    |               |
| 04/01/2017       | Bowling Green Mo Sch Dist   | 100,966            |               |
| 04/15/2017       | Barclays Bank               | 245,000            |               |
| 04/17/2017       | San Diego Bank              | 245,000            |               |
| 04/19/2017       | Homebanc                    | 245,000            |               |
| 04/24/2017       | Key Bank                    | 249,000            |               |
| 04/28/2017       | First Merchants Bank        | 245,000            |               |
| 05/01/2017       | American City Bank          | 248,000            |               |
| 05/01/2017       | St Louis Cnty Mo Spl Obilig | 317,628            |               |
| 05/31/2017       | T-note                      | 2,988,281          |               |
| 06/27/2017       | BMW Bank North America      | 248,000            |               |
| 06/30/2017       | T-note                      | 3,007,031          |               |
|                  | <b>TOTAL</b>                | <b>\$8,138,906</b> |               |

### Transaction Summary

The City monitors and maintains a certain level of cash on hand to meet the day to day operations of the city. Each night the remaining balance is invested in an interest bearing "sweep" account through a "repurchase agreement" or "repo" with our bank. For funds not needed immediately, the city employs a strategy of maturity "laddering" over a period not to exceed five years. When the spread between short term securities and the three year maximum is minimal, staff does not fully extend to the five year maximum.

### Cash in Bank

The City utilizes UMB Bank as its depository. Lee's Summit's cash in bank at June 30, 2017, was as follows: UMB Trustee Account, \$5,543,241.10 and the UMB Investment Settlement Account \$3,761,679.54. Cash on deposit with UMB earns interest at a rate equivalent to the previous week's auction of the 91 day Treasury bill yield, adjusted every Wednesday. The UMB "repo" rate for June was 1.04%; March was 0.68%; December was 0.58% and September was 0.45%. To protect the City against fluctuating securities values, the City's bank depository agreement requires the bank to pledge certain securities as collateral equal to 105% of the City's funds on account (in excess of FDIC coverage). The estimated collateral value is \$24,840,149.16.

### Combined Portfolio Performance

The City has utilized all components of the investment portfolio to achieve safety of principal, reasonable liquidity, relatively stable earnings over a wide range of interest rates, and a market rate of return. As of June 30, 2017, the average portfolio yield is 1.147%.

The investment portfolio's maturity structure as of June 30, 2017, is as follows:

| Maturity Year | Prin Amt                 | Cash Flow % |
|---------------|--------------------------|-------------|
| 2017          | \$ 17,190,998.02         | 14%         |
| 2018          | \$ 30,253,799.97         | 25%         |
| 2019          | \$ 41,220,337.95         | 34%         |
| 2020          | \$ 26,914,487.08         | 22%         |
| 2021          | \$ 6,805,288.98          | 5%          |
| <b>TOTAL</b>  | <b>\$ 122,384,912.00</b> | <b>100%</b> |

A complete itemized schedule of investments in the City of Lee's Summit Portfolio is available upon request.

**Recommendations**

The City's passive investment strategy has been to match the investments based upon cash flow needs in conjunction with a maturity "laddering" approach with its investments, not to exceed five years. Investment purchases have been made with safety as the primary factor. The purchase of Certificates of Deposit and Municipal Obligations has been halted pending further investigation of policy changes at the state level.

**Mark-to-Market**

The investment portfolio is valued at our purchase price with gains/losses recognized at sale or maturity. With the implementation of GASB 31, the portfolio was required to be adjusted at year end to reflect the difference between our carrying value and today's market. This is referred to as "Marking to Market."

The Government Finance Officers Association (GFOA) then recommended that local governments report the market value of all securities in the portfolio on a quarterly basis. Fair market values are determined by our custodial bank.

GFOA has recommended that in addition to the reporting of this paper gain/loss on a quarterly basis, this adjustment should be entered on a quarterly basis. Starting in fiscal year 2006-2007 this adjustment was spread and posted to cash accounts based on cash balances at each quarter end. These adjustments will be updated at the end of each quarter. At June 30, the quarter end entry of March 31 was reversed and the new entry booked based on the current market values at June 30, 2017. This unrealized loss of \$247,724.74 was spread against all funds based on their respective cash balance percentages.

Respectfully Submitted,

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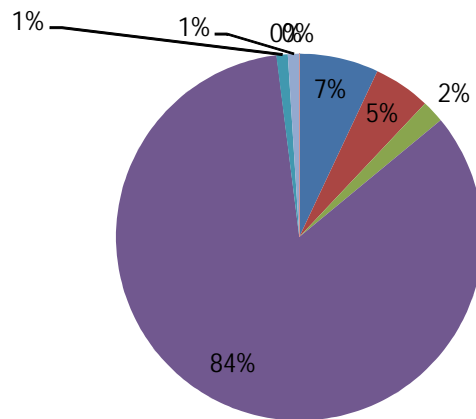
Sherri Staub  
Cash Management Officer

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Conrad Lamb  
Finance Director

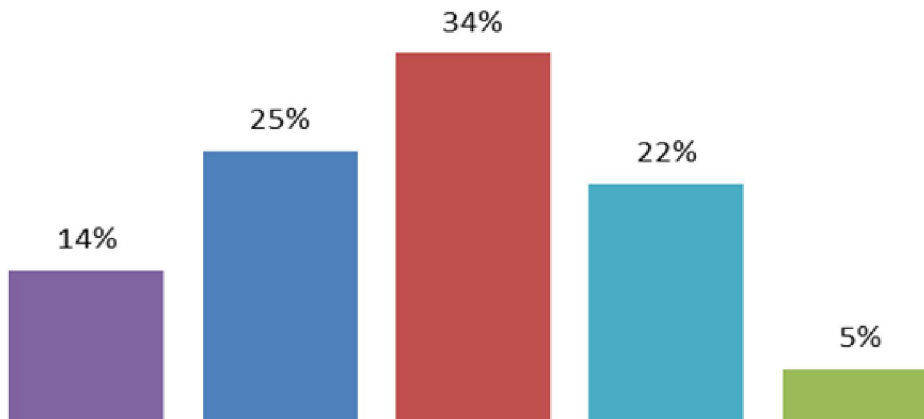
## Asset Allocation June 30, 2017

■ Cash ■ CD's ■ Municipals ■ US Treas ■ 2013A GO ■ 2013C GO ■ 2015A GO ■ 2016A GO



## Asset Allocation by Maturity Year

■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



CITY OF LEES SUMMIT  
INVESTMENT PORTFOLIO  
MONTH ENDING JUNE 2017

| CERTIFICATES OF DEPOSIT (CD) |                |   |            |           |               |               |           |
|------------------------------|----------------|---|------------|-----------|---------------|---------------|-----------|
|                              | PURCHASE PRICE | DESCRIPTION                               |            | YIELD     | PURCHASE DATE | MATURITY DATE | TERM DAYS |
| #                            | 248,000.00     | Enterprise National Bank, NJ              | 293742AD4  | 0.850000% | 08-Aug-13     | 08-Aug-16     | 1,096     |
| #                            | 248,000.00     | Crystal Lake Bank & Trust, IL             | 229253CT4  | 0.850000% | 14-Aug-13     | 15-Aug-16     | 1,097     |
| #                            | 248,000.00     | Lake Forest Bank & Tr, IL                 | 509685ES8  | 0.850000% | 14-Aug-13     | 15-Aug-16     | 1,097     |
| #                            | 248,000.00     | Midland States Bank, IL                   | 59774QDT6  | 0.800000% | 16-Aug-13     | 16-Aug-16     | 1,096     |
| #                            | 248,000.00     | Medallion Bank, UT                        | 58403BF27  | 1.000000% | 19-Aug-13     | 19-Aug-16     | 1,096     |
| #                            | 248,000.00     | Aimbank, TX                               | 00889WAQ8  | 0.850000% | 21-Aug-13     | 22-Aug-16     | 1,097     |
| #                            | 248,000.00     | Pyramax Bank FSB, WI                      | 747133BS4  | 0.800000% | 23-Aug-13     | 23-Aug-16     | 1,096     |
| #                            | 248,000.00     | Bank of Georgetown, Washington DC         | 06424XBE1  | 0.800000% | 23-Aug-13     | 23-Aug-16     | 1,096     |
| #                            | 248,000.00     | Merchants Bank of Indiana, IN             | 588493EG7  | 0.750000% | 30-Aug-13     | 30-Aug-16     | 1,096     |
| #                            | 248,000.00     | McFarland State Bank, McFarland, WI       | 58043PCJ8  | 0.850000% | 18-Oct-13     | 18-Oct-16     | 1,096     |
| #                            | 248,000.00     | College Savings Bank, Princeton, NJ       | 19443PAU3  | 0.850000% | 18-Oct-13     | 18-Oct-16     | 1,096     |
| #                            | 248,000.00     | Bank of Grove, Grove, OK                  | 06246PAE5  | 0.850000% | 25-Oct-13     | 25-Oct-16     | 1,096     |
| #                            | 248,000.00     | State Bank of India, New York, NY         | 856284R22  | 1.200000% | 28-Oct-13     | 18-Oct-16     | 1,086     |
| #                            | 248,000.00     | Unity Bank, Clinton, NJ                   | 91330AAAX5 | 0.900000% | 30-Oct-13     | 28-Oct-16     | 1,094     |
| #                            | 248,000.00     | Kansas State Bank, Manhattan, KS          | 485382DV4  | 0.800000% | 30-Oct-13     | 30-Oct-16     | 1,096     |
| #                            | 245,000.00     | First Credit Bank, Los Angeles, CA        | 320055BE5  | 0.750000% | 27-Nov-13     | 28-Nov-16     | 1,097     |
| #                            | 245,000.00     | USNY Bank, Geneva, NY                     | 90344LBW8  | 0.750000% | 27-Nov-13     | 28-Nov-16     | 1,097     |
| #                            | 245,000.00     | Commerce State Bank, West Bend, WI        | 20070PGC5  | 0.750000% | 29-Nov-13     | 29-Nov-16     | 1,096     |
| #                            | 248,000.00     | First State Bank, Barboursville, WV       | 33648FJG1  | 0.750000% | 18-Dec-13     | 16-Dec-16     | 1,094     |
| #                            | 248,000.00     | Tri-County Trust Co; Glasgow, MO          | 89556YAG1  | 0.700000% | 18-Dec-13     | 16-Dec-16     | 1,094     |
| #                            | 227,000.00     | Bridgewater Bk; Bloomington, MN           | 108622DQ1  | 0.700000% | 19-Dec-13     | 19-Dec-16     | 1,096     |
| #                            | 248,000.00     | Carthage Fed Savings & Loan, Carthage, NY | 146550AA6  | 0.750000% | 20-Dec-13     | 20-Dec-16     | 1,096     |
| #                            | 248,000.00     | Paragon Commercial Bank, Raleigh, NC      | 69911Q3U7  | 0.750000% | 24-Dec-13     | 23-Dec-16     | 1,095     |
| #                            | 248,000.00     | State Bank of Lismore, Lismore, MN        | 856425AL7  | 0.800000% | 30-Dec-13     | 28-Dec-16     | 1,094     |
| #                            | 248,000.00     | Independent Bank, Memphis TN              | 45383UNS0  | 0.700000% | 31-Dec-13     | 30-Dec-16     | 1,095     |
| #                            | 248,000.00     | Luana Savings Bank, IA                    | 54913NP0   | 0.650000% | 08-Jan-14     | 08-Jul-16     | 912       |
| #                            | 245,000.00     | Synovus Bank, Columbus, GA                | 87164DDS6  | 0.700000% | 30-Jan-14     | 29-Jul-16     | 911       |
| #                            | 248,000.00     | Douglas National Bank, GA                 | 259744DA5  | 0.600000% | 05-Feb-14     | 05-Aug-16     | 912       |
| #                            | 245,000.00     | San Diego Private Bank                    | 79744YAC4  | 0.900000% | 15-Apr-14     | 17-Apr-17     | 1,098     |
| #                            | 245,000.00     | Barclays Bank                             | 06740KGE1  | 1.050000% | 15-Apr-14     | 15-Apr-17     | 1,096     |
| #                            | 245,000.00     | Homebanc NA                               | 43738AEW2  | 0.900000% | 17-Apr-14     | 17-Apr-17     | 1,096     |
| #                            | 245,000.00     | Customers Bank                            | 23204HAY4  | 0.650000% | 23-Apr-14     | 25-Jul-16     | 824       |
| #                            | 245,000.00     | First Merchants Bank                      | 32082BDC0  | 0.900000% | 30-Apr-14     | 28-Apr-17     | 1,094     |
| #                            | 248,000.00     | Franklin Synergy Bank                     | 35471TBG6  | 0.750000% | 30-Apr-14     | 31-Oct-16     | 915       |
| #                            | 248,000.00     | United Bankers Bank, MN                   | 909557DJ6  | 0.600000% | 25-Jun-14     | 26-Sep-16     | 824       |
| #                            | 248,000.00     | First Priority Bank, PA                   | 33612JFA2  | 0.800000% | 25-Jun-14     | 27-Dec-16     | 916       |
| #                            | 248,000.00     | BMW Bank North America, UT                | 05580AAM6  | 1.050000% | 27-Jun-14     | 27-Jun-17     | 1,096     |
| #                            | 248,000.00     | John Marshall Bank, VA                    | 47804GBP7  | 0.650000% | 30-Jun-14     | 30-Sep-16     | 823       |
|                              | 245,000.00     | American Express BK FSB, UT               | 02587CAA8  | 1.050000% | 10-Jul-14     | 10-Jul-17     | 1,096     |
|                              | 248,000.00     | Sallie Mae Bank, UT                       | 795450TV7  | 1.500000% | 15-Oct-14     | 16-Oct-17     | 1,097     |
|                              | 248,000.00     | Capital One Bank USA                      | 140420QD5  | 1.450000% | 16-Oct-14     | 16-Oct-17     | 1,096     |
|                              | 248,000.00     | Discover Bank, DE                         | 254672BM9  | 1.500000% | 16-Oct-14     | 16-Oct-17     | 1,096     |
|                              | 248,000.00     | GE Captial Bank                           | 36161T4S1  | 1.500000% | 17-Oct-14     | 17-Oct-17     | 1,096     |
|                              | 248,000.00     | Goldman Sachs, NY                         | 38148JAR2  | 1.450000% | 22-Oct-14     | 23-Oct-17     | 1,097     |
|                              | 245,000.00     | American Expr Centurion UT                | 02587DWH7  | 1.500000% | 28-Oct-14     | 28-Nov-17     | 1,127     |
| #                            | 248,000.00     | First Business Bank, Madison, WI          | 31938QK37  | 0.800000% | 20-Jan-15     | 20-Jan-17     | 731       |
|                              | 248,000.00     | Northern Bank & Trust, Woburn MA          | 66476QBB3  | 1.100000% | 21-Jan-15     | 22-Jan-18     | 1,097     |
|                              | 248,000.00     | Bank Leumi USA NY                         | 063248FA1  | 1.150000% | 23-Jan-15     | 23-Jan-18     | 1,096     |
|                              | 248,000.00     | Morton Community Bank, Morton IL          | 619165FT5  | 1.150000% | 23-Jan-15     | 23-Jan-18     | 1,096     |
|                              | 248,000.00     | First Financial Bank El Dorado, AR        | 32021MDV8  | 1.100000% | 23-Jan-15     | 23-Jan-18     | 1,096     |
|                              | 248,000.00     | Bank Midwest, MN                          | 063615AJ7  | 1.050000% | 28-Jan-15     | 27-Oct-17     | 1,003     |
|                              | 248,000.00     | Bank of North Carolina                    | 06414QUG2  | 1.000000% | 30-Jan-15     | 31-Jul-17     | 913       |
|                              | 248,000.00     | Crescent Bank & Trust, LA                 | 225645DH0  | 1.100000% | 30-Jan-15     | 30-Jan-18     | 1,096     |
| #                            | 248,000.00     | First Niagra Bank, NY                     | 33583CMP1  | 0.800000% | 30-Jan-15     | 20-Jan-17     | 721       |
|                              | 248,000.00     | Peoples United Bank                       | 71270QLY0  | 1.100000% | 04-Feb-15     | 05-Feb-18     | 1,097     |
|                              | 248,000.00     | Platinum Bank/Brandon FL                  | 72766HBN4  | 1.000000% | 06-Feb-15     | 06-Feb-18     | 1,096     |
|                              | 248,000.00     | First Kentucky Bank                       | 32065TAK7  | 1.000000% | 06-Feb-15     | 06-Feb-18     | 1,096     |
|                              | 248,000.00     | Bank of Delmarva                          | 06424LBV9  | 1.000000% | 10-Feb-15     | 11-Dec-17     | 1,035     |
|                              | 248,000.00     | Grand South Bank                          | 38647PDJ9  | 1.000000% | 18-Feb-15     | 17-Nov-17     | 1,003     |
|                              | 248,000.00     | Flushing Bank, NY                         | 34387ABH1  | 1.100000% | 15-Apr-15     | 16-Apr-18     | 1,097     |
| #                            | 249,000.00     | Key Bank, OH                              | 49306SUY0  | 0.750000% | 22-Apr-15     | 24-Apr-17     | 733       |
|                              | 249,000.00     | Amer Natl Bank/Fox Cities                 | 02771PMN4  | 1.000000% | 22-Apr-15     | 20-Apr-18     | 1,094     |
|                              | 249,000.00     | Clayton Bank & Trust, TN                  | 184027AP5  | 1.000000% | 22-Apr-15     | 23-Apr-18     | 1,097     |
|                              | 248,000.00     | Manuf & Traders Trust, NY                 | 564759QN1  | 1.000000% | 29-Apr-15     | 30-Apr-18     | 1,097     |
| #                            | 248,000.00     | American City Bank, TN                    | 025140AW4  | 0.700000% | 30-Apr-15     | 01-May-17     | 732       |



|            |                     |           |           |           |           |       |
|------------|---------------------|-----------|-----------|-----------|-----------|-------|
| 249,000.00 | Northfield Bank, NY | 66612AAS7 | 1.050000% | 30-Apr-15 | 30-Apr-18 | 1,096 |
| 248,000.00 | Ally Bank, UT       | 02006LQR7 | 1.200000% | 07-May-15 | 07-May-18 | 1,096 |

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**MUNICIPAL OBLIGATIONS**

|   | PURCHASE PRICE | DESCRIPTION                    |           |      | YIELD     | PURCHASE DATE | MATURITY DATE | TERM DAYS |
|---|----------------|--------------------------------|-----------|------|-----------|---------------|---------------|-----------|
| # | 1,142,618.40   | Johnson & Miami Cnty KS #230   | 478164EX0 | Aa3  | 0.730000% | 31-Jan-14     | 01-Sep-16     | 944       |
| # | 505,093.05     | Coffey Cnty Kans USD #244      | 192242BK0 |      | 0.650000% | 29-May-14     | 01-Nov-16     | 887       |
| # | 100,966.00     | Bowling Green Mo Sch Dist R1   | 102827AM4 | A    | 1.350000% | 04-Jun-14     | 01-Apr-17     | 1,032     |
| # | 474,048.90     | Pittsburg KS Serv A UT         | 724649B31 | A+   | 0.600000% | 26-Jun-14     | 01-Sep-16     | 798       |
| # | 325,000.00     | Leavenworth KS Temp Nts        | 522229BR3 | Aa2  | 0.550000% | 30-Jun-14     | 01-Jul-16     | 732       |
| # | 359,173.50     | Topeka KS                      | 890568E20 | Aa3  | 0.550000% | 20-Oct-14     | 15-Aug-16     | 665       |
| # | 202,892.00     | Union Mo COPS                  | 907096BV2 | AA-  | 0.751000% | 20-Oct-14     | 01-Oct-16     | 712       |
| # | 211,582.00     | Lyon Cnty KS UT                | 551845FT2 | A1   | 0.650000% | 04-Dec-14     | 01-Sep-16     | 637       |
| # | 835,000.00     | Derby Kansas                   | 2497754L8 | SP-1 | 1.450000% | 15-Dec-14     | 01-Dec-17     | 1,082     |
| # | 284,902.80     | Derby Kansas                   | 2497754BO | AA-  | 0.600000% | 15-Dec-14     | 01-Dec-16     | 717       |
|   | 360,687.10     | Derby Kansas                   | 2497753V7 | AA-  | 0.950000% | 15-Dec-14     | 01-Dec-17     | 1,082     |
|   | 538,490.60     | Derby Kansas                   | 2497754C8 | AA-  | 0.950000% | 15-Dec-14     | 01-Dec-17     | 1,082     |
|   | 634,781.25     | Sedgwick County KS UT USD #268 | 815904DA2 | A+   | 0.900000% | 08-Jan-15     | 01-Sep-17     | 967       |
| # | 517,507.20     | Sedgwick County KS UT USD #268 | 815904CZ8 | A+   | 0.600000% | 08-Jan-15     | 01-Sep-16     | 602       |
| # | 363,282.50     | Kansas City MO Spl Oblig       | 485106KU1 | AA-  | 0.601000% | 28-Jan-15     | 01-Sep-16     | 582       |
| # | 506,155.00     | Kirkwood MO COPS               | 497604BY3 | Aa2  | 0.470000% | 30-Jan-15     | 01-Sep-16     | 580       |
| # | 1,208,687.30   | Troy MO Reorg Sch Dist #3      | 897506JV4 | AA+  | 0.550000% | 10-Feb-15     | 01-Mar-17     | 750       |
| # | 246,602.40     | Boles Fire Protn Dist          | 09752RCD1 | Aa3  | 0.650000% | 11-Feb-15     | 01-Mar-17     | 749       |
| # | 317,628.00     | St Louis Cnty Mo Spl Oblig     | 791526LY0 | AA   | 1.000000% | 07-May-15     | 01-May-17     | 725       |
| # | 752,587.40     | Maryland Heights MO UT         | 574068AJ1 | Aa2  | 0.550000% | 12-May-15     | 01-Mar-17     | 659       |
|   | 780,050.90     | Maryland Heights MO UT         | 574068AK8 | Aa2  | 0.800000% | 12-May-15     | 01-Mar-18     | 1,024     |

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**TREASURY BILLS AND NOTES**

Maturities (\*\*\*)

|   | PURCHASE PRICE | DESCRIPTION |           |     | YIELD     | PURCHASE DATE | MATURITY DATE | TERM DAYS |
|---|----------------|-------------|-----------|-----|-----------|---------------|---------------|-----------|
| # | 3,070,680.00   | T-Note      | 912828QX1 | Aaa | 0.506000% | 13-Mar-14     | 31-Jul-16     | 871       |
| # | 4,996,875.00   | T-Note      | 912828C32 | Aaa | 0.772000% | 14-May-14     | 15-Mar-17     | 1,036     |
| # | 5,029,500.00   | T-Note      | 912828SM3 | Aaa | 0.741000% | 10-Dec-14     | 31-Mar-17     | 842       |
| # | 2,999,531.25   | T-Note      | 912828F47 | Aaa | 0.509000% | 09-Jan-15     | 30-Sep-16     | 630       |
| # | 2,988,281.25   | T-Note      | 912828SY7 | Aaa | 0.790000% | 09-Jan-15     | 31-May-17     | 873       |
|   | 2,972,695.31   | T-Note      | 912828TG5 | Aaa | 0.860000% | 09-Jan-15     | 31-Jul-17     | 934       |
| # | 3,007,031.25   | T-Note      | 912828TB6 | Aaa | 0.750000% | 28-Jan-15     | 30-Jun-17     | 884       |
| # | 2,997,187.50   | T-Note      | 912828F88 | Aaa | 0.429000% | 28-Jan-15     | 31-Oct-16     | 642       |
|   | 2,988,046.88   | T-Note      | 912828TS9 | Aaa | 0.798000% | 04-Jun-15     | 30-Sep-17     | 849       |
|   | 2,990,859.38   | T-Note      | 912828TM2 | Aaa | 0.762000% | 04-Jun-15     | 31-Aug-17     | 819       |
|   | 3,983,437.50   | T-Note      | 912828TS9 | Aaa | 0.810000% | 26-Jun-15     | 30-Sep-17     | 827       |
|   | 5,966,718.75   | T-Note      | 912828UU2 | Aaa | 0.959000% | 20-Jul-15     | 31-Mar-18     | 985       |
|   | 5,049,414.05   | T-Note      | 912828SH4 | Aaa | 1.080000% | 30-Sep-15     | 28-Feb-19     | 1,247     |
|   | 4,987,500.00   | T-Note      | 912828UQ1 | Aaa | 1.308000% | 30-Sep-15     | 29-Feb-20     | 1,613     |
|   | 4,033,750.00   | T-Note      | 912828WS5 | Aaa | 1.381000% | 11-Dec-15     | 30-Jun-19     | 1,297     |
|   | 4,000,000.00   | T-Note      | 912828XF2 | Aaa | 1.125000% | 11-Dec-15     | 15-Jun-18     | 917       |
|   | 4,036,040.00   | T-Note      | 912828WW6 | Aaa | 1.364000% | 11-Jan-16     | 31-Jul-19     | 1,297     |
|   | 3,974,960.00   | T-Note      | 912828XK1 | Aaa | 1.129000% | 11-Jan-16     | 15-Jul-18     | 916       |
|   | 3,005,625.00   | T-Note      | 912828L40 | Aaa | 0.927000% | 01-Feb-16     | 15-Sep-18     | 957       |
|   | 2,984,765.63   | T-Note      | 912828TR1 | Aaa | 1.142000% | 01-Feb-16     | 30-Sep-19     | 1,337     |
|   | 3,031,171.88   | T-Note      | 912828WD8 | Aaa | 0.857000% | 23-Feb-16     | 31-Oct-18     | 981       |
|   | 1,997,656.25   | T-Note      | 912828TN0 | Aaa | 1.034000% | 23-Feb-16     | 31-Aug-19     | 1,285     |
|   | 3,005,625.00   | T-Note      | 912828K82 | Aaa | 0.914000% | 03-Jun-16     | 15-Aug-18     | 803       |
|   | 2,021,250.00   | T-Note      | 912828XE5 | Aaa | 1.226000% | 03-Jun-16     | 31-May-20     | 1,458     |
|   | 3,014,648.44   | T-Note      | 912828XA3 | Aaa | 0.740000% | 22-Jun-16     | 15-May-18     | 692       |
|   | 3,054,843.75   | T-Note      | 912828WL0 | Aaa | 0.869000% | 22-Jun-16     | 31-May-19     | 1,073     |
|   | 2,000,000.00   | T-Note      | 912828Q52 | Aaa | 0.875000% | 13-Sep-16     | 15-Apr-19     | 944       |
|   | 2,033,160.00   | T-Note      | 912828F62 | Aaa | 0.961000% | 13-Sep-16     | 31-Oct-19     | 1,143     |
|   | 2,034,375.00   | T-Note      | 912828XH8 | Aaa | 1.146000% | 27-Oct-16     | 30-Jun-20     | 1,342     |
|   | 2,014,375.00   | T-Note      | 912828L65 | Aaa | 1.187000% | 27-Oct-16     | 30-Sep-20     | 1,434     |
|   | 4,015,937.50   | T-Note      | 912828SN1 | Aaa | 1.315000% | 20-Jan-17     | 31-Mar-19     | 800       |
|   | 3,971,562.50   | T-Note      | 912828J84 | Aaa | 1.375000% | 20-Jan-17     | 31-Mar-20     | 1,166     |
|   | 2,995,327.08   | T-Note      | 912828XM7 | Aaa | 1.670000% | 05-Jan-17     | 31-Jul-20     | 1,303     |
|   | 6,805,288.98   | T-Note      | 912828P87 | Aaa | 1.824000% | 05-Jan-17     | 28-Feb-21     | 1,515     |
|   | 4,935,937.50   | T-Note      | 912828L32 | Aaa | 1.755000% | 03-Mar-17     | 31-Aug-20     | 1,277     |

|              |        |           |     |           |           |                  |       |
|--------------|--------|-----------|-----|-----------|-----------|------------------|-------|
| 4,997,460.94 | T-Note | 912828F62 | Aaa | 1.519000% | 03-Mar-17 | <b>31-Oct-19</b> | 972   |
| 3,954,160.00 | T-Note | 912828L9  | Aaa | 1.706000% | 31-Mar-17 | <b>31-Oct-20</b> | 1,310 |
| 2,995,591.08 | T-Note | 912828ST8 | Aaa | 1.331000% | 29-Jun-17 | <b>30-Apr-19</b> | 670   |
| 4,021,718.75 | T-Note | 912828D80 | Aaa | 1.370000% | 29-Jun-17 | <b>31-Aug-19</b> | 793   |

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|                 |
|-----------------|
| 166,196,724.70  |
| (43,811,812.70) |
| 122,384,912.00  |

**TOTALS**

**U. S. AGENCIES & GOVERNMENT SECURITIES:**

|  |                |
|--|----------------|
| Brokered CD's                              | 6,197,000.00   |
| Municipal Obligations                      | 2,314,009.85   |
| TREAS Treasury Notes and Bills             | 113,873,902.15 |
| FNMA Federal National Mortgage Association | 0.00           |
| FHDN Federal Home Loan Discount Note       | 0.00           |
| INTR International Bank                    | 0.00           |
| FFCB Federal Farm Credit Banks             | 0.00           |

**TOTAL** 122,384,912.00

**Investment Ratios**

|                       |         |
|-----------------------|---------|
| CD's                  | 5.06%   |
| Municipal Obligations | 1.89%   |
| US T-Bills/Notes      | 93.05%  |
| FNMA                  | 0.00%   |
| FHLB                  | 0.00%   |
| FFCB                  | 0.00%   |
|                       | 100.00% |

## Packet Information

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**File #:** 2017-1410, **Version:** 1

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A RESOLUTION APPROVING THE LIST OF AUTHORIZED INSTITUTIONS FOR INVESTMENT BIDS.

Issue/Request:

Request to add Raymond James and Associates to the City of Lee's Summit list of authorized institutions for investment bids.

Key Issues:

The current list of Authorized Institutions for Investment Bids includes 3 institutions that have not responded to a bid request in the past 2 years. By policy the authorized list of institutions has a maximum of 10 institutions. Raymond James & Associates meets the qualifications of our policy. They do have an office here in Lee's Summit and are a primary dealer. The other active institutions are: Bank of KC, Bank of the West, Commerce Bank, D A Davidson, Oppenheimer Fixed Income, UBS Financial and UMB Bank.

Proposed Committee Motion:

I move to recommend to City Council approval OF A RESOLUTION APPROVING THE LIST OF AUTHORIZED INSTITUTIONS FOR INVESTMENT BIDS.

Background:

Funds are identified for investment, a maturity date is chosen to meet cash flow needs or to fill a open slot on the ladder and three investment firms/banks are contacted for bids. The winning bid is awarded and the transaction settles the following day with our safekeeping bank.

The City of Lee's Summit Investment Policy sets forth the requirements that must be met for a financial institution or broker/dealer to be eligible to provide investment services to the City of Lee's Summit. The Policy provides that a maximum of ten (10) institutions be on the list of authorized institutions at any time, and further that an annual review of the authorized institutions to confirm financial condition and registration. This Resolution will formally acknowledge that the entities listed are eligible based upon the requirements of the Investment Policy and will formalize the list of authorized institutions.

Impact/Analysis:

[Enter text here]

Timeline:

Start: \_\_\_\_

Finish: \_\_\_\_

Other Information/Unique Characteristics:

[Enter text here]

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**File #:** 2017-1410, **Version:** 1

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Presenter: Sherri Staub

Recommendation:

Staff recommends approval of A RESOLUTION APPROVING THE LIST OF AUTHORIZED INSTITUTIONS FOR INVESTMENT BIDS.

Committee Recommendation: [Enter Committee Recommendation text Here]

## **RESOLUTION NO. 17-\_\_\_\_\_**

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A RESOLUTION APPROVING THE LIST OF AUTHORIZED INSTITUTIONS FOR INVESTMENT BIDS.

WHEREAS, the City of Lee's Summit has previously adopted, and from time to time amended the City of Lee's Summit Investment Policy which sets forth guidelines under which the funds of the City are invested; and,

WHEREAS, Section IV. Safekeeping and Custody, subsection 1 of the City of Lee's Summit Investment Policy provides that a list will be maintained of qualified financial institutions or broker/dealers authorized to provide investment services, further identifies what requirements must be met for a financial institution or broker/dealer to be eligible to provide investment services, requires an annual review of the financial condition and registration of the financial institutions or broker/dealers who are on the list of authorized providers, and limits the total number of authorized institutions or broker/dealers to ten (10) at any one time; and,

WHEREAS, the investment officer of the City of Lee's Summit has conducted the annual review of the financial condition and registration of the qualified financial institutions or broker/dealers currently on the list of authorized institutions; and,

WHEREAS, the City has identified an additional financial institution that is not currently on the list of authorized institutions but who is qualified to provide services pursuant to the City of Lee's Summit Investment Policy; and,

WHEREAS, in order to effectuate the intent of the City of Lee's Summit Investment Policy, the City Council of the City of Lee's Summit, Missouri desires to affirm, by Resolution, the list of qualified financial institutions and broker/dealers who are eligible to provide investment services to the City of Lee's Summit, Missouri and to include a new qualified financial institution or broker/dealer to the list of qualified financial institutions and broker/dealers.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the entities listed on the attached Exhibit A, Authorized Institutions for Investment Bids, incorporated herein by reference, are officially recognized as qualified financial institutions and broker/dealers for the purposes of providing investment services to the City of Lee's Summit, Missouri, pursuant to the provisions of the City of Lee's Summit Investment Policy, effective as of the date of the adoption of this Resolution and for a period of one (1) year thereafter.

SECTION 2. That any and all resolutions or parts of resolutions in conflict herewith are repealed to the extent of such conflict only.

SECTION 3. That this resolution shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED AND APPROVED by the City Council for the City of Lee's Summit, Missouri, and APPROVED by the Mayor of said City this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*City Clerk Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
*Chief Counsel of Management & Operations/Deputy City Attorney  
Jackie McCormick Heanue*

**EXHIBIT A – AUTHORIZED INSTITUTIONS FOR INVESTMENT BIDS**

Bank of KC

Bank of the West

Commerce Bank

D A Davidson

Oppenheimer Fixed Income

Raymond James & Associates

UBS Financial

UMB Bank

# City of Lee's Summit Investment Policy

It is the policy of the City of Lee's Summit and the duty of the Cash Management Officer to invest the public funds in the custody of the Cash Management Officer to provide the highest investment return consistent with maximum security while meeting the daily cash flow demands of the City in conformance with the constitution and laws of the State of Missouri and the Charter of the City of Lee's Summit.

## I. Scope

This policy applies to the investment of all operating funds of the City of Lee's Summit.

1. **Pooling of Funds** Except for cash in certain restricted and special funds, the City of Lee's Summit will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with Generally Accepted Accounting Principles by using prior end of month cash balances.

## II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. **Safety of principal** is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

- a. **Credit Risk** The City of Lee's Summit will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City of Lee's Summit will do business.

Diversification of the investment portfolio so that potential losses on individual securities will be minimized.

- b. **Interest Rate Risk** The City of Lee's Summit will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

Structuring the investment portfolio; so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

- c. **Maturity based on "laddered approach"** The City of Lee's Summit will base maturities on a "laddered" approach. Maturity dates will be chosen: 1) to match debt payment dates; 2) laddered to meet expenses and ensure availability of funds. Yield curves will be examined to attain the best yield and while ensuring liquidity to meet anticipated cash flow requirements.

2. **Liquidity** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Investments must also be maintained within the allowed allocation diversification. A portion of the portfolio also is placed in bank deposits/ repurchase agreements that offer same day liquidity for short term funds.



3. **Yield** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

A security with declining credit may be sold early to minimize loss of principal.

A security swap would improve the quality, yield, or target duration in the portfolio.

Liquidity needs of the portfolio require that the security be sold.

4. **Mark to Market** An adjustment to the total investment portfolio shall be made quarterly to revalue the portfolio to the prevailing market prices.

### ***III. Standards of Care***

1. **Prudence** The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. **Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Lee’s Summit.

3. **Delegation of Authority** Authority to manage the investment program is granted to the Cash Management Officer, hereinafter referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### **IV. Safekeeping and Custody**

**1. Authorized Financial Dealers and Institutions** A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions shall supply the following as appropriate:

Audited financial statements

Completed broker/dealer application/information form

Certification of having read and understood and agreeing to comply with the City of Lee's Summit investment policy.

The City of Lee's Summit may also request:

Proof of National Association of Securities Dealers (NASD) certification

Proof of state registration

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers may be conducted by the investment officer.

To maximize yield the City of Lee's Summit will limit the number of authorized institutions and broker/dealers to (10) ten. This list may be reviewed annually and if any institution has not submitted a bid, it may be removed from the current list.

All approved financial institutions and broker/ dealers will be required to have a presence within the State of Missouri (preferably local).

**2. Internal Controls** The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Lee's Summit are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall make available all records and transactions for review as a part of the external auditors normal audit procedures. Including the following internal control points:

Control of collusion

Custodial safekeeping

Avoidance of physical delivery securities

Written confirmation of transactions for investments and wire transfers

Development of a wire transfer agreement with the lead bank and third-party custodian

**3. Delivery vs. Payment** All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

## **V. Suitable and Authorized Investments**

**1. Investment Types** Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law where applicable:

U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;

Certificates of deposit and other evidences of deposit at financial institutions;

Investment-grade obligations of the states of Missouri or Kansas that are "A" rated or better;

Repurchase agreements whose underlying purchased securities consist of the foregoing;

Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;

and Local Government Investment Pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

Investment in derivatives of the above instruments or leveraging shall be prohibited per Missouri Revised Statutes.

**2. Collateralization** All deposits placed in financial institutions must be at least 105% collateralized with securities that are acceptable to the Finance Director, City of Lee's Summit.

All securities, which serve as collateral against deposits of a depository institution, must be safekept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish necessary custodial receipts.

**3. Repurchase Agreements** Repurchase agreements shall be consistent with Government Finance Officers Association (GFOA) Recommended Practices on Repurchase Agreements. The City of Lee's Summit will enter into a repurchase agreement (repo) to investment funds on a short-term basis. The City will purchase securities from the bank and at the same time, the bank contractually agrees to repurchase the securities at the same price (plus interest). The Repo is purchased at the close of business each day and sold at the start of business the next business day. This provides a secure money market rate of interest and is an integral part of the investment program.

## **VI. Investment Parameters**

**1. Diversification** The investments shall be diversified by:

- limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),

- limiting investment in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as Local Government Investment Pools (LGIPs),
- money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

| <b>Investment Type</b>  | <b>Minimum Allocation</b> | <b>Maximum Allocation</b> |
|---|---------------------------|---------------------------|
| General Time Deposits/Certificates of Deposit                                   | 0%                        | 30%                       |
| US Treasury Securities having principal and interest guaranteed by the US Gov't | 15%                       | 100%                      |
| US Government Agencies & Government Sponsored Enterprises                       | 0%                        | 75%                       |
| US Government Agency Callable Securities  | 0%                        | 15%                       |
| Missouri/Kansas State or Municipal Debt   | 0%                        | 25%                       |

**2. Maximum Maturities** To the extent possible, the City of Lee's Summit shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Lee's Summit will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the legislative body.

Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds including but not limited to overnight repurchase agreements, Local Government Investment Pools (LGIPs) or money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

**3. Competitive Selection of Investment Instruments** Before investments of surplus funds are placed, a competitive "Bid" process (consisting of quoted interest or yield rates, dollar prices, or

discount rates) may be conducted. Bids will be requested from at least three approved institutions. Bidders are required to bid a firm price or yield, which will remain effective for a reasonable time period (approximately 15 minutes or less), given market fluctuations, to allow further bids to be received. Typically, award will be made to the bidder offering the highest effective yield consistent with this Policy; however, transaction costs, diversification requirements, extraordinary events and other factors may be considered by the Cash Management Officer when awarding investments.

## **VII. Reporting**

1. **Methods** The Cash Management Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City of Lee's Summit to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the legislative body. The report will include the following:

- Listing of individual securities purchased during the reporting period.

- Listing of securities matured during the reporting period.

- Cash flow percentage of the total portfolio by maturity year.

- Average portfolio yield.

- Summary of cash balances, showing current period and three prior periods.

- A full list of securities held with maturity dates, purchase date, type of security and yield is available by request.

2. **Performance Standards** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

## **VIII. Policy Considerations**

1. **Exemption** Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. **Amendments** This policy shall be reviewed on an annual basis. Any changes must be approved by the City Manager.

## **City of Lee's Summit Safekeeping Procedure**

### **Safekeeping and Custody**

All investment securities purchased shall be held in safekeeping at a designated third party custodian currently UMB Bank. The institution shall issue a safekeeping receipt for each security, listing the specific instrument, par value, rate, CUSIP number and other pertinent information.

### **Delivery vs Payment (DVP)**

Written delivery instructions are provided to approved broker/ dealers. All security transactions should be accomplished on a delivery versus payment (DVP) basis. Securities being purchased shall be delivered to the City of Lee's Summit's safekeeping agent, in the name of the City, before payment is released.

### **Collateralization**

Deposit type securities shall be collateralized for any amount exceeding FDIC coverage. Other investments shall be collateralized by the actual security held in safekeeping. The collateral for repurchase agreements will, at all times, be no less than 105% of the value of the repurchase agreement. Notification will be received from third party custodian, currently UMB Bank, requesting the release of maturing or over pledged securities. The Cash Management Officer will authorize the release and the Federal Reserve Bank will call to confirm the release with the Finance Director, Assistant Finance Director or the Financial Analyst.

### **Repurchase Agreements**

The Repo is a contractual transaction between the City and an issuing financial institution. The City of Lee's Summit changes cash for temporary ownership or control of collateral securities, with an agreement between parties that on a future date, the financial institution will repurchase the securities. The City's funds are swept into an overnight repo which is written for one day.

### **Payment by Wire Transfer**

The City of Lee's Summit makes payments by wire transfer for debt obligations, payroll expenses, Jackson County tax payments, etc. The bank (UMB Bank) is telephoned and given wire instructions for the transfer of funds. The bank will make a return call to another authorized person to confirm the wire instructions received.

## Packet Information

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**File #:** TMP-0649, **Version:** 1

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AN ORDINANCE APPROVING THE AWARD OF BID NO. 2018-012 FOR A ONE YEAR CONTRACT WITH FOUR (4) POSSIBLE ONE YEAR RENEWALS FOR THE PROVISION OF FERRIC CHLORIDE TO KEMIRA WATER SOLUTIONS, INC., AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR THE SAME BY AND ON BEHALF OF THE CITY.

Issue/Request:

Award of Bid 2018-012 for a one-year contract with four possible one-year renewal options to Kemira Water Solutions, Inc., to supply ferric chloride to Water Utilities.

Key Issues:

Water Utilities applies Ferric Chloride to treat sanitary sewage pumped through the Tudor Road Pump Station (Eastern Watershed Pumping Facility). The chemical is used to reduce the occurrence of offensive odors as waste is conveyed through the Maybrook and Little Cedar watersheds from Lee's Summit to the Little Blue Valley Treatment Plant. In addition, it inhibits the formation of sulfuric acid that oxidizes sewer facilities.

Ferric is delivered to, and stored in, an underground storage tank at the Tudor Road Pump Station. The application of chemical to the waste stream varies from 100 to 400 gallons per day depending flow conditions.

Other Information/Unique Characteristics:

Bid 2018-012 was publicly advertised using the City's web site and [www.PublicPurchase.com](http://www.PublicPurchase.com) to notify potential contractors. 25 potential companies viewed the invitation, and 2 submitted bids by the August 18, 2017 closing date.

Presenter: Michael Riley, Facilities Manager, Lee's Summit Water Utilities

## **BILL NO. xx-xx**

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AN ORDINANCE APPROVING THE AWARD OF BID NO. 2018-012 FOR A ONE YEAR CONTRACT WITH FOUR (4) POSSIBLE ONE YEAR RENEWALS FOR THE PROVISION OF FERRIC CHLORIDE TO KEMIRA WATER SOLUTIONS, INC., AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the Water Utilities Department applies Ferric Chloride to treat sanitary sewage pumped through the Tudor Road Pump Station (Eastern Watershed Pumping Facility); and,

WHEREAS, the chemical is used to reduce the occurrence of offensive odors as waste is conveyed through the Maybrook and Little Cedar watersheds from Lee's Summit to the Little Blue Valley Treatment Plant. In addition, it inhibits the formation of sulfuric acid that oxidizes sewer facilities; and,

WHEREAS, the Water Utilities Department is without a supplier for Ferric Chloride for this use; and,

WHEREAS, City Staff advertised the Invitation to Bid on the City's website and on PublicPurchase.com; and,

WHEREAS, as of the closing of the time for submission of bids, a total of 2 chemical suppliers submitted bids; and,

WHEREAS, after evaluation of the bids received, Kemira Water Solutions, Inc. was determined to be the lowest responsible bidder for Bid No. 2018-012, and the project evaluation committee has recommended the award of Bid No. 2018-012 to Kemira Water Solutions, Inc.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That Bid No. 2018-012 be and hereby is awarded to Kemira Water Solutions, Inc.

SECTION 2. That the Agreement by and between the City of Lee's Summit, Missouri and Kemira Water Solutions, Inc. generally for the purpose of the provision of Ferric Chloride, said agreement being attached hereto as Exhibit A and incorporated herein by reference be and hereby is approved and the City Manager is authorized to execute the same by and on behalf of the City.

SECTION 3. That this Ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 4. That should any section, sentence or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri this \_\_\_\_ day of



**BILL NO. xx-xx**

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\_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor *Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED by the Mayor of said City this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor *Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and  
Operations/Deputy City Attorney  
*Jackie McCormick Heanue*



# LEE'S SUMMIT MISSOURI

## NOTICE OF RECOMMENDATION FOR AWARD-YEARLY CONTRACT

August 24, 2017

Kemira Water Solutions, Inc.  
4321 W 6<sup>th</sup> Street  
Lawrence, KS 66049

RE: Recommendation for Award of Yearly Contract for Ferric Chloride  
Bid Number: 2018-012

Dear Ms. Hyatt:

You are hereby notified that your bid for a yearly contract for Ferric Chloride as a Yearly Contract has been recommended for award.

Your organization shall execute and return the following contract documents within seven days after receipt of this Notice of Recommendation for Award. That is by (date-7 days after date of this letter), you are required to provide:

- ◆ Sign and Return Notice of Recommendation for Award
- ◆ Sign and Return Contract Document
- ◆ Certificate of Insurance (naming the City as Additional Insured under General Liability)

Your organization is required to comply with these conditions within the time specified. If requirements are not met, the City may consider your bid abandoned, annul this Notice of Recommendation for Award and declare your contract forfeited.

Upon receipt of the documents mentioned above, the City will complete the contract process and mail a completed set of documents to your organization.

ISSUED BY THE CITY:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

RECEIVED ON \_\_\_\_\_

*Christina Imbrogno*

\_\_\_\_\_  
Type or Print Name Legibly

*Christina Imbrogno*

\_\_\_\_\_  
Authorized Signature

*Commercial Support Manager*

\_\_\_\_\_  
Title

THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_ 2017, is herein called Yearly Contract for Ferric Chloride as a Yearly Contract between the City of Lee's Summit, Missouri, a Missouri Constitutional Charter City, (hereinafter "City") and Kemira Water Solutions, Inc., (hereinafter "Supplier").

WHEREAS, City has caused to be prepared an Invitation for Bid, General Terms and Conditions, Special Conditions and/or Specifications for a Term and Supply Contract and any special bid clauses/addenda listed under Special Attachments below (hereinafter "Contract Documents"), said contract documents setting forth such equipment, supplies, labor and/or services to be furnished as therein fully described; and

WHEREAS, Supplier did on the 18<sup>th</sup> day of August, 2017, file with City their Bid to furnish such equipment, supplies, labor and/or services, as specified; and

WHEREAS, the aforementioned documents adequately and clearly describe the terms and conditions upon which the Supplier is to furnish such equipment, supplies, labor and/or services as specified, IT IS AGREED,

1. The City of Lee's Summit, Missouri, acting through its Procurement and Contract Services Manager does hereby accept, with modifications, if any, the Bid of Supplier.
2. That a copy of the Supplier's signed Bid is attached. The Supplier's Bid and the City's Contract Documents become the agreement and contract between the parties hereto; that both parties hereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and that the compensation to be paid the Supplier is as set forth in the Supplier's Bid. In the event of a conflict between the Supplier's Bid and the City's Contract Documents, the City's Contract Documents shall control. Items not awarded, if any, have been deleted.
3. Services shall only be provided after receipt of a written request or order from the City after the Department Head for the Department requesting the services, or his/her designee, has determined that budgeted funds are available to cover the cost of the services.
4. That this Contract shall be effective on the \_\_\_ day of \_\_\_\_\_ 2017, Bid No. 2017-012, Contract period from \_\_\_\_\_ to \_\_\_\_\_. The City may, at its option, renew the Contract for four (4) additional one-year contract periods by giving written notice to the supplier. Any increase in cost at the beginning of each renewal period will be limited to that allowed per Bid # 2017-012; section 2.1; Renewal Option. All pricing identified on the pricing page shall be in effect for the stated contractual period.
5. No financial obligation shall accrue against the City until Supplier makes delivery pursuant to order of the City Manager.
6. This Contract may be terminated by either party upon sixty (60) days prior notice in writing to the other party. The City may terminate this contract immediately, under breach of contract, if the Supplier fails to perform in accordance with the terms and conditions as referenced to and incorporated above. In the event of any termination of contract by the Supplier, the City may purchase such supplies and/or services similar to those so terminated, and for the duration of the contract period the Supplier will be liable for all costs in excess of the established contract pricing.

|                      |          |        |            |       |    |         |    |
|----------------------|----------|--------|------------|-------|----|---------|----|
| Bid Number:          | 2018-012 | Dated: | 08-18-2017 | Pages | 01 | through | 14 |
| Specifications:      |          | Dated: | 08-18-2017 | Pages | 05 | through | 06 |
| General Conditions:  |          |        |            | Pages | 10 | through | 14 |
| Special Attachments: |          |        |            |       |    |         |    |

\_\_\_\_\_  
Procurement Officer of Record

Stephen A. Arbo, City Manager

\_\_\_\_\_  
Date

Kemira Water Solutions, Inc.  
Company Name

[Signature]  
Company Authorized Signature

Commercial Support Manager  
Title

Christina M. Lubogno 8/24/17  
Date

Type or Print the Name of Authorized Person

APPROVED AS TO FORM:

\_\_\_\_\_  
Office of the City Attorney

This is the unofficial bid tabulation and only reflects the reading of the bids and not the evaluation process of bids received.

BID NUMBER: 2018-012

PROJECT: FERRIC CHLORIDE

DATE/TIME: 8/18/2017 @ 3:00 PM

|  |         |         | BIDDER NAME/ADDRESS          |             | BIDDER NAME/ADDRESS             |             |
|--|---------|---------|------------------------------|-------------|---------------------------------|-------------|
|  |         |         | Kemira Water<br>Lawrence, KS |             | PVS Technologies<br>Detroit, MI |             |
| Description  | Est Qty | Est Gal | Unit                         | Annual      | Unit                            | Annual      |
| FERRIC CHLORIDE  | 13      | 4000    | \$1.399                      | \$72,748.00 | \$1.49                          | \$77,480.00 |
| City standard payment terms are Net 30 after receipt of invoice. State any discounts offered:        |         |         | 0                            |             | \$0.00                          |             |
| Delivery Time (after receipt of Purchase Order):   |         |         | 3 days                       |             | 3 days                          |             |
| Warranty:  |         |         | attached doc                 |             | as per specs                    |             |
| During the course of the contract year, the using department(s) may need to order items not          |         |         | na                           |             | \$0.00                          |             |
| Is the pricing provided above tax exempt per the City of Lee's Summit's State of Missouri tax exempt |         |         | yes                          |             | yes                             |             |
| If you answered "No" to the question posed in section 4.1, does the pricing provided above include   |         |         | na                           |             | na                              |             |

opened- ddt

UNOFFICIAL

CITY OF LEE'S SUMMIT  
PROCUREMENT AND CONTRACT SERVICES DIVISION  
220 S.E. GREEN STREET  
LEE'S SUMMIT, MO 64063  
816-969-1087 Phone 816-969-1081 Fax  
[deedee.tschirhart@cityofls.net](mailto:deedee.tschirhart@cityofls.net)

**INVITATION FOR BID NUMBER 2018-012**

The City of Lee's Summit will accept electronic submitted bids through Public Purchase from qualified persons or firms interested in providing the following:

**FERRIC CHLORIDE AS A YEARLY CONTRACT  
IN ACCORDANCE WITH THE ATTACHED SPECIFICATIONS**

**BIDS MUST BE UPLOADED INTO PUBLIC PURCHASE E-PROCUREMENT SYSTEM PRIOR TO THE OPENING DATE OF  
3:00 PM LOCAL TIME ON AUGUST 18, 2017**

The cutoff date for any questions for this bid is August 10, 2017 at Noon, CST.

It is the responsibility of interested firms to check the City's e-procurement system, Public Purchase at <http://www.publicpurchase.com/gems/leessummit,mo/buyer/public/publicInfo> for any addendums prior to the opening date and time of this Bid. All addendums must be signed and included with submitted Bid.

The City reserves the right to reject any and all submittals, to waive technical defects, and to select the submittal(s) deemed most advantageous to the City.

The undersigned certifies that he/she has the authority to bind this company in an agreement to supply the service or commodity in accordance with all terms and conditions specified herein. Please type or print the information below.

Respondent is REQUIRED to complete, sign and return this form with their submittal.

|                |   |                           |   |
|----------------|---|---------------------------|---|
| Company Name   | <u>Kemira Water Solutions, Inc.</u>           | Authorized Person (Print) | <u></u> |
| Address        | <u>4321 W. 6th St.<br/>Lawrence, KS 66049</u> | Signature                 | <u>Customer Service Manager</u>   |
| City/State/Zip | <u>(800) 879-6353</u> <u>(785) 842-2629</u>   | Title                     | <u>8/14/17</u> <u>59-3657872</u>  |
| Telephone #    | <u>kwsna.bids@kemira.com</u>                  | Date                      | <u>corporation</u>  |
| E-mail         |   | Tax ID #                  |   |
|                |   | Entity Type               |   |

**ORIGINAL**

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## INVITATION FOR BID #2018-012

The City of Lee's Summit will accept separate sealed bids from qualified persons or firms for Ferric Chloride as a yearly contract. Bids must be received electronically into Public Purchase by 3:00 PM Local time, on August 18, 2017.

Bidding documents and any addendums are available by accessing the City's e-procurement system, Public Purchase at <http://www.publicpurchase.com/gems/leessummit,mo/buyer/public/publicInfo> or by contacting the Procurement and Contract Services Division at 816-969-1080. The City reserves the right to reject any and all bids, to waive technical defects in bids, and to select the bid(s) deemed most advantageous to the City. It is the responsibility of interested firms to check the appropriate website for any addendums prior to the opening date and time of this Bid. All addendums must be signed and included with submitted Bid.

DeeDee Tschirhart, Senior Procurement Officer

SCOPE: To supply and deliver Ferric Chloride for wastewater treatment for the Water Utilities Operations Division on an as needed basis as a yearly contract. Initial term will be for one (1) year with the option to renew for four (4) additional one (1) year periods.

## 1.0 INSTRUCTIONS TO BIDDERS:

- 1.1 Direct all questions regarding this bid to the Procurement Officer listed on page 1. The City reserves the right to reject any and all bids, to waive technical defects in bids, and to select the bid(s) deemed most advantageous to the City.
- 1.2 Bids submitted made on separate forms are NOT acceptable unless specified in the bid document. Failure to complete bid forms to the satisfaction of the City Procurement and Contract Services Manager may result in rejection of your bid.
- 1.3 It is the responsibility of each bidder before submitting a bid to examine the documents thoroughly, and request written interpretation or clarifications soon after discovering any conflicts, ambiguities, errors, or omissions in the bidding documents. Requests for clarification must be received no later than August 10, 2017 at Noon, CST.
- 1.4 Changes to the specifications, provisions, or terms and conditions will not be allowed except by written addendum issued by the Procurement and Contract Services Division. Oral explanations or instructions given prior to award will not be binding.
- 1.5 Quantities stated herein represent an estimate for the period of time stated. Orders shall be placed for actual requirements as needed.
- 1.6 Bidder shall quote net costs of all goods and services requested and all quotes shall include all transportation to destination and inside delivery.
- 1.7 Bids will be publicly opened and read aloud at the time indicated on the Invitation for Bid. The bidders and the public are invited but not required to attend the formal opening of bids. No decisions relating to the award of a contract will be made at the opening.
- 1.8 The City reserves the right to award this contract in its entirety or to split the contract among bidders, whichever is in the best interest of the City. The City may accept any item or group of items bid unless qualified by specific limitation of the bidder.
- 1.9 Acceptance of this bid or any part thereof, in writing, within one hundred twenty (120) days after the bid opening date by the City of Lee's Summit shall bind the supplier to furnish the supplies or material in accordance with the specifications and bid offer on the written order of the City of Lee's Summit.
- 1.10 Items required for this contract qualify for exemption from taxes in accordance with RSMo Section 144.062 as well as in accordance with Section 39 (10), Article 3, of the Missouri Constitution and is exempt from payment of Federal Excise Taxes in accordance with Title 26, United States Code annotated, the Missouri Department of Revenue has exempted all or those certain items of the contract from State and local sales and use taxes. If your company/firm is located outside the State of Missouri and is unable to honor the City of Lee's Summit's State of Missouri tax exempt status, all pricing submitted shall include any and all applicable taxes.
- 1.11 Any Contract Awarded pursuant to this bid shall be subject to the Terms & Conditions located in pages 10-14. Any bid conditioned on conflicting Terms & Conditions may be rejected.
- 1.12 If an award is a result of this Invitation for Bid, a contract in the form of a Term & Supply will be issued. The contract number must be referenced on all documentation including delivery ticket, packing slip and/or invoice.

## 2.0 SPECIFIC REQUIREMENTS OF BID:

- 2.1 Renewal Option:
  - 2.1.1 The City reserves the right to negotiate this contract for four (4) additional one-year renewal periods.
  - 2.1.2 Adjustments in cost at the beginning of each renewal period must be agreed to by both parties. All requested increases must be accompanied by justification acceptable to the City to establish allowable renewal term pricing.
  - 2.1.3 If the Contractor requests an increase in compensation for any renewal period, the Contractor shall notify the Procurement and Contract Services Manager no less than sixty (60) days prior to the end of the contract period and shall provide evidence to the satisfaction of the Procurement and Contract Services Manager of increased costs incurred by the Contractor for any element of the bid for which an increase is requested.
  - 2.1.4 The Procurement Officer shall notify the Contractor in writing of the intent to exercise the renewal option. However, failure to notify the Contractor does not waive the City's right to exercise the renewal option.



- 2.2 Successful bidder must provide Certificate of Insurance in accordance with all requirements shown in the insurance requirements section of this document prior to award of contract.
- 2.3 For prompt payment, all invoices (an original and one duplicate), shall be sent directly to Accounts Payable, City of Lee's Summit, MO, 220 S.E. Green Street, Lee's Summit, MO 64063, faxed to 816-969-1113, or e-mailed to [ap@cityofls.net](mailto:ap@cityofls.net).
- 2.4 Evaluation Criteria: The City will evaluate the bids received and award the contract to the lowest and best bid based on pricing, references and past experience.
- 2.5 Ferric Chloride: The City of Lee's Summit Water Utilities Operations Division has made a decision to use Ferric Chloride as specified in this bid for wastewater treatment
- 2.6 Overview of Application: The City of Lee's Summit Water Utilities Operations Division personnel will be pump feeding the Ferric Chloride into a sanitary sewer wet well to minimize odors and corrosion in a long sanitary sewer force main.
- 2.7 Primary/Secondary Contracts: The City reserves the right to award primary and secondary contracts from this bid to ensure the continuity of supply. The secondary contract(s) will be used if the primary supplier is unable to fill a particular delivery request within (5) five working days or if product does not meet specification. If your company is not awarded the primary contract, will you accept award as a secondary supplier?  
 Yes  No  *We would take over as primary supplier of the contract at our bid price.*
- 2.8 Safety/Emergency Contact Information: Bidder shall list names, phone numbers, emergency phone numbers and other important contact information in case of spills or other product problems (attach additional pages to this bid if necessary):  
Customer Service Oncall (800) 879-6353  
CHEMTREC (800) 424-9300
- 2.9 Deliveries shall be made on weekdays between the hours of 7:30 a.m. and 1:30 p.m. No deliveries shall be accepted on weekends or City holidays without prior approval from the City. All deliveries must arrive to allow sufficient time to complete unloading before 3:00 p.m. Central Standard Time. All deliveries shall be made to:  
 Water Utilities Operations Division  
 Eastern Watershed Pumping Facility  
 1751 N.E. Tudor Road  
 Lee's Summit, MO 64086
- 2.10 **Compliance:** The following items shall be provided by the successful bidder to the City of Lee's Summit Procurement and Contract Services:  
 2.10.1 To be provided with Bid submittal:
  - Bidder must complete the bid document in its entirety. To be considered complete and responsive, Bidder must submit all Pages of this bid document (bidders should keep a copy of bid submittal)
  - List of References and Experience on form provided
  - List of subcontractors and major suppliers on form provided
  - List of materials and equipment to be provided including manufacturer's name, model number and other information to indicate compliance with specifications on form provided.
  - Executed Addendum(s)
 2.10.2 To be provided prior to the issuance of a contract:
  - Certificate of Insurance naming the City of Lee's Summit as additional insured under General Liability.
  - List of Subcontractors and Major Suppliers
  - List of Materials and Major Suppliers
  - W-9 (new vendor only)
  - Vendor Information Form (new vendor only)
- 2.11 **No Financial Interest or Other Conflict:** By submission of its response, the bidder certifies that they are in compliance with items 2.7.1 through 2.8.4.  
 2.11.1 Elected or appointed officials or employees of the City of Lee's Summit or any political subdivision thereof, serving in an executive or administrative capacity, must comply with sections 105.452 and 105.454, RSMo, regarding conflict of interest.  
 2.11.2 The Contractor/Service Provider hereby covenants that at the time of solicitation submittal the Contractor/Service Provider has no other contractual relationships which would create any actual or perceived conflict of interest. The



Contractor/Service Provider further agrees that during the term of the contract/agreement neither the Contractor/Service Provider nor any of its employees shall acquire any other contractual relationships which create such a conflict.

**2.12 Debarment and Suspension Status:**

- 2.12.1 **Offeror** is not currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any government agency, nor is **Offeror** an agent of any person or entity that is currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transaction by any government agency.
- 2.12.2 **Offeror** has not within a three year period preceding this Invitation been convicted of or had a civil suit judgment rendered against **Offeror** for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property.
- 2.12.3 **Offeror** is not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated above.
- 2.12.4 **Offeror** has not, within a three year period preceding this Invitation, had any government (federal, state, or local) transactions terminated for cause or default.

**3.0 SPECIFICATIONS:**

The bidder MUST complete EVERY SPACE in the section marked "OFFEROR'S BID" through the use of either a "YES" to indicate that the item being bid is exactly as specified OR a description to indicate any deviation of item being bid from the specifications

| FERRIC CHLORIDE               |  |               |
|-------------------------------|--|---------------|
| Item                          | Specification  | Offeror's Bid |
| 3.1 General                   | <ul style="list-style-type: none"> <li>Liquid Ferric Chloride is a solution of FeCl<sub>3</sub> in water. The solution is a free flowing liquid and will remain stable for indefinite periods.</li> <li>Does your product comply with AWWA specifications?</li> </ul>  | yes           |
| 3.2 Product Description       | Liquid Ferric Chloride shall be suitable for use in wastewater treatment and meet the following criteria: <ol style="list-style-type: none"> <li>Appearance- a clear reddish brown free flowing liquid, stable for indefinite period of time</li> <li>Specific gravity- 1.4 – 1.5</li> <li>Ferric chloride, %- 38% minimum – 45%</li> <li>Ferric iron, % 13% – 15.5%</li> <li>Ferrous iron, % 0.02%</li> <li>Free acidity, %- &lt;0.5%</li> <li>Insoluble, %- &lt;0.1%</li> <li>Freezing Point- 0 ° F</li> <li>Crystallization Pt.,- 38% - 5 ° F</li> <li>Crystallization Pt.,- 45% - 50 ° F</li> </ol>  | yes           |
| 3.3 Impurities                | <ul style="list-style-type: none"> <li>Ferric Chloride supplied to the City shall contain no substances in quantities capable of producing deleterious or injurious health effects of those coming in contact with the treated wastewater.</li> <li>Solution shall not contain particulates or organic contamination.</li> </ul>   | yes           |
| 3.4 Testing/Product Guarantee | <ul style="list-style-type: none"> <li>A composite sample shall be taken from the product lot that is to be shipped to the City as the tanker is loaded. The approximate amount of Ferric Chloride present in the sample can be determined by measuring the specific gravity with an accurate hydrometer at a known temperature. The supplier shall furnish a table showing the percentage of Ferric Chloride for several different specific-gravity readings.</li> <li>A chemical analysis by a certified laboratory confirming the percentage of solution, plus the volume and weight shall accompany each load delivered. The laboratory shall certify its findings and a copy of this certification shall be delivered to the City prior to transferring the load into the City's tank.</li> <li>The City may test each load by ceric sulfate titration with ferroin indicator. The Supplier's results and the City's results must be within 10% compliance of each other. The City shall also sample the product being delivered for purity, and testing confirmation. If product does not comply, the City reserves the right to, at its discretion:               <ol style="list-style-type: none"> <li>Adjust the invoice for that particular load based on the test results, or</li> <li>Reject the load in its entirety at no cost to the City.</li> </ol> </li> <li>Repeated violations are grounds for contract termination.</li> </ul> | yes           |
| 3.5 Affidavit of Product      | Supplier shall furnish the City an Affidavit of Product Compliance with each load attesting that the   |               |

FERRIC CHLORIDE

| Item                        | Specification  | Offeror's Bid |
|-----------------------------|--|---------------|
| Compliance                  | liquid ferric chloride delivered meets the City's specifications prior to delivery.  | yes           |
| 3.6 Guaranteed Delivery     | The maximum acceptable period of time for delivery of a load, from date order is received, is (5) working days. Bidder shall state number of working days for delivery to address stated in 2.9.   | yes           |
| 3.7 MSDS                    | A Material Safety Data Sheet (MSDS) shall be delivered with each load, specific to that load.  | yes           |
| 3.8 Delivery Specifications | <ul style="list-style-type: none"> <li>Each load shall be accompanied by identification to include the name of the manufacturer, brand name (if applicable), and all other markings as required by applicable federal, state, and local laws and regulations.</li> <li>Supplier shall supply all necessary hoses, leak proof fittings and spill bucket that is compatible with FeCl<sub>3</sub>.</li> <li>Supplier is responsible for all spills, leaks or mishaps from the time the product is picked up until the product is safely delivered into the City's onsite storage tank.</li> <li>Supplier is responsible for all onsite spills during the transfer of product into the City's tank. Minimum responsibility includes complete cleanup, restoration, EPA, MDNR and Local fines, or any other circumstances or consequences as the result of a spill or leak.</li> </ul> | yes           |

**4.0 PRICING**

Pricing shall include all applicable fuel taxes, road taxes, tolls, fuel expenses, and any other expense in conjunction with the supply and delivery of product. All pricing shall remain firm and fixed for the duration of the contractual term.

| Unit Price per Gallon X Est. Gallons per Delivery = Total Price  |                       | Total Price x Est. Number of Deliveries = Total Annual Price |   |                             |
|--|-----------------------|--|---|-----------------------------|
| Est. Gals Per Delivery   | Unit Price Per Gallon | Total Price  | Est. # Of Deliveries                    | Total Annual Price          |
| 4,000 gallons per delivery   | \$ <u>1.399</u>       | \$ <u>5,596.00</u>   | 13                                      | \$ <u>72,748.00</u>         |
| City standard payment terms are Net 30 after receipt of invoice. State any discounts offered:  |                       |  | <u>None, Net 30</u>                     | <u>0</u> %                  |
| Delivery Time (after receipt of Purchase Order):   |                       |  |   | <u>3</u> days               |
| Warranty:  |                       |  |   | <u>see attached</u>         |
| During the course of the contract year, the using department(s) may need to order items not specifically listed above. Please state any discounts for such purposes from your listed prices.         |                       |  |   | <u>N/A</u> %                |
| Is the pricing provided above tax exempt per the City of Lee's Summit's State of Missouri tax exempt status as stated under section 1.0 Instructions to Bidders, paragraph 1.10?                     |                       |  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| If you answered "No" to the question posed in section 4.1, does the pricing provided above include any and all applicable taxes as stated under section 1.0 Instructions to Bidders, paragraph 1.10? |                       |  | Yes <input type="checkbox"/>            | No <input type="checkbox"/> |

**6.0 COOPERATIVE PROCUREMENT WITH OTHER JURISDICTIONS:**

This section is optional, it will not affect bid award. If the City of Lee's Summit awarded you the proposed contract, would you sell under the prices and terms of this Contract to any Municipal, County Public Utility, Hospital, Educational Institution, or any other non-profit organization having membership in the Mid-America Council of Public Purchasing (MACPP) or Mid-America Regional Council (MARC) and located within the Greater Kansas City Metropolitan Trade Area? (All deliveries shall be F.O.B. Destination and there shall be no obligations on the part of any member of said Council to utilize this Contract).

Sales will be made in accordance with the prices, terms, and conditions of the Invitation for Bid and any subsequent term contract. There shall, however, be no obligation under the cooperative procurement agreement for any organization represented by MACPP or MARC to utilize the bid or contract unless they are specifically named in the Invitation for Bid as a joint bidder.

The principal contracting officer (PCO) is responsible to handle the solicitation and award the contract. The PCO has sole authority to modify the contract and handle disputes regarding the substance of the contract. The PCO is the Procurement Officer of Record, City of Lee's Summit, Missouri. Each jurisdiction that is a party to the joint bid has authority to act as Administrative Contracting Officer with responsibility to issue purchase orders, inspect and receive goods, make payments and handle disputes involving shipment to the jurisdiction.

Yes

No

Initials CHR



**7.0 LIST OF REFERENCES AND EXPERIENCE**

Please complete the information listed below in full: If additional space is required, make additional copies of this form and submit with bid.

|  |  |
|--|--|
| How many years has your firm been in business? <u>20+</u> Years <u>10 under current name</u>   |  |
| List references and prior experience; preferably with other municipalities, in the last 3-5 year period; work or services of the same type and size to the project being proposed. (List municipality/company names, addresses, contact person(s), telephone numbers, date of project completion and contract amount.) |  |
| <u>Prior Work/Services Performed for:</u>  |  |
| Municipality/Company Name: <u>City of Ann Arbor, MI</u>  |  |
| Address: <u>100 N. Fifth Avenue</u><br><u>Ann Arbor, MI</u>  |  |
| Contact Person: <u>Keith Sanders</u>   |  |
| Title: <u>Operations Manager</u> Telephone No: <u>(734) 794-6450</u>   |  |
| <u>Description of Work/Services Performed:</u>   |  |
| Contract Amount: \$ <u>65,000.00</u> Completion Date: <u>Current</u>   |  |
| <u>Prior Work/Services Performed for:</u>  |  |
| Municipality/Company Name: <u>Columbus WWTP</u>  |  |
| Address: <u>6977 S. High Street</u><br><u>Lockbourne, OH</u>   |  |
| Contact Person: <u>James R. Miller, Jr.</u>  |  |
| Title: <u>Superintendent</u> Telephone No: <u>(614) 645-8315</u>   |  |
| <u>Description of Services Performed:</u>  |  |
| Contract Amount: \$ <u>101,000.00</u> Completion Date: <u>Current</u>  |  |

**INSURANCE REQUIREMENTS:**

**CERTIFICATE OF INSURANCE:** The Contractor shall secure and maintain, throughout the duration of this contract, insurance of such types and in at least the amounts that are required herein. Contractor shall provide certificate(s) of insurance confirming the required protection on an ACORD 25 (or equivalent form). The City shall be notified by receipt of written notice from the insurer at least thirty (30) days prior to material modification or cancellation of any policy listed on the certificate(s). The City reserves the right to require formal copies of any Additional Insured endorsement, as well as the right to require completed copies of all insuring policies applicable to the project. The cost of such insurance shall be included in the Contractor's bid.

**NOTICE OF CLAIM:** The Contractor shall upon receipt of notice of any claim in connection with this contract promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability. The Contractor shall also promptly notify the City of any reduction in limits of protection afforded under any policy listed in the certificate(s) of insurance in excess of \$10,000.00, whether or not such impairment came about as a result of this contract. If the City shall subsequently determine that the Contractor's aggregate limits of protection shall have been impaired or reduced to such extent that they are inadequate for the balance of the project, the Contractor shall, upon notice from the City, promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.

**INDUSTRY RATING:** The City will only accept coverage from an insurance carrier who offers proof that it:

Is licensed to do business in the State of Missouri;  
Carries a Best's policyholder rating of "A" or better;  
Carries at least a Class VII financial rating.

OR

Is a company mutually agreed upon by the City and the Contractor.

**SUB-CONTRACTOR'S INSURANCE:** If any part of the contract is to be sublet, the Contractor shall either:

Cover all sub-contractors in the Contractor's liability insurance policy or,

Require each sub-contractor not so covered to secure insurance in the minimum amounts required of the Contractor and submit such certificates to the City as outlined herein.

**SELF-INSURED RETENTIONS/DEDUCTIBLES:** Any Contractor that maintains a Self-Insured Retention or Deductible (in excess of \$50,000) must be declared on the Certificates provided the City, such amounts shall be the sole responsibility of the Contractor. The City reserves the right to approve such self-insured retentions/deductibles and may require guarantees from the Contractor for such assumed limits.

**COMMERCIAL GENERAL LIABILITY POLICY:**

Limits:

|   |             |
|---|-------------|
| Each occurrence                         | \$2,000,000 |
| Personal & Advertising Injury           | \$2,000,000 |
| Products/Completed Operations Aggregate | \$2,000,000 |
| General Aggregate                       | \$2,000,000 |

Policy must include the following conditions:

Bodily Injury and Property Damage  
Insured Contract's Contractual Liability  
Explosion, Collapse & Underground (if risk is present)  
Additional Insured: City of Lee's Summit, Missouri

**AUTOMOBILE LIABILITY:** Policy shall protect the Contractor against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for either:

Any Auto  
OR  
All Owned Autos; Hired Autos; and Non-Owned Autos

Limits:

|  |           |
|--|-----------|
| Each Accident, Combined Single Limits,<br>Bodily Injury and Property Damage: | \$500,000 |
|--|-----------|

City of Lee's Summit, Missouri does NOT need to be named as additional insured on Automobile Liability

**WORKERS' COMPENSATION:** This insurance shall protect the Contractor against all claims under applicable state Workers' Compensation laws. The Contractor shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a Workers' Compensation law and contain a waiver of subrogation against the City. The policy limits shall not be less than the following:

| Workers' Compensation     | Statutory               |
|---------------------------|-------------------------|
| Employer's Liability      |                         |
| Bodily Injury by Accident | \$100,000 Each Accident |
| Bodily Injury by Disease  | \$500,000 Policy Limit  |
| Bodily Injury by Disease  | \$100,000 Each Employee |

**GENERAL INSURANCE PROVISIONS:**

- 1) The insurance limits outlined above represent the minimum coverage limit and do not infer or place a limit of liability of the Contractor nor has the City assessed the risk that may be applicable to the Contractor.
- 2) The Contractor's liability program will be Primary and any insurance maintained by the City (including self-insurance) will not contribute with the coverage maintained by the Contractor.
- 3) Coverage limits outlined above may be met by a combination of primary and excess liability insurance programs.
- 4) Any coverage provided on a Claims Made policy form must contain a 3-year tail option (extended reporting period) or the program must be maintained for 3-years subsequent to completion of the Contract.
- 5) Any failure on the part of the Contractor with any policy reporting provision shall not affect the coverage provided to the City.
- 6) When "City" is utilized, this includes its officers, employees and volunteers in respect to their duties for the City.

Before, entering into contract, the successful respondent shall furnish to the City of Lee's Summit Procurement and Contract Services Office a Certificate of Insurance verifying all of the foregoing coverage's and identifying the City of Lee's Summit as an "additional insured" on the general liability policy. This inclusion shall not make the City a partner or joint venture with the contractor in its operations hereunder.

Prior to any material change or cancellation, the City of Lee's Summit will be given thirty (30) days advance notice by registered mail to the stated address of the certificate holder. Further, the City will be immediately notified of any reduction or possible reduction in aggregate limits of any such policy where such reduction, when added to any previous reductions, would exceed 10% of the aggregate.

In the event of an occurrence, it is further agreed that any insurance maintained by the City of Lee's Summit, shall apply in excess of and not contribute with insurance provided by policies named in this contract.

The certificate holder on the Certificate of Insurance shall be as follows:

City of Lee's Summit  
220 S.E. Green Street  
Lee's Summit, MO 64063 -2358

The City of Lee's Summit or City of Lee's Summit Parks and Recreation Department does not need to be named as additional insured on any Auto Liability Insurance requirements.

**Exhibit C  
GENERAL TERMS AND CONDITIONS**

**GENERAL INSTRUCTIONS CONCERNING IFB's/BID's**

1. **AWARD.** The right is reserved, as the interest of the City may require to reject any or all bids and to waive any minor informality or irregularity in bids received. The City may accept any item or group of items of any bid unless qualified by specific limitation of the bidder. Unless otherwise provided in the schedule, bids may be submitted for any quantities less than those specified; and the City reserves the right to make an award on any item for a quantity less than the quantity bid upon at the unit price offered unless the bidder specified otherwise in his bid. The Contract shall be awarded to that responsible and responsive bidder whose bid, conforming to the Invitation for Bids, will be most advantageous (lowest price and best value) to the City, price and other factors considered. An award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid, results in a binding contract without further action by either party.
  
2. **PREPARATION OF BIDS.**
  - A Bidders are expected to examine the drawing, specifications, schedule and all instructions. Failure to do so will be at the bidder's risk.
  - B Each bidder shall furnish the information required by the invitation. The bidder shall sign the invitation. Erasures or other changes must be initiated by the person signing the offer. Bids signed by an agent are to be accompanied by evidence of his authority unless such evidence has been previously furnished to the City.
  - C Unit price for each unit bid shall be shown and such price shall include packing unless otherwise specified. Freight or shipping shall be included in the Unit Price unless requested as a single line item. A total shall be entered in the total column for each item bid. In case of discrepancy between a unit price and extended price, the unit price will be presumed to be correct.
  - D Alternate bids for supplies or services other than those specified will not be considered unless authorized by the invitation.
  - E Bidder must state a definite time for delivery of supplies or services unless otherwise specified in the invitation.
  - F Time, if stated as a number of days, will include Saturdays, Sundays, and holidays.
  - G If the item has a trade name, brand and/or catalog number, such must be stated in the bid.
  - H Prices quoted are to be firm, final and shall include shipping F.O.B. destination unless requested as a single line item.
  - I In submitting bids, Vendor agrees that the City of Lee's Summit shall have 120 days in which to accept or reject any of the bids submitted unless otherwise specified on the bid page.
  - J Specification sheets MUST be uploaded with bids.
  
3. **EXPLANATION TO BIDDERS.** Any explanation desired by a bidder regarding the meaning or interpretation of the invitation, drawing, specifications, etc., must be requested in writing and with sufficient time allowed for a reply to reach bidders before the submission of their bids. Oral explanation or instruction given before the award of the contract will not be binding. Any information given to a prospective bidder concerning an invitation will be furnished to all prospective bidders as an addendum to the invitation, if such information is necessary to bidders in submitting bids per the invitation or if the lack of such information would be prejudicial to uninformed bidders.
  
4. **ACKNOWLEDGMENT OF ADDENDUM TO INVITATIONS.** Receipt of an addendum to an invitation by a bidder must be acknowledged by signing and uploading the addendum into the City's e-bidding system or as otherwise stipulated in the bid document. Such acknowledgment must be received prior to the hour and date specified for receipt of bids, or returned with the bid and received prior to opening time and date.
  
5. **SUBMISSION OF BIDS.**
  - A Bids, addendum(s) and modification(s) thereof shall be uploaded into the City's e-bidding system, unless otherwise stated in the Invitation for Bid, before the open date and time.
  - B Emailed or faxed bids will not be considered unless authorized by the invitation.
  - C Samples of items, when required, must be submitted within the time specified and unless otherwise specified by the City, at no expense to the City. If not consumed by testing, samples will be returned at bidders request and expense, unless otherwise specified by the invitation.
  - D Bids will be publicly opened and read aloud as stipulated in the "Invitation for Bid".
  - E Submission of a bid constitutes an assignment by you of any and all anti-trust claims that you may have under the Federal and/or State laws resulting from this Contract.
  
6. **FAILURE TO SUBMIT BID,** if a "no bid" is submitted, do not return the invitation unless otherwise specified. A letter, postcard or email notification should be sent to the issuing office advising whether future invitations for the type of supplies or services covered by this invitation are desired. Failure of the recipient to bid or to notify the issuing office that future invitations are desired may result in removal of the name of such recipient from the mailing list for the type of supplies or services covered by the invitation.
  
7. **MODIFICATION OR WITHDRAWAL OF BIDS/SOLICITATIONS.** A bid/solicitation may only be withdrawn by one of the following methods prior to the official opening/closing date and time specified: 1. A bid/solicitation may be withdrawn by signed, written notice. 2. A bid/solicitation may also be withdrawn in person by the bidder or its authorized representative who provides proper identification. 3. A bid/solicitation may be withdrawn via email by the bidder or its authorized representative. A bid/solicitation may only be modified by one of the following methods prior to the official opening/closing date and time specified: 1. A bid/solicitation modification may be modified by signed, written notice provided in a sealed envelope with the bid/solicitation number, description and the word "modification" identified on the envelope. 2. A bid/solicitation modification may also be submitted in person by the bidder or its authorized representative who provides proper identification and provides written notice in a sealed envelope with the bid/solicitation number, description and the word "modification" identified on the envelope. All modifications shall not be opened until the official opening date and time to preserve the integrity of the bid/solicitation process. Telephone, telegraphic or electronic requests to modify a bid/solicitation shall not be honored. No modification or withdrawal of any response will be permitted after the bid/ solicitation official opening date and time specified.
  
8. **LATE BIDS AND MODIFICATIONS.** It is the responsibility of the bidder to upload or submit a hard copy if stipulated in the Invitation for Bid (IFB), his bid, bid addendum(s) or bid modification(s) on or before the date and time of the bid opening date and time. Bids will NOT be accepted after the date and time of opening under any circumstances.
  
9. **BONDS.** Bonds shall be executed with the proper sureties, through a company licensed to operate in the State of Missouri, and hold a current Certificate of Authority as an acceptable surety under 31 CFR Part 223 (and be listed on the current U.S. Department of the Treasury Circular 570 and have at least A Best's rating and a PPR9 or better financial performance rating per the current A.M. Best Company ratings.)
  - A **BID DEPOSITS (BONDS).**

Bid Deposit Not Required .

Bid Deposit Required  as stipulated in the "Invitation for Bid".

Note the following: Bid Deposit. The Bidder will furnish a bid deposit in the form of a bond, certified check, or money order in the amount of 5% of base bid made payable to the City of Lee's Summit, Jackson County, Missouri, for the measure of liquidated damages which the City will sustain and the proceeds thereof will become the property of the City if for any reason the bidder (Personal or company checks will not be accepted):

    - (1) Withdraws his bid after the opening of the bids and prior to the time a formal written agreement evidencing the contract has been signed and delivered to the City whether or not the bidder at the time of such withdrawal has been designated as the successful bidder, or
    - (2) Upon written notification of the award of contract to him, he fails to properly sign and deliver to the City within 10 days Labor and Materials and Performance Bonds, if required; Certificate of Insurance, and the written Contract, formally evidencing the terms of the Invitation for Bid and his bid as submitted.
    - (3) The bidder further agrees the City will have the right to retain the bid deposit for a period of one hundred twenty (120) days from the date of opening of the bids. At the expiration of said time, or earlier at the option of the City, said bid deposit will be returned to the bidder unless said bid deposit has become the property of the City as liquidated damages for one of the reasons stipulated.
  
  - B **PERFORMANCE BONDS.**

Performance Bond Not Required .

Performance Bond Required  as stipulated in the "Invitation to Bid".

Note the following:

- (1) Coincident with the execution of the Contract, Contractor shall furnish to City a contract Performance Bond and a Labor and Material Payment Bond drawn upon the forms included in these Contract Documents.
  - (2) Date of bonds shall be the same as the date of City's execution of the contract.
  - (3) Performance Bond shall be in the full contract price, guaranteeing the payment of all bills and obligations arising from the performance of the contract, and otherwise conditioned as required by law.
  - (4) The bonds shall be automatically increased in amount and extended in time without formal and separate amendments to cover full and faithful performance of the contract in the event of Change Orders regardless of the amount of time or money involved. It shall be Contractors' responsibility to notify his surety of any changes affecting the general scope of the work or change in the Contract Price.
  - (5) At any time during the continuance of the Contract that the surety on any bond becomes unacceptable to City, City shall have the right to require additional and sufficient sureties which Contractor shall furnish to the satisfaction of City within ten (10) days after notice to do so.
10. **DISCOUNTS AND BID EVALUATION.** Discounts offered for prompt payment may be considered in bid evaluation.
11. **MATERIAL AVAILABILITY.** Bidders must accept responsibility for verification of material availability, production schedules and other pertinent data prior to submission of bid and delivery time. It is the responsibility of the bidder to notify the City of Lee's Summit immediately if materials specified are discontinued, replaced, or not available for an extended period of time.
12. **ALTERNATE BIDS.** Bidders must submit complete specifications on all alternate bids. Alternate bids without complete specifications may be rejected. Alternate bids and exceptions may be rejected. Alternate bids and exceptions to bid clauses must be clearly noted on the bid form. Unless otherwise indicated, it will be assumed that the article proposed is exactly as specified.
13. **AWARD OF CONTRACT.**
- A **BASIS OF AWARD.**
- (1) Only firm bids will be considered.
  - (2) Bidders may be requested to submit financial statements subsequent to the bid opening. Such statements shall be submitted to City within three (3) days after being so requested.
  - (3) The award of the Contract, if it is awarded, will be to the lowest responsible and responsive bidder whose qualifications indicate the award will be in the best interest of the Owner and whose bid complies with all prescribed requirements.
  - (4) City reserves the right to reject any and all bids, and waive any and all informalities, and the right to disregard all non-conforming or conditional bids or counter-proposals.
- B **EVALUATION OF BIDS.**
- (1) The evaluation of bids will include consideration of prior experience, financial statements, if requested, sub-contractors, suppliers, and manufacturers to be used in the work and manufacturers' data on the materials and equipment to be incorporated. Time of completion or delivery will also be a factor in the award.
  - (2) "Or Approved Equal" Clause. Whenever a material, article, or piece of equipment is identified on the plans or in the specifications by reference to manufacturer's or vendor's names, trade names, catalog numbers, etc., it is intended merely to establish a standard; and, any material, article, or equipment of other manufacturers and vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable provided the material, article, or equipment so proposed, is, in the opinion of the City, of equal substance and function. Substitute items may be rejected at the discretion of the City of Lee's Summit.
  - (3) Whenever the name of a manufacturer is mentioned on the face hereof and the words "or equal" do not follow, it shall be deemed that the words "or equal" shall follow such designations unless the face hereof specifies "no substitutes". The City may assume that items bid are equal or it may request samples and proof thereof unless approved before shipment. City reserves the right to return at bidder's expense all items that are not acceptable as equals, said items to be replaced by bidder with satisfactory items at the original price.
  - (4) By virtue of statutory authority, the City shall give preference to all commodities manufactured, mined, produced, or grown within the State of Missouri, and to all firms, corporations or individuals, when quality is equal or better and the delivered price is the same or less. Similar preference will be given to Lee's Summit products and supplies.
- C **NOTICE OF AWARD.** After considering the basis of award and evaluation of bids, City will within one hundred twenty (120) days after the date of opening bids, notify the successful bidder of acceptance of his bid.
14. **QUALIFICATIONS OF BIDDERS.** The City may make such investigations as are deemed necessary to determine the ability of the bidder to perform the work and the bidder shall furnish all such information and date for this purpose as the City may request. The City reserves the right to reject any bid if the evidence submitted by, or investigation of such bidder fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
15. **ANTI-TRUST.** Submission of a bid constitutes an assignment by bidder of any and all anti-trust claims that the bidder may have under the Federal and/or State laws resulting from this contract.
16. **GUARANTEE.** All customary guarantees for workmanship, quality and performance specific by the Manufacturer for any or all items shall apply to the items offered under this bid.
17. **EXPERIENCE STATEMENT** (if required). Only those bids will be considered which are submitted by bidders who submit with their bid an Experience Statement listing projects and showing satisfactory completion of work of type and size comparable to the work required by these contract documents. A list of comparable projects, including pertinent information and identification of the owners, shall be submitted with the bid. Similar Experience Statements shall be included for any subcontractors named in the bid.
18. **REFUND OF DEPOSIT ON BID DOCUMENTS** (if required). Deposits on bid documents and contract drawings will be refunded to all prospective bidders, sub-contractors, suppliers and manufacturers who return the documents in good condition to Owner before the date set for opening bids or within ten days thereafter (unless otherwise stated in the invitation to bid).

**CONTRACTUAL REQUIREMENTS.****GENERAL CONTRACTUAL REQUIREMENTS.**1. **DEFINITIONS.**

- A "City" shall refer to: City of Lee's Summit, Jackson County, Missouri who are the owners of the property, and their authorized representatives.
- B "Contractor" shall refer to the corporation, company, partnership, firm, or individual, named and designated in the contract agreement and who has entered into this contract for the performance of the work and/or to furnish goods, services, or construction covered thereby at an agreed upon price, and its, his or their duly authorized agents or other legal representatives.
- C The "specifications" includes Instruction to Bidders, the Terms and Conditions of Purchase, the Definitions and the technical specifications of the work.
- D A "sub-contractor" is a person, firm or corporation supplying labor or materials, or only labor for work at the site of the project for, and under separate contract or agreement with the Contractor.
- E The term "sample" as used herein includes natural materials, fabricated items, equipment, devices, appliances or parts thereof as called for in the specifications and any other samples as may be required by the City to determine whether the kind, quality, construction, workmanship, finish, color and other characteristics of the materials, etc., proposed by the Contractor conform to the requirements of the contract documents. Samples approved by the City shall establish the kind, quality, and other required characteristics, and all work shall be in accordance with the approved samples. Samples, when requested, shall be supplied at no cost to the City.
- F The term "estimated" represents quantities estimated for the period of time stated. Purchase orders shall be placed for actual requirements as needed.
- G The term "minimum" means the City will order this quantity of supplies during the period of this contract at the price bid.
- H The term "maximum" means the City may order this quantity of supplies during the period of this contract and the bidder should be prepared to supply same at the price bid.

2. **PURCHASE ORDERS.** The City will not be responsible for articles or services furnished without a purchase order unless otherwise set forth in the Bid Documents.
3. **CONTRACT TERMS.** The performance of this contract shall be governed solely by the terms and conditions as set forth in this contract and any specifications or bid documents notwithstanding any language contained on any invoice, shipping order, bill of lading or other document furnished by the Contractor at any time and the acceptance by the City of any terms or conditions contained in such document which is inconsistent with the terms and conditions set forth in the contract. Any different or additional terms other than those herein contained in Contractor's acceptance are hereby objected to.

4. **TRANSPORTATION CHARGES.** Freight/shipping shall be F.O.B. Destination whereby all transportation charges shall be paid by Contractor.
5. **PACKAGING.** The City will not be liable for any charges for drayage, packing, cartage, boxing, crating or storage in excess of the purchase price of this order unless stated otherwise herein.
6. **INSPECTION AND ACCEPTANCE.** No material received by the City pursuant to the purchase order issued under the terms and conditions of this bid document shall be deemed accepted until the City has had reasonable opportunity to inspect said material. All material which is discovered to be defective or which does not conform to any warranty of the Contractor herein, upon initial inspection, or at any later time if the defects contained in the material were not reasonably ascertainable upon the initial inspection, may be returned at the Contractor's expense for full credit or replacement. No goods returned as defective shall be replaced without Buyer's written authorization. Such return shall in no way affect City's discount privileges. Such right to return, offered to the City arising from the City's receipt of defective goods, shall not exclude any other legal, equitable or contractual remedies the City may have therefore.
7. **GENERAL GUARANTY AND WARRANTY.** The Contractor warrants that all materials, fixtures, and equipment furnished by the Contractor and his sub-contractors shall be new, of good quality, and of good title, and that the work will be done in a neat and workmanlike manner. The Contractor also guarantees the workmanship and materials for a period of one year from the date of final acceptance of all the work required by the Contract. Furthermore, he shall furnish the City with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the Contract.
8. **PATENTS.** Contractor warrants that the articles described herein and the sale or use of them will not infringe upon any U.S. or foreign patent and Contractor covenants that he will at his own expense, defend every suit which may be brought against the City, or those selling or using City's product (provided Contractor is promptly notified of such suit and all papers therein are delivered to Contractor) for any alleged infringement of any patent by reason of the sale or use of such articles and Contractor agrees that he will pay all cost, damages and profits recoverable in any such suit.
9. **QUANTITIES.** City assumes no obligation for articles or materials shipped in excess of the quantity ordered hereunder. Any unauthorized quantity is subject to City's rejection and return at Contractor's expense.
10. **ACTS OF GOD.** Neither party shall be liable for delays, or defaults in the performance of this contract due to Acts of God or the public enemy, riots, strikes, fires, explosions, accidents, Governmental action of any kind or any other causes of a similar character beyond its control and without its fault or negligence.
11. **BANKRUPTCY OR INSOLVENCY.** In the event of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of Contractor, or in the event of breach of any of the terms hereof including the warranties of the Contractor, City may cancel this contract or affirm the contract and hold Contractor responsible in damages.
12. **COMPLIANCE WITH APPLICABLE LAWS.** Contractor shall comply with all federal, state or local laws, ordinances, rules, regulations and administrative orders, including but not limited to Wage, Labor, Unauthorized Aliens, EEO and OSHA-type requirements which are applicable to Contractor's performance under this contract. Contractor shall indemnify and hold the City harmless on account of any violations thereof relating to Contractor's performance under this contract, including imposition of fines and penalties which result from the violation of such laws.
13. **LAW GOVERNING.** All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Missouri. Any dispute regarding this contractual agreement will be decided by a Missouri Court.
14. **TIME OF DELIVERY.** The City requires that all materials ordered will be delivered when specified. Time is therefore of the essence. If deliveries are not made at the time agreed upon, City reserves the right to cancel or to purchase elsewhere and hold Contractor accountable for any damages sustained as a result thereof.
15. **INTERPRETATION OF CONTRACT AND ASSIGNMENTS.** This contract shall be construed according to the laws of the State of Missouri. This contract, or any rights, obligations, or duties hereunder may not be assigned by Contractor without City's written consent and any attempted assignment without such consent shall be void.
16. **CONTRACTOR'S INVOICES.** Invoices shall be prepared and submitted in triplicate unless otherwise specified. Invoices shall contain the following information: Contract Number (if any), Purchase Order number, Item Number; contract description of supplies or services, sizes, quantities, unit prices and extended totals. Invoices for and inquiries regarding payment should be addressed to the City Accounts Payable Division. Any delay in receiving invoices, or errors and omissions, on statement or invoices will be considered just cause for withholding settlement without losing discount privileges.
17. **NOTICE AND SERVICE THEREOF.** Any notice to any Contractor from the City relative to any part of this contract will be in writing and considered delivered and the service thereof completed when said notice is posted, by certified or regular mail or email, to the said Contractor at his last given address or delivered in person to said Contractor or his authorized representative on the work.
18. **PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in this contract will be deemed to be inserted herein and the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the contract will forthwith be physically amended to make such insertion or correction.
19. **TERMINATION OF CONTRACT.** This contract may be terminated by either party upon sixty (60) days prior notice in writing to the other party. The City may terminate this contract immediately, under breach of contract, if the Contractor fails to perform in accordance with the terms and conditions. In the event of any termination of contract by the Contractor, the City may purchase such supplies and/or services similar to those so terminated, and for the duration of the contract period the Contractor will be liable for all costs in excess of the established contract pricing.
20. **INDEMNITY AND HOLD HARMLESS.** Contractor agrees to indemnify, release, defend, and forever hold harmless the City, its officers, agents, employees, and elected officials, each in their official and individual capacities, from and against all claims, demands, damages, loss or liabilities, including costs, expenses, and attorneys fees incurred in the defense of such claims, demands, damages, losses or liabilities, or incurred in the establishment of the right to indemnity hereunder, caused in whole or in part by Contractor, his sub-contractors, employees or agents, and arising out of services performed by Contractor, his subcontractors, employees or agents under this contract to the extent permitted by the Constitution and the Laws of the State of Missouri.
21. **SUB-CONTRACTS.**
  - A The Contractor shall not execute an agreement with any sub-contractor to perform any work until he has written the City of Lee's Summit to determine any disapproval of the use of such sub-contractor.
  - B The Contractor shall be fully responsible to the City for the acts and omissions of his sub-contractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.
  - C The Contractor shall cause appropriate provisions to be inserted in all sub-contracts relative to the work to require compliance by each sub-contractor with the applicable provisions of the contract.
  - D Nothing contained in the Conditions shall create any contractual relationship between any sub-contractor and the City.
22. **UNIFORM COMMERCIAL CODE.** This contract is subject to the Uniform Commercial Code and shall be deemed to contain all the provisions required by said Code that apply to said Contract.
23. **CHANGES.** The City may at any time, by written order, without notice to any surety, make changes or additions, within the general scope of this contract in or to drawings, designs, specifications, instructions for work, methods of shipment or packing or place of delivery. If any such change causes an increase or decrease in the cost of or in the time required for performance of this contract or purchase order, the Contractor shall notify the City in writing immediately and an appropriate equitable adjustment will be made in the price or time of



performance, or both, by written modification of the contract. Any claim by the Contractor for such adjustment must be asserted within 30 days or such other period as may be agreed upon in writing by the parties after the Contractor's receipt of notice of the change. Nothing herein contained shall excuse the Contractor from proceeding with the contract as changed.

24. **RESPONSIBILITY FOR SUPPLIES.** The Contractor shall be responsible for supplies until they are delivered and accepted at the designated delivery point; and the Contractor shall bear all risks for rejected supplies after notice of rejection. This needs rewriting to coincide with the Freight clause.
25. **EXECUTION OF CONTRACT.** Depending on the type of service provided, one or more of the following four (4) methods will be employed. The methods applicable to this contract will be checked below:
- A  The Contract shall consist of a **PURCHASE ORDER** and a copy of the suppliers signed bid attached and that the same, in all particulars, becomes the agreement and contract between the parties hereto: that both parties thereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and the compensation to be paid the Supplier is as set forth in the Suppliers' Bid. Items not awarded, if any, have been deleted.
- B  The contract shall consist of a **YEARLY CONTRACT** and a copy of the suppliers signed bid attached and that the same, in all particulars, becomes the agreement and contract between the parties hereto. That both parties thereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and the compensation to be paid the Supplier is as set forth in the Suppliers' Bid. Items not awarded, if any, have been deleted.
- C  The contract shall consist of a **ONE-TIME CONTRACT** and a copy of the suppliers signed bid attached and that the same, in all particulars, becomes the agreement and contract between the parties hereto. That both parties thereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and the compensation to be paid the Supplier is as set forth in the Suppliers' Bid. Items not awarded, if any, have been deleted.
- D  Five copies of the Contract.
- (1) City will furnish 5 copies of the Bid Documents to the successful Bidder who shall prepare 5 counterpart copies, each containing an exact copy of the Bid Form as submitted, required insurance as evidenced by a Certificate of Insurance, surety bonds properly executed, and Contract signed with the date of his signature.
- (2) The prepared counterpart copies shall be delivered to Owner within ten days after the date of Notice of Award.
- (3) City will sign the Contract, insert the date of his signature at the beginning of the Contract, and return one copy to Contractor after receiving the counterpart copies.
26. **FINAL PAYMENT.** Final payment shall be in a lump sum after Contractor has performed, to the City's satisfaction, all duties imposed upon him/her by the contract documents. Contractor shall allow thirty (30) days minimum for payment sum (unless otherwise specified in the bid documents). Additional payment provisions for construction projects are detailed in number 38 below.
27. **NON-DISCRIMINATION IN EMPLOYMENT.** In connection with the furnishing of supplies or performance of work under this contract, the Contractor agrees to comply with the Fair Labor Standard Act, Fair Employment Practices, Equal Opportunity Employment Act, and all other applicable Federal and State Laws, and further agrees to insert the foregoing provision in all subcontracts awarded hereunder.
28. **DOMESTIC PRODUCTS.** The City of Lee's Summit has adopted a formal written policy to encourage the purchase of products manufactured or produced in the United States (City of Lee's Summit Resolution No. 87-18, MO. State Statute No. 34.353, Section 3, (5)).
29. **TAX EXEMPT.** Do not bill tax. The City of Lee's Summit is exempt from payment of the Missouri Sales Tax in accordance with Section 39 (10), Article 3, of the Missouri Constitution and is exempt from payment of Federal Excise Taxes in accordance with Title 26, United States Code annotated.
30. **REGULATIONS PURSUANT TO SO-CALLED "ANTI-KICKBACK ACT".** The Contractor shall comply with the applicable regulations of the Secretary of Labor, United States Department of Labor, made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 862; Title 18 U.S.C., Section 874 and Title 40 U.S.C.; Section 276c), and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in sub-contracts to insure compliance therewith by all sub-contractors subject thereto, and shall be responsible for the submission of statements required of sub-contractors thereunder, except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.
31. **INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS.** No member of, or delegate to the Congress of the United States and no Resident Council Member shall be admitted to any share or part of this Contract or to any benefit to arise from the same; provided, that the foregoing provision of the Section shall not be construed to extend to this Contract if made with a corporation for its general benefit.
32. **FUND ALLOCATION.** Continuance of any resulting Agreement, Contract, or issuance of Purchase Orders is contingent upon the available funding and allocation of City funds. The Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the contract shall be construed so as to give effect to such intent.
33. **ASSIGNMENTS.** Neither City nor Contractor shall, without the prior written consent of the other, assign in whole or in part his interest under any of the Contract Documents and, specifically the Contractor shall not assign any moneys due or to become due without the prior written consent of the City.
34. **DEBARMENT.** By submission of its response, the Contractor certifies that neither it nor its principals is presently debarred or suspended by any Federal or State Department or agency, including listing in the U.S. General Services Administration's List of Parties Excluded from Federal Procurement or Non-Procurement programs; or if the amount of this response is equal to or in excess of \$100,000, that neither it nor its principals nor its subcontractors receiving sub-awards equal to or in excess of \$100,000 is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by an Federal department, agency or provision of law. If the Contractor is unable to certify any of the statements in this certification, the responder must attach an explanation to its response.

**NOTE TO BIDDERS: THE FOLLOWING CONTRACTUAL REQUIREMENTS PERTAIN TO CONSTRUCTION PROJECTS AND OTHER PROJECTS WHICH REQUIRE ITS CONTRACTOR TO PERFORM WORK FOR THE CITY. THESE MAY NOT APPLY TO ALL MATERIAL PURCHASES OR SUPPLY CONTRACTS UNLESS SO STIPULATED.**

35. **WORK HOUR AND SAFETY STANDARD ACT.** All bidders awarded contracts in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29CFR, Part 5). Under Section 103 of the Act, each Contractor shall be required to compute wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard work week of 40 hours. Work in excess of the standard work day or work week is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies, or materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
36. **LABOR-RELATED REGULATIONS.** The bidder's attention is specifically directed to the special rules, regulations, and stipulations pertaining to labor listed below which may be a part of the bid as stipulated in the "Invitation to Bid"
- A **Wage Rate Stipulation** - State of Missouri. If required by the "Invitation to Bid"
- B **Wage Rate Determination** - Federal. If required by the "Invitation to Bid"
- The bid, contract and bonds shall be conditioned upon compliance with all provisions of the Contract Documents including these rules, regulations and stipulations.
37. **BUILDING REGULATION, PERMITS AND LAW.**
- A The "General Conditions for the Construction of Buildings" AIA Form A201 forms part of this contract as if herein bound Arbitration shall not apply to any contract resulting from this IFB.
- B Satisfy all current and applicable local codes, ordinances and licensing requirements.

38. **COORDINATION OF THE WORK.** The Contractor shall be responsible for the proper execution of all work and for the coordination of the operations of all trades, subcontractors, and supplies engaged under the Contract. He shall be prepared to provide each of his subcontractors the locations, measurements, and information they may require for the performance of their work.
39. **CHANGES IN THE WORK.**
- A The Contractor shall not make changes in the work required to be performed by omitting work, by adding work or by changing materials, fixtures or services from those specified without the prior written consent of the City and using Departments of the City of Lee's Summit, Missouri. Any authorized changes will not relieve or release the Contractor from any of these obligations under the contract. All work shall be executed under the terms of the original Contract unless it is expressly provided otherwise. Except for the purpose of affording protection against any emergency endangering life and/or property, the Contractor shall not make any changes in the Contract.
- B Each change order shall include in its final form, a detailed description of the change in the work, the Contractor's proposal for the change in price and/or time, and the statement that all work involved in the change shall be performed in accordance with Contract requirements except as modified by the change order.
40. **TIMING.**
- A **Time to Commence Work:** Upon receipt of Contract Documents fully executed by City and a Notice to Proceed, Contractor shall immediately proceed with the work. However, he shall not move onto the site until all required copies of insurance policies and certificates have been accepted by City.
- B **Time Starts to Run:** The Contract Time shall start to run on the date stated in the Notice to Proceed.
- C **Time of Contract:** Time is of the essence of the Contract. The work shall be prosecuted diligently at such rate of progress as will insure full completion thereof within the Contract Time. If Contractor shall neglect, refuse or fail to complete the work within the time set forth above, or any proper extension thereof granted by City, Contractor shall pay (see bid document) to City for each and every day he is in default. Because of the difficulty in determining the actual damages to be sustained by City in the event of such breach of the Contract, all amounts paid as provided herein shall be considered as and for City's liquidated damages and not as a penalty, and City shall have the right to deduct the amount of such liquidated damages from payments otherwise due to Contractor or to sue for and recover same.
- D **Excusable Delays:** The Contractor shall not be charged damages for any delays in the completion of the work that the Contractor is required to perform under the terms and conditions of this Contract for the following reasons:
- (1) To any acts of the Governments, including controls or restrictions upon or requisitioning of materials, equipment, tools or labor by reason of war, National Defense, or any other national emergency.
  - (2) To any acts of the City.
  - (3) To causes not reasonably foreseeable by the parties to this Contract at the time of the execution of the Contract which are beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of god or of the public enemy, acts of another Contractor in the performance of some other Contract with the Owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, weather of unusual severity, such as hurricanes, tornadoes, cyclones, and other extreme weather conditions.
  - (4) To any delay of any sub-contractor occasioned by any of the causes specified in sub-paragraphs 1, 2, and 3 above; provided however, that the Contractor promptly (within 10 days) notifies the City, in writing, of the cause of the delay. If the facts show the delay to be properly excusable under the terms of this Contract, the City shall extend the contract time by a period commensurate with the period of excusable delay to the completion of the work as a whole.
41. **PAYMENTS.**
- A Lump Sum Payments: After the final inspection and acceptance of all work under the Contract, by the City, including clean-up, the Contractor shall prepare his statement for final payment and submit it to the Owner for approval. When the required warranties and the release of liens have been executed by the Contractor, the final payment will be made which will include any amounts remaining due under the Contract. (Allow a full thirty (30) days). The Contractor will be paid the Contract price in one lump sum amount after the work is satisfactorily completed unless progress payments are approved prior to Contract award. Pay estimates are by the City Engineer as follows:
- B Engineer's Pay Estimates:
- (1) The Engineer's pay estimate, in consequence of any Contractor's application for payment will constitute a representation by him to City, based on Engineer's observations of the work in progress and on his review of the application for payment and supporting data, that the work has progressed to the point indicated that, to the best of his knowledge, information and belief, the quality of the work is in accordance with the Contract Documents (subject to an evaluation of the work as a functioning project upon substantial completion, to the results of any subsequent tests called for in the Contract Documents and any qualifications stated in his Pay Estimate); and the Contractor is entitled to payment of the amount shown in the Engineer's Pay Estimate.
  - (2) Engineer shall not be deemed by his rendering of any Pay Estimate to have represented that he made exhaustive or continuous inspections to check the quality or the quantity of the work, or that he has reviewed the means, methods, techniques, sequences and procedures of construction or that he has made any examination to ascertain how or for what purpose Contractor has used the moneys paid or to be paid to him on account of the Contract price.
  - (3) Engineer may refuse to render an Engineer's pay Estimate for the whole or any part of any payment if, in his opinion, he is unable to make the above representations to City. He may also refuse to render any Engineer's Pay Estimate, or because of subsequently discover evidence or the results of subsequent inspections or tests, nullify any such previous Engineer's Pay Estimate to such extent as may be necessary in his opinion to protect City from loss because of any reason set forth in General Conditions.
42. **CONTRACTOR'S CERTIFICATE AND RELEASE** (for Construction Purposes). Prior to final payment and as a condition there to, the Contractor shall execute a certificate and release. This certificate and release will set forth the undisputed balance due the Contractor under the Contract, a listing for amounts of outstanding and unsettled items which the Contractor claims are due and owing by the City to the Contractor; a certification that the work under the Contract and Change Orders has been performed in accordance with the terms, thereof, and that there are no unpaid claims for materials, supplies or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of the Contract, a statement that, except for the amounts enumerated, the Contractor releases the City from any and all claims arising under or by virtue of the Contract. A duplicate of the certificate shall be issued to the City.
43. **SURPLUS MATERIALS.** The job site shall be kept clean and free of surplus materials, rubbish and debris at all times. All surplus materials delivered to the job site and all materials, fixtures, and equipment removed and not reused shall remain or become the property of the Contractor and its sub-contractors, and shall be removed from the job site promptly after completion, as well as all rubbish and debris resulting from their respective operations at the Contractor's expense.
44. **ACCIDENT PREVENTION.**
- A The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the site, which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building construction codes shall be observed and the Contractor shall take or cause to be taken such additional safety and health measures as the City may determine to be reasonably necessary. All materials, parts, supplies and services rendered under the technical specifications must comply with standards of the Williams Steiger Occupational Safety and Health Act. In consideration of the price paid herein Contractor agrees to indemnify City for any penalties imposed by the Act arising out of misfeasance or malfunction of items or services purchased.
- B The Contractor shall maintain an accurate record of all cases of death, occupational disease, and injury requiring medical attention or causing loss of time from work, arising out of and in the course of employment on work under the Contract. The Contractor shall promptly furnish the City with reports concerning these matters.
45. **CONFLICTS.** No salaried officer or employee of the City and no member of the City Council or Park Board shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Federal conflict of interest regulations and applicable provisions of Sections 105.450 – 105.496 shall not be violated. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Contractor further covenants that in the performance of this contract no person having such interest shall be employed.
46. **Davis Bacon Act:** The wages for any work utilizing this contract in which federal funding is utilized shall comply with any and all applicable federal laws and/or requirements to include but not limited to the Davis Bacon Act.

## Kemira PIX-111

### Ferric Chloride, 37- 42% Solution

**KEMIRA PIX-111** is an effective primary coagulant in liquid form based on trivalent iron ( $\text{Fe}^{3+}$ ). It functions very well for process and wastewater clarification and can be used for color removal, phosphate removal, heavy metal removal and lime softening applications. **KEMIRA PIX-111** can also be used effectively for hydrogen sulfide control, struvite control and in sludge conditioning applications.

#### Typical Properties

|                               |                             |
|-------------------------------|-----------------------------|
| Appearance                    | Dark brown liquid           |
| Specific Gravity (20°C/ 68°F) | 1.40 - 1.46                 |
| $\text{FeCl}_3$               | 37 - 42 wt. %               |
| $\text{Fe}_{\text{TOT}}$      | 12.7 - 15.0 wt. %           |
| Fe (III)                      | 12.7 - 14.5 wt. %           |
| Fe (II)                       | < 0.5 wt. %                 |
| pH (20°C/ 68°F)               | < 1                         |
| Free Acid (HCl)               | < 1 wt. %                   |
| Freezing Point                | -26°C/ -15°F to - 7°C/ 20°F |

**This TDS is a general representation of the product. Detailed product specification/ analysis is available upon request.**

#### Certification / Approval

**KEMIRA PIX-111** meets or exceeds all requirements of the current AWWA Standard B407 for ferric Chloride.

#### Dosing

**KEMIRA PIX-111** should be fed straight. No dilution or preparation is required. A diaphragm, metering pump of non-corrosive material is suitable.

#### Storage

Storage tanks and piping should be constructed of suitable material such as fiberglass, or cross- linked polyethylene. **KEMIRA PIX-111** has a recommended shelf life of minimum twelve (12) months in an appropriate storage environment. **KEMIRA PIX-111** is highly corrosive and contact with metal equipment must be avoided. With this product, inspect the storage tank yearly, clean if necessary.

#### Handling / Safety

The handling of any chemical requires care. Anyone responsible for using or handling **KEMIRA PIX-111** should familiarize themselves with in our Safety Data Sheet.

#### Delivery

Shipping Instructions; Ferric Chloride Solution, 8, UN 2582, P.G. III

Kemira makes this information available as an accommodation to its customers and it is intended to be solely a guide in customer's evaluation of the products. You must test our products, to determine if they are suitable for your intended uses and applications, as well as from the health, safety and environmental standpoint. You must also instruct employees, agents, contractors, customers or any third party which may be exposed to the products about all applicable precautions. All information and technical assistance is given without warranty or guarantee and is subject to change without notice. You assume full liability and responsibility for compliance with all information and precautions, and with all laws and statutes, ordinances and regulations of any governmental authority applicable to the processing, transportation, delivery, unloading, discharge, storage, handling, sale and use of each product. Nothing herein shall be construed as a recommendation to use any product in conflict with patents covering any material or its use.

#### Kemira

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Canada  
Tel +1 450 652 0665

Kemira Water Solutions, Inc.

4321 W. 6<sup>th</sup> Street  
Lawrence, KS 66049  
800-879-6353

WARRANTY

Kemira Water Solutions, Inc.'s sole and exclusive warranties to Buyer are that: (1) the Ferric Sulfate, Ferric Chloride, Ferrous Chloride, Ferrous Sulfate, Aluminum Sulfate, and/or Polyaluminum Chloride product meets the specifications as stated on the supplied Product Data Sheet(s) describing such product; and (2) the product will be delivered free from any lawful security interest, lien or encumbrance. Kemira Water specifically disclaims and makes no other warranties, either expressed or implied.



Christina Imbrogno  
Customer Service Manager



Date:

## Packet Information

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**File #:** 2017-1482, **Version:** 1

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PRESENTATION OF PRIORITY BASED BUDGETING

Issue/Request:

PRESENTATION OF PRIORITY BASED BUDGETING

Key Issues:

The annual budget is one of the most important documents the City produces as an organization. The annual budget is an affirmation of the City's priorities and objectives as well as an operating plan for the organization for that fiscal year. Staff will present a potential new budgeting framework for which to have discussions on how best to spend taxpayer dollars.

Presenter: Jack Feldman, Management Analyst

Recommendation: N/A

Committee Recommendation: N/A



Priority-Based Budgeting  
Finance & Budget Committee  
September 18, 2017

# Agenda

- GFOA Best Practices
- Priority Based Budgeting Process
  - PBB for Human Resources
  - Networked Enterprises
- Biennial Budget Cycle



# GFOA Budget Best Practices

- Incorporates a long-term perspective
- Establishes linkages to broad organizational goals
- Focuses budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders
- Provides incentives to government management and employees





## GFOA Best Practices

1. Incorporates a long-term perspective
2. Establishes linkages to broad organizational goals
3. Focuses budget decisions on results and outcomes
4. Involves and promotes effective communication with stakeholders
5. Provides incentives to government management and employees

## Current Budget Process

1. Currently on Step 2 of Ongoing Strategic Planning Process
2. Department-level budgets
3. Not current practice
4. Limited opportunity for public and Council engagement
5. No incentive to cut costs, reallocate resources

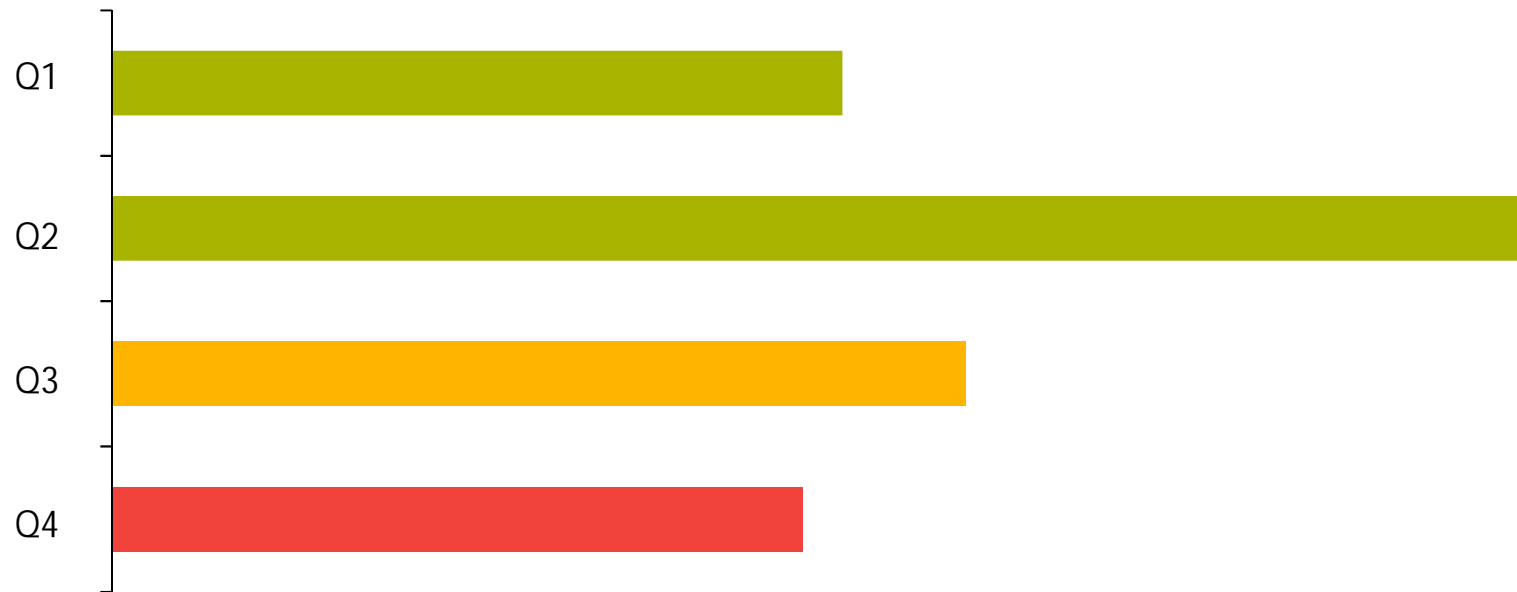


# Priority Based Budgeting Process

1. Identify available resources
2. Identify your priorities
3. Define your priority results more precisely
4. Prepare decision units for evaluation
5. Score decision units against priority results
6. Compare scores between offers or programs
7. Allocate resources
8. Create accountability for results, efficiency, and innovation



# Allocate Resources: Budget Spending by Priority Tier



→ Focus on Quartiles 3 and 4 for cost minimization and resource reallocation



# Line Item Budget → Expressed as a Program Budget

**resourceX** reinventing fiscal analytics

Program Overview Cost & Revenue Cost Breakdown Program Metrics

**PBB Quartile:** 1  
**Program:** Residential Permits  
**Total Cost:** 291,620

Program Description

Accept, review, track and issue building, zoning, electrical, heating, ventilation, air conditioning, pressure piping, boiler and demolition permits and issue certificates of occupancies for residential properties.



**resourceX** reinventing fiscal analytics

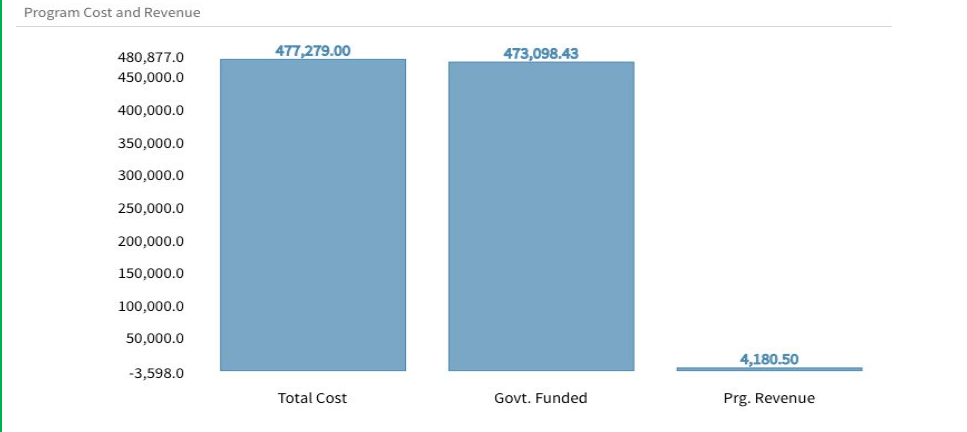
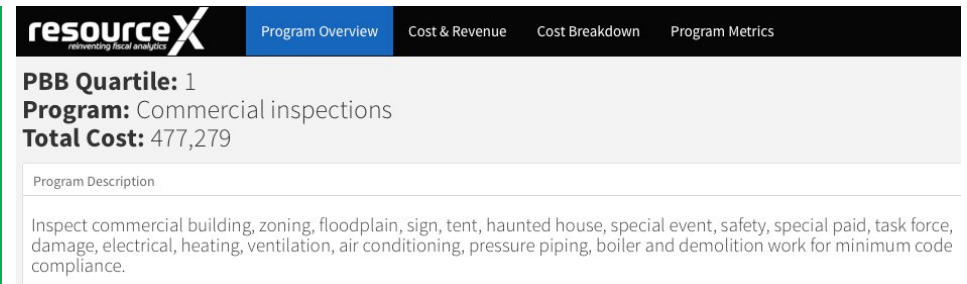
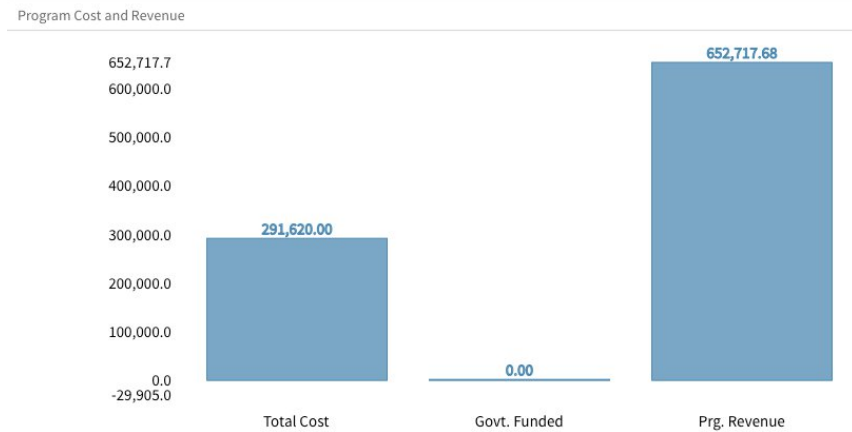
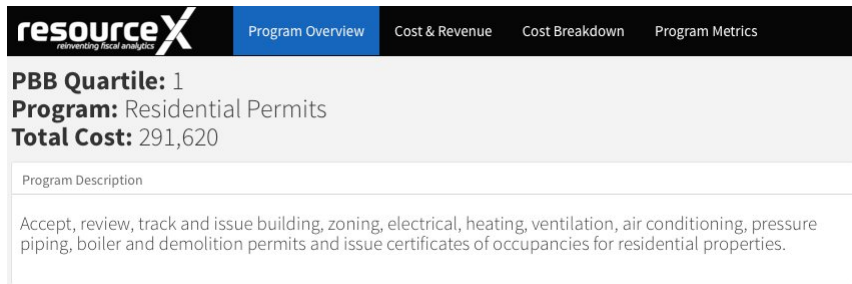
Program Overview Cost & Revenue Cost Breakdown Program Metrics

Personnel and Non-Personnel Costs allocated to this program

| Personnel Costs in order of descending cost |                     |      |                                      |            |      |
|---|---------------------|------|--------------------------------------|------------|------|
| Fund  | Division            | Pos# | Position                             | Total Cost | FTE  |
| General (1001)                              | Building Inspection | 1011 | Plans Examiner                       | 140,740    | 1.00 |
| General (1001)                              | Building Inspection | 1010 | Permit Technician                    | 62,012     | 0.68 |
| General (1001)                              | Building Inspection | 1004 | Clerk Specialist 1                   | 33,688     | 0.50 |
| General (1001)                              | Building Inspection | 1005 | Clerk Specialist 2                   | 22,783     | 0.30 |
| General (1001)                              | Building Inspection | 1009 | Permit Database Specialist           | 17,143     | 0.17 |
| General (1001)                              | Building Inspection | 1003 | Chief Building Official              | 14,740     | 0.09 |
| General (1001)                              | Building Inspection | 1006 | Commissioner-Administrative Services | 11,857     | 0.09 |
| General (1001)                              | Building Inspection | 1012 | Secretary 3                          | 10,681     | 0.12 |
| General (1001)                              | Building Inspection | 1008 | Overtime                             | 7,881      | 0.00 |

| Non-Personnel Costs in order of descending cost |                     |            |        |                                     |            |
|---|---------------------|------------|--------|-------------------------------------|------------|
| Fund  | Division            | AcctNumber | Obj#   | Cost                                | Total Cost |
| General (1001)                                  | Building Inspection | 1001-56300 | 521100 | Building Inspection-Office Supplies | 716        |
| General (1001)                                  | Building Inspection | 1001-56300 | 521400 | Building Inspection-Postage         | 597        |
| General (1001)                                  | Building Inspection | 1001-56300 | 521500 | Building Inspection-Printshop       | 253        |
| General (1001)                                  | Building Inspection | 1001-56300 | 519990 | Personnel Service Reimbursements    | -31,470    |

# Line Item Budget → Expressed as a Program Budget



# Deep Dive: Line Item Budget → Expressed as a Program Budget

**PBB Quartile:** 1  
**Program:** Asphalt Patching and Potholes  
**Total Cost:** 381,389

example: Public Works / Engineering

Personnel and Non-Personnel Costs allocated to this program

Personnel Costs in order of descending cost

| Fund          | Division       | Pos# | Position                       | Total Cost | FTE  |
|---------------|----------------|------|--------------------------------|------------|------|
| General (101) | Streets        | 383  | Streets Maintenance Worker 3   | 25,783     | 0.41 |
| General (101) | Streets        | 375  | Streets Maintenance Worker 1/2 | 25,139     | 0.38 |
| General (101) | Streets        | 377  | Streets Maintenance Worker 2   | 24,081     | 0.38 |
| General (101) | Streets        | 376  | Streets Maintenance Worker 1/2 | 22,223     | 0.38 |
| General (101) | Streets        | 373  | Streets Maintenance Worker 1/2 | 21,050     | 0.32 |
| General (101) | Streets        | 371  | Streets Maintenance Worker 1   | 19,941     | 0.32 |
| General (101) | Streets        | 374  | Streets Maintenance Worker 1/2 | 19,926     | 0.32 |
| General (101) | Streets        | 367  | Part-time                      | 18,899     | 0.00 |
| General (101) | Streets        | 369  | Streets Supervisor             | 16,889     | 0.17 |
| General (101) | Administration | 364  | Administrative Assistant       | 5,708      | 0.10 |
| General (101) | Streets        | 385  | Streets Manager                | 2,588      | 0.02 |

Non-Personnel Costs in order of descending cost

| Fund    | Division | AcctNumber | Obj# | Cost                           | Total Cost |
|---------|----------|------------|------|--------------------------------|------------|
| General | Streets  | 101-4310   | 3441 | R&M - ROADS & STREETS          | 71,901     |
| General | Streets  | 101-4310   | 4701 | FLEET REPLACEMENT              | 39,032     |
| General | Streets  | 101-4310   | 4601 | FLEET SERVICES - I/S           | 30,988     |
| General | Streets  | 101-4310   | 3562 | VEHICLE FUEL                   | 9,293      |
| General | Streets  | 101-4310   | 2120 | SMALL TOOLS & EQUIPMENT        | 8,261      |
| General | Streets  | 101-4310   | 4602 | TECHNOLOGY MANAGEMENT          | 4,070      |
| General | Streets  | 101-4310   | 5521 | INSURANCE ON VEHICLES          | 3,688      |
| General | Streets  | 101-4310   | 3452 | RENTAL OF EQUIPMENT & VEHICLES | 3,098      |
| General | Streets  | 101-4310   | 3530 | TELEPHONE & RADIO              | 2,573      |
| General | Streets  | 101-4310   | 5522 | LIABILITY INSURANCE            | 1,696      |
| General | Streets  | 101-4310   | 2230 | SAFETY SUPPLIES                | 984        |
| General | Streets  | 101-4310   | 3570 | EDUCATION, TRAINING, DEVEL     | 984        |
| General | Streets  | 101-4310   | 3900 | OTHER PURCHASED SERVICES       | 984        |
| General | Streets  | 101-4310   | 2200 | CLOTHING & UNIFORMS            | 833        |
| General | Streets  | 101-4310   | 3563 | TRAVEL                         | 545        |

# Match up to the PBB database: "Pot Hole Repair"

[PBB MAP](#) | [PRIORITY BASED BUDGETING](#) | [RESOURCE ALIGNMENT](#) | [DOWNLOAD](#) | [PresentPBB](#)

[PBB Overview](#) | [Analysis Tool/Data](#) | [PresentPBB PDF](#) | [?](#)

resourceX PresentPBB

Select Org, Model Year, Map Options

SearchPBB

USA  
 CANADA

State:  Org:

Department:  Program(s):

Show 100 entries Search: pot hole

| Org                   | Department   | Program                                   | Description   |
|-----------------------|--------------|---|---|
| Asheville, NC         | Public Works | Pothole Repair                            | Patching of potholes  |
| Bainbridge Island, WA | Public Works | Gravel Roads Maintenance                  | Perform maintenance per BIMC 12.38.020 on five miles of gravel roads spread throughout 30 road segments to grade roadways, insure drainage, and remove potholes, ruts, and wash boards.   |
| Bainbridge Island, WA | Public Works | Collection System Maintenance and Repairs | Perform scheduled collection system wet well and trouble spot cleaning. Perform annual maintenance including force main valve inspection, manhole cleaning, and sewer main flushing. Perform periodic repairs. Activities cover 11 miles of force main, 24 miles of |



| Population | Fund              | Department                | Program Name                       | Cost         |
|------------|-------------------|---------------------------|------------------------------------|--------------|
| 13,284     | General Operating | Planning & Infrastructure | Pothole Repair                     | \$ 61,656    |
| 19,801     | General           | Public Works              | Pothole Repairs                    | \$ 120,894   |
| 31,243     | General           | Public Works              | Pothole Repairs                    | \$ 149,315   |
| 72,864     | Highway User      | Engineering               | Pothole Repair                     | \$ 156,164   |
| 87,236     | General           | Public Works              | Pothole Repair                     | \$ 91,011    |
| 132,739    | Highway           | Highway                   | Asphalt Spot Repair/Pothole Repair | \$ 427,616   |
| 135,416    | Highway           | Highway                   | Asphalt Spot Repair/Pothole Repair | \$ 286,232   |
| 249,146    | Highway           | Highway                   | Asphalt Spot Repair/Pothole Repair | \$ 280,989   |
| 278,508    | General Fund      | Public Works              | Pothole Repair                     | \$ 1,284,165 |

| Safe and Secure Community                        | Effective Utilities, Transportation and Telecommunications Infrastructure                         | Economic Vitality, Education and Workforce Development                          | Recreation and Cultural Opportunities  | Health and Well-being of Community                                | Governance  |
|--|---|---|--|---|---|
| ...is prepared to respond to emergencies         | ...eases traffic flow and minimizes congestion  | ...attracts new businesses, and creates jobs                                    | ...supports the arts   | ...access to safe drinking water, clean air, waste removal        | ...maintains compliance with regulatory obligations                                 |
| ...enforces the law                              | ...provides convenient and efficient access   | ...helps retain current businesses  | ...opportunities for cultural enrichment                                       | ...preserves the natural environment                              | ...assists and supports decision makers with information, analysis and consultation |
| ...reduces crime                                 | ...well-maintained infrastructure, planned for future development                                 | ...develops the workforce   | ...life-long learning opportunities (libraries)                                | ...basic needs – safety, shelter, food, opportunity to work       | ...stewardship of financial, human and physical resources                           |
| ...protects property                             | ...provides access to multi-modal travel options (air, public transportation, bike lanes, trails) | ...attracts visitors and tourism  | ...encourages healthy people (promotes active lifestyle)                       | ...cares for the vulnerable (elderly, youth)                      | ...attracts, develops and retains talent  |
| ...ensures safe air and access to drinking water | ...promote efficient and coordinated sewer and water system                                       | ...provides infrastructure to support commerce (transportation, utilities, etc) | ...supports community events, and entertainment options                        | ...keeps community safe from danger (crime, disease, emergencies) | ...enhances accountability and transparency in operations                           |
| ...protects the environment                      | ...ensures adequate energy and telecommunications services  | ...regulates growth and development   | ..parks, trails, open spaces   | ...ensures the character of the community is preserved            | ...seeks, leverages and creates intergovernmental opportunities and partnerships    |
| ...provides safe travel and mobility             | ...affordable, accessible, high-speed internet access   | ...enables business to function   | ...preservation and protection of historically significant buildings and sites | ...open, inclusive and diverse                                    | ...provides timely and effective customer service                                   |



# SearchPBB to identify measurable Results and Definitions

The screenshot displays the SearchPBB interface. On the left, there are search filters: 'Programs' (USA, CANADA), 'State' (All States), 'Org' (All Orgs), 'Include Definitions' (checked), and 'Show 100 entries'. The search bar contains 'Connected Community'. Below the filters is a table with three columns: 'Org', 'Result', and 'Definition'. The table lists three entries for Asheville, NC and Bainbridge Island, WA. A map of the United States is shown on the right with red and blue location pins.

| Org                   | Result  | Definition   |
|-----------------------|---|--|
| Asheville, NC         | RELIABLE INFRASTRUCTURE and EFFECTIVE MOBILITY        | Constructs, Enhances and Expands a Well-Designed, Complete Transportation Network that is Safe, Reliable, <b>Connected</b> and Meets the Mobility Needs of the <b>Community</b> and Surrounding Region |
| Bainbridge Island, WA | Healthy and Attractive <b>Community</b>               | Provides <b>Connected</b> Transportation and Communications Networks to Ensure Accessibility throughout the <b>Community</b>   |
| Bainbridge Island, WA | Reliable Infrastructure and <b>Connected</b> Mobility | Keeps Citizens <b>Connected</b> and Informed, Ensuring a Reliable Communications Network, and Leveraging Opportunities to  |

Showing 1 to 56 of 56 entries (filtered from 2,099 total entries) Previous 1 Next

## Example Result Definitions

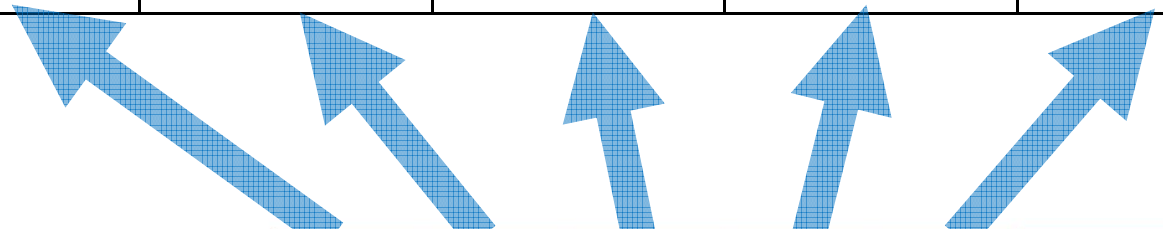
| Safe and Secure Community                        | Economic Vitality  | Effective Transportation and Mobility   | Culture and Recreation Options                           | Health and Well-being of Community                                | Governance  |
|--|--|---|--|---|---|
| ...is prepared to respond to emergencies         | ...attracts new businesses, and creates jobs   | ...eases traffic flow and minimizes congestion  | ...supports the arts                                     | ...access to safe drinking water, clean air, waste removal        | ...maintains regulatory compliance                        |
| ...enforces the law                              | ...helps retain current businesses   | ...provides convenient and efficient access   | ...opportunities for cultural enrichment                 | ...preserves the natural environment                              | ...assists and supports decision makers                   |
| ...reduces crime                                 | ...develops the workforce  | ...well-maintained infrastructure, planned for future development                                     | ...life-long learning opportunities (libraries)          | ...basic needs – safety, shelter, food, opportunity to work       | ...stewardship of financial, human and physical resources |
| ...protects property                             | ...attracts visitors and tourism   | ...safe travel  | ...encourages healthy people (promotes active lifestyle) | ...cares for the vulnerable (elderly, youth)                      | ...attracts, develops and retains talent                  |
| ...ensures safe air and access to drinking water | ...provides infrastructure to support commerce (transportation, utilities, internet/communications, smart cities, etc) | ...provides access to multi-modal travel options (transit, public transportation, bike lanes, trails) | ...supports community events, and entertainment options  | ...keeps community safe from danger (crime, disease, emergencies) | ...enhances accountability and transparency in operations |
| ...protects the environment                      | ...regulates growth and development  |   | ..parks, trails, open spaces                             |   |   |
| ...provides safe travel and mobility             | ...enables business to function  |   |  |   |   |
| ...looks after it's most vulnerable              |  |   |  |   |   |

## Program "Influence" Example: Snow Removal

| Safe and Secure Community   | Economic Vitality  | Effective Transportation and Mobility   | Culture and Recreation Options                           | Health and Well-being of Community                                | Governance  |
|---|--|---|--|---|---|
| <b>Choose among the most widely acknowledged contributing indicators of success, for your Results</b> |  |   |  |   |   |
| ...is prepared to respond to emergencies  | ...attracts new businesses, and creates jobs   | ...eases traffic flow and minimizes congestion  | ...supports the arts                                     | ...access to safe drinking water, clean air, waste removal        | ...maintains regulatory compliance                        |
| ...enforces the law   | ...helps retain current businesses   | ...provides convenient and efficient access   | ...opportunities for cultural enrichment                 | ...preserves the natural environment                              | ...assists and supports decision makers                   |
| ...reduces crime  | ...develops the workforce  | ...well-maintained infrastructure, planned for future development                                     | ...life-long learning opportunities (libraries)          | ...basic needs – safety, shelter, food, opportunity to work       | ...stewardship of financial, human and physical resources |
| ...protects property  | ...attracts visitors and tourism   | ...safe travel  | ...encourages healthy people (promotes active lifestyle) | ...cares for the vulnerable (elderly, youth)                      | ...attracts, develops and retains talent                  |
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| ...protects the environment   | ...regulates growth and development  |   | ...parks, trails, open spaces                            |   |   |
| ...provides safe travel and mobility  | ...enables business to function  |   |  |   |   |
| ...looks after it's most vulnerable   |  |   |  |   |   |

## Program "Influence" Example: Snow Removal

| Safe and Secure Community | Economic Vitality | Effective Transportation and Mobility | Culture and Recreation Options | Health and Well-being of Community | Governance |
|---------------------------|-------------------|---------------------------------------|--------------------------------|------------------------------------|------------|
| 4                         | 3                 | 4                                     | 1                              | 2                                  | N/A        |



### Scoring Scale

- 4: Essential to the Result
- 3: Strong influence on the Result
- 2: Influences the Result
- 1: Minor influence on the Result
- 0: No influence on the Result

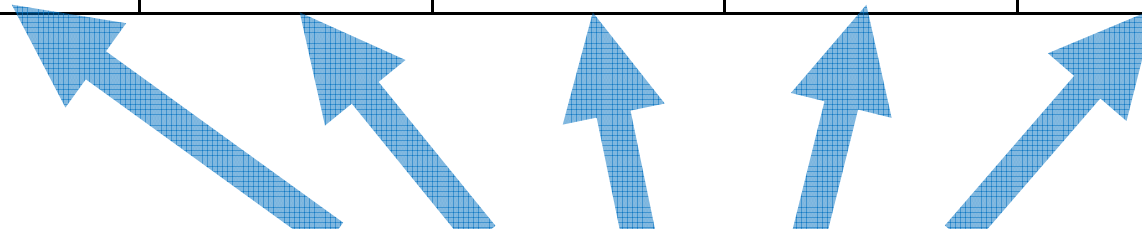
| Safe and Secure Community  | Economic Vitality  | Effective Transportation and Mobility   | Culture and Recreation Options                           | Health and Well-being of Community                                | Governance  |
|--|--|---|--|---|---|
| Choose among the most widely acknowledged contributing indicators of success, for your Results |  |   |  |   |   |
| ...is prepared to respond to emergencies   | ...attracts new businesses, and creates jobs   | ...eases traffic flow and minimizes congestion  | ...supports the arts                                     | ...access to safe drinking water, clean air, waste removal        | ...maintains regulatory compliance                        |
| ...enforces the law  | ...helps retain current businesses   | ...provides convenient and efficient access   | ...opportunities for cultural enrichment                 | ...preserves the natural environment                              | ...assists and supports decision makers                   |
| ...reduces crime   | ...develops the workforce  | ...well-maintained infrastructure, planned for future development                                     | ...life-long learning opportunities (libraries)          | ...basic needs – safety, shelter, food, opportunity to work       | ...stewardship of financial, human and physical resources |
| ...protects property   | ...attracts visitors and tourism   | ...safe travel  | ...encourages healthy people (promotes active lifestyle) | ...cares for the vulnerable (elderly, youth)                      | ...attracts, develops and retains talent                  |
| ...ensures safe air and access to drinking water   | ...provides infrastructure to support commerce (transportation, utilities, internet/communications, smart cities, etc) | ...provides access to multi-modal travel options (transit, public transportation, bike lanes, trails) | ...supports community events, and entertainment options  | ...keeps community safe from danger (crime, disease, emergencies) | ...enhances accountability and transparency in operations |
| ...protects the environment  | ...regulates growth and development  |   | ...parks, trails, open spaces                            |   |   |
| ...provides safe travel and mobility   | ...enables business to function  |   |  |   |   |
| ...looks after it's most vulnerable  |  |   |  |   |   |

## Program "Influence" Example: Yoga

| Safe and Secure Community   | Economic Vitality  | Effective Transportation and Mobility   | Culture and Recreation Options                           | Health and Well-being of Community                                | Governance  |
|---|--|---|--|---|---|
| <b>Choose among the most widely acknowledged contributing indicators of success, for your Results</b> |  |   |  |   |   |
| ...is prepared to respond to emergencies  | ...attracts new businesses, and creates jobs   | ...eases traffic flow and minimizes congestion  | ...supports the arts                                     | ...access to safe drinking water, clean air, waste removal        | ...maintains regulatory compliance                        |
| ...enforces the law   | ...helps retain current businesses   | ...provides convenient and efficient access   | ...opportunities for cultural enrichment                 | ...preserves the natural environment                              | ...assists and supports decision makers                   |
| ...reduces crime  | ...develops the workforce  | ...well-maintained infrastructure, planned for future development                                     | ...life-long learning opportunities (libraries)          | ...basic needs – safety, shelter, food, opportunity to work       | ...stewardship of financial, human and physical resources |
| ...protects property  | ...attracts visitors and tourism   | ...safe travel  | ...encourages healthy people (promotes active lifestyle) | ...cares for the vulnerable (elderly, youth)                      | ...attracts, develops and retains talent                  |
| ...ensures safe air and access to drinking water  | ...provides infrastructure to support commerce (transportation, utilities, internet/communications, smart cities, etc) | ...provides access to multi-modal travel options (transit, public transportation, bike lanes, trails) | ...supports community events, and entertainment options  | ...keeps community safe from danger (crime, disease, emergencies) | ...enhances accountability and transparency in operations |
| ...protects the environment   | ...regulates growth and development  |   | ..parks, trails, open spaces                             |   |   |
| ...provides safe travel and mobility  | ...enables business to function  |   |  |   |   |
| ...looks after it's most vulnerable   |  |   |  |   |   |

## Program "Influence" Example: Yoga

| Safe and Secure Community | Economic Vitality | Effective Transportation and Mobility | Culture and Recreation Options | Health and Well-being of Community | Governance |
|---------------------------|-------------------|---------------------------------------|--------------------------------|------------------------------------|------------|
| 0                         | 1                 | 0                                     | 2                              | 2                                  | N/A        |



### Scoring Scale

- 4: Essential to the Result
- 3: Strong influence on the Result
- 2: Influences the Result
- 1: Minor influence on the Result
- 0: No influence on the Result

| Safe and Secure Community   | Economic Vitality  | Effective Transportation and Mobility   | Culture and Recreation Options                           | Health and Well-being of Community                                | Governance  |
|---|--|---|--|---|---|
| <b>Choose among the most widely acknowledged contributing indicators of success, for your Results</b> |  |   |  |   |   |
| ...is prepared to respond to emergencies  | ...attracts new businesses, and creates jobs   | ...eases traffic flow and minimizes congestion  | ...supports the arts                                     | ...access to safe drinking water, clean air, waste removal        | ...maintains regulatory compliance                        |
| ...enforces the law   | ...helps retain current businesses   | ...provides convenient and efficient access   | ...opportunities for cultural enrichment                 | ...preserves the natural environment                              | ...assists and supports decision makers                   |
| ...reduces crime  | ...develops the workforce  | ...well-maintained infrastructure, planned for future development                                     | ...life-long learning opportunities (libraries)          | ...basic needs – safety, shelter, food, opportunity to work       | ...stewardship of financial, human and physical resources |
| ...protects property  | ...attracts visitors and tourism   | ...safe travel  | ...encourages healthy people (promotes active lifestyle) | ...cares for the vulnerable (elderly, youth)                      | ...attracts, develops and retains talent                  |
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| ...protects the environment   | ...regulates growth and development  |   | ...parks, trails, open spaces                            |   |   |
| ...provides safe travel and mobility  | ...enables business to function  |   |  |   |   |
| ...looks after it's most vulnerable   |  |   |  |   |   |

# Program Scoring and Peer Review

example: Economic and Business Development

resourceX  
reinviting fiscal analytics

Program Overview
Cost & Revenue
Cost Breakdown
Program Metrics

**PBB Quartile: 1**  
**Program:** Residential Inspections  
**Total Cost:** 440,208

Program Description

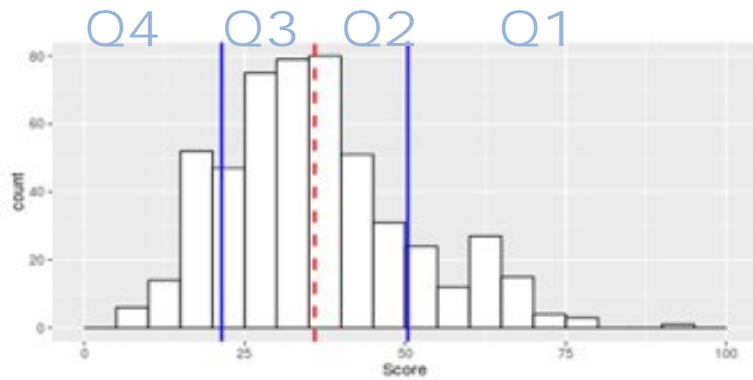
Inspect residential building, zoning, floodplain, damage, electrical, heating, ventilation, air conditioning, pressure piping, boiler, demolition, property code compliance and type A daycares work for minimum code compliance.

| Basic Program Attributes |       |  | Alignment with Results            |       |
|--------------------------|-------|--|-----------------------------------|-------|
| Attribute                | Score | Definition   | Result                            | Score |
| Mandate                  | 2     | Internally Required by Code, Ordinance, or Policy    | Community Well-Being              | 4     |
| Reliance                 | 2     | Currently offered by other public, private providers | Safe Community                    | 4     |
| RecoveryCost             | 4     | Fees generate 75% to 100% cost recovery              | Strong Economy                    | 4     |
| Demand                   | 4     | Change in demand is substantial                      | Neighborhoods                     | 3     |
| PopServed                | 3     | Substantial portion, at least 75% of the Community   | Environmental Sustainability      | 0     |
|                          |       |  | Transportation and Infrastructure | 0     |

# Relative Quartile Groupings

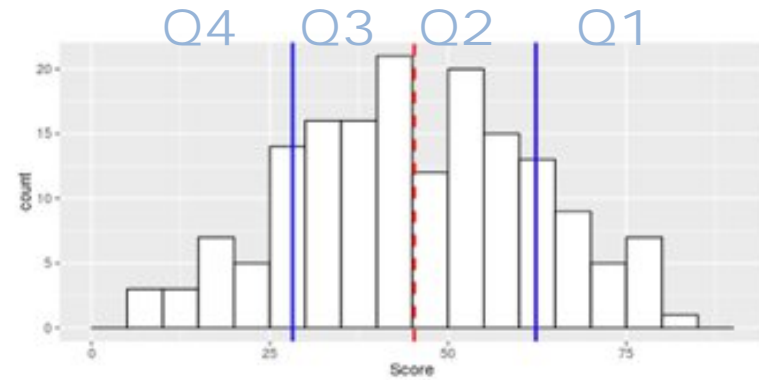
**Community Programs - Scoring and Distribution**

| Rank   | Number | Min Score | Max Score | Avg. Score |
|--------|--------|-----------|-----------|------------|
| Q1     | 128    | 44.79     | 90.62     | 56.1       |
| Q2     | 154    | 33.33     | 43.75     | 37.89      |
| Q3     | 167    | 20.83     | 32.29     | 27.14      |
| Q4     | 72     | 5.21      | 19.79     | 16.12      |
| Totals | 521    | 5.21      | 90.62     | 35.91      |



**Governance Programs - Scoring and Distribution**

| Rank   | Number | Min Score | Max Score | Avg. Score |
|--------|--------|-----------|-----------|------------|
| Q1     | 50     | 55.21     | 82.29     | 65.25      |
| Q2     | 53     | 40.62     | 54.17     | 47.45      |
| Q3     | 37     | 27.08     | 39.58     | 34.01      |
| Q4     | 27     | 7.29      | 26.04     | 19.41      |
| Totals | 167    | 7.29      | 82.29     | 45.27      |

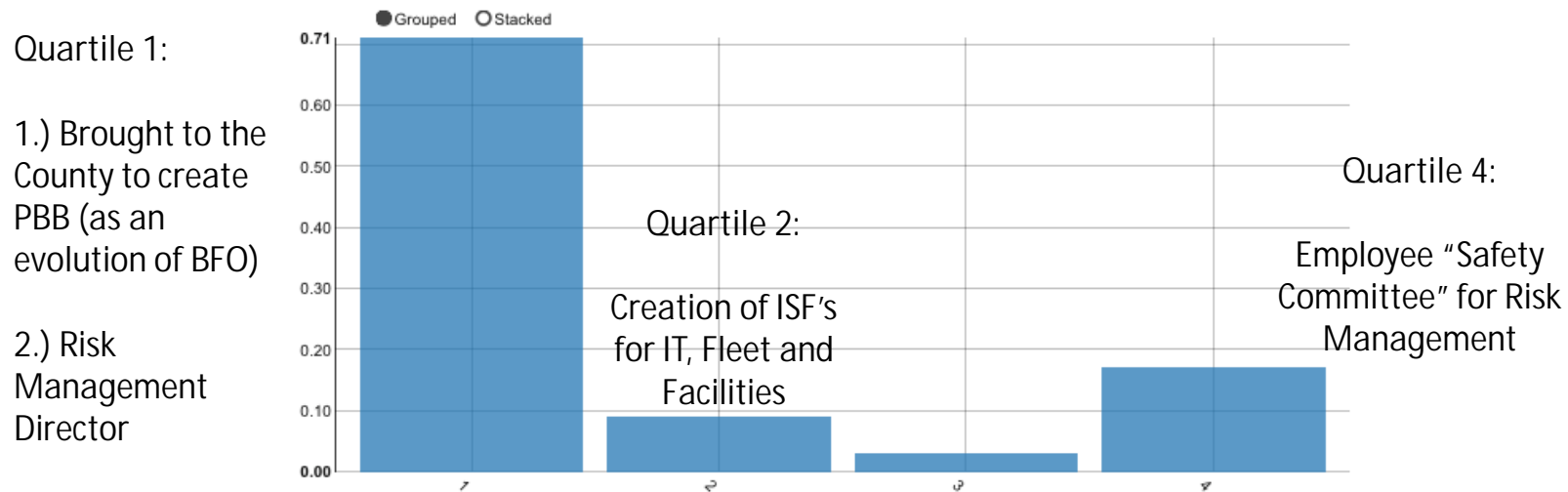




# (Human) Resource Allocation

**HR Opportunities in Priority Based Budgeting:**  
Succession Planning, Workforce Development, (Human) Resource Re-allocation

# Chris Fabian, Jefferson County CO, circa 2006



Pollution: a "valuable resource" out of place (in the wrong place)

# Workforce Analysis: Mining Resources

Department

All Departments

Position

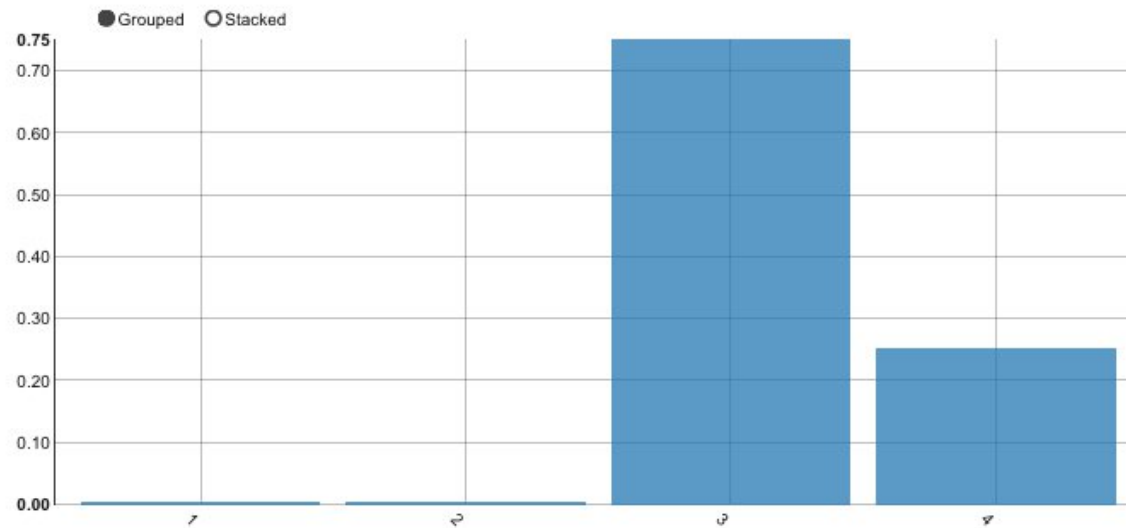
4-H YOUTH DEV STAFF - BUEHLER, MEGAN S(Pos#: 65385)

Y-axis

- Dollars
- Percent

X-axis

- Programs
- Quartiles



# (Human) Resource Re-allocation

A2 The Daily News, Friday, April 28, 2017 LOCAL www.gristoday.com

Presented by: Modern Woodmen  
**40 under 40**  
 Party of Washington County's top influencers under the age of forty

**We're growing. You can too.**  
 Call about career opportunities.  
 Modern Woodmen  
 Danny Frey • 262-338-1006

## MAKING ALL THE RIGHT CONNECTIONS

Who you know may help you find the job you love

By RALPH CHAPOOD  
 rchapood@gristnews.com  
 382-300-0000

Megan Buehler, the 41 youth development advisor and volunteer coordinator for Washington County, counts herself as lucky. She managed to find a job that is nearly as close to her her interests and abilities.

She is from the area, born in Mendenhall, then moved to Colfaxburg in 2 years old with her parents and two sisters.

Her family lived in a middle-class (Mid) with careers and middle-class where children led in a park, a location that served as a second gathering place for many aspects of their lives, fostering social connections for children and adults — and eventually creating a social network that engaged area residents.

It was a unique neighborhood to grow up in that we had a big sense of community, either that neighborhood," Buehler said. "We had the kids have an investment club, and then the women had an investment club, and there were golf outings, and there were dinner clubs where the adults would get together and they raise money or organize food and they would do these every seasonal events.

The circle of friends where neighborhood families gathered to enjoy each other's company and children's activities.



**40 UNDER 40**  
**MEGAN BUEHLER**

tried that works in October County said, "you should look at some of the positions posted within a county." Buehler said, "I found this job for me the night before I closed."

She was reviewing the job description and thought it would be a good fit — one that leveraged her previous work experience, her education, and most of all, her passion for working with youth and helping others.

She and her husband were looking for a house to purchase in the area and the position closed the following day. The application required an internet connection, which she did not have at the time. The company provided it in 2 days, the day it was due and for the next few hours until the application deadline closed. Buehler was completing and reviewing the materials the previous evening.

The internet worked and the employer suggested she contact her materials via email. They reviewed it and thought she was good candidate.

"The opportunity to do programming and work with volunteers," Buehler said when asked why the position was a good fit, "is an event planning and there were elements of doing camp and experiential learning.

Throughout the interview, Buehler emphasized how important connections and involvement are in her life, so much so that it has been integrated in her life and that of her family and loved ones — same it has helped substitute for career.

"All of my jobs have been because I knew somebody or I had been the connection," Buehler said.

Megan Buehler poses for a portrait in the UNW-Extension office Monday in West Bend. Buehler serves as the 4-H youth development program and volunteer coordinator.

and changed her major. "I knew I wanted to work with people and I wanted to work with youth specifically, so I thought about education, but I knew that wasn't the right fit because the traditional classroom was not structured and wanted more experiential learning."

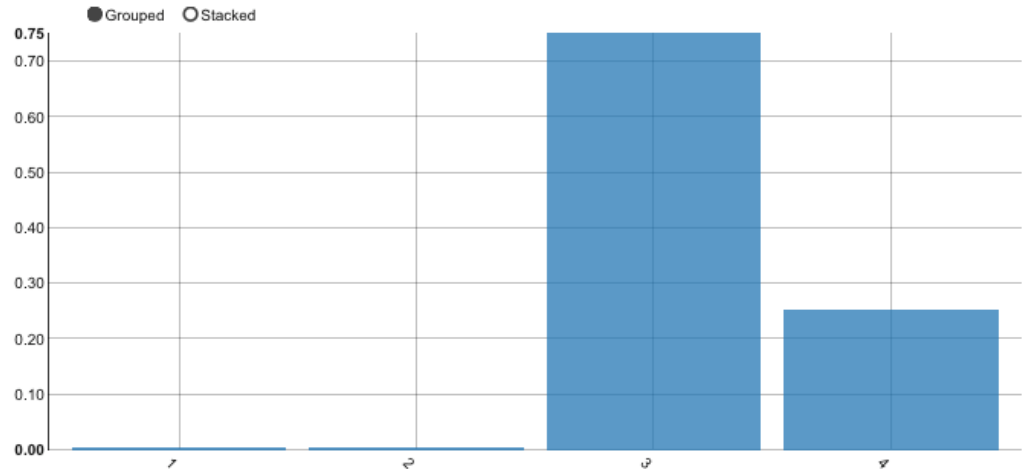
She graduated from Colfaxburg High School and attended the University of Wisconsin-Stevens Point because she was interested in a career as a speech pathologist, and the school offered the degree. She was attracted to the position when she saw the job advertisement for youth advisor and student council representative on the board.

Her parents were involved in the community and worked with volunteers for various activities, a job she still has today. Her father was a writer at the school level while her mother was a religious education teacher and a girl scout leader.

"We had that model for us, but we are engaged in our community," Buehler said.

She graduated from Colfaxburg High School and attended the University of Wisconsin-Stevens Point because she was interested in a career as a speech pathologist, and the school offered the degree. She was attracted to the position when she saw the job advertisement for youth advisor and student council representative on the board.

It was busy in her family she is the youngest in the family where everyone was involved in some type of extracurricular activity, the played soccer through high school and was on the honor team and student council.



Pollution: a “valuable resource” out of place (in the wrong place)

# Applying PBB to Workforce Analysis

## Succession Planning and Vacancies

- We don't have to replace the person, just replace the "high priority" (Q1 and Q2) time left vacant
- Take advantage of natural attrition

## Talent Management

- Identify talented staff who are currently serving "lesser aligned" programs (Q3 and Q4), and reassign their time
- Fill vacancies left open in high priority programs

# “Networked Enterprises”

**Partnerships (Public/Public, Public/Private), Mergers and Consolidations**

Finding our unique role to improve our communities

# City of Toledo, Ohio

Chamber of Commerce funds half of the City's implementation of Priority Based Budgeting, in partnership to develop **“Networked Enterprises.”**

In a \$400million operating budget:

- **\$18+ million** in Public/Private Partnership opportunities
- **\$83+ million** in Intergovernmental Shared Services opportunities
- **\$90+ million** in fee recovery opportunities



## CPBB Teams with Toledo Regional Chamber to Bring Priority Based Budgeting to the City of Toledo, Ohio



### Institutional Design Principle #8: Networked enterprises

Collective-action problems are not always solvable within the boundaries of a single jurisdiction. Multiple organizations (public, private, and non-profit) may be needed to address collective-action problems at different scales (i.e., a system of “networked enterprises”). For instance, in a large water rights system, individual farmer organizations may exist at the branch level and a larger federation may exist at the system level (Ostrom 2005). Networked enterprises may also exist in the form of co-management between a user group and a government entity (Cox et al. 2010). In some situations, negotiations and collaboration among communities in the region and across sectors and levels of government are needed. As a fundamental part of institutional design, governments need to consider how they develop and maintain relationships with outside organizations that can help government meet public service demands at a sustainable cost.

For local users, this principle can be translated into the question, **“How can we create a polycentric system in which collective units at different scales and across different sectors and levels can work together to preserve local resources?”** (Ostrom 2005, 271)

# Washington County, WI

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MANAGEMENT INFRASTRUCTURE TECH & DATA SMART CITIES PUBLIC SAFETY HEALTH & HUMAN SERVICES FINANCE

## County in Wisconsin Looks to Partner With Neighboring Jurisdictions on Vital Services



### “Counties without borders:” Washington County leaders ask to merge services with neighbors

FOX6 NEWS

FACEBOOK TWITTER



### Washington County, WI Invites Neighbors to Consolidate Services or Merge

July 24, 2017

County governments in Wisconsin are financially unsustainable and must reinvent themselves to survive, even if that means erasing borders and merging with the county next door, Washington County leaders say in a letter to four of their neighbors.

The County Board's Executive Committee and County Administrator Joshua Schoemann have invited their counterparts in Ozaukee, Fond du Lac, Dodge and Waukesha counties to discuss everything from sharing services, consolidating departments and even redrawing maps to unite as one ([Washington County Invites Neighbors to Consolidate Services or Merge](#)).

Any talks would build on existing partnerships. Washington and Ozaukee counties merged their health departments last year and already saved taxpayers \$300,000. Waukesha County shares its medical examiner with Washington County. [See partnership video here.](#)



journal sentinel Summer Sale Is On

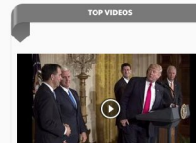
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### Washington County asks neighbors to consolidate services or merge

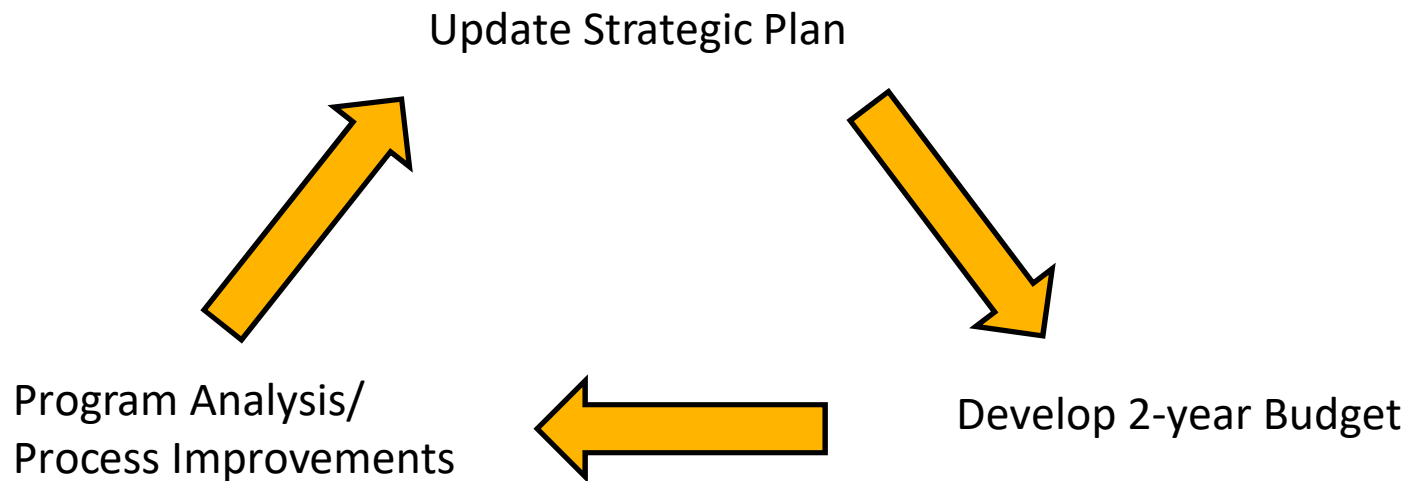
Don Rahm, Milwaukee Journal Sentinel Published 4:57 p.m. CT July 23, 2017 | Updated 7:08 p.m. CT July 23, 2017





# Biennial Budget Cycles

- Transition the City to two-year budget planning cycles



# Biennial Budget Cycles

- Enhances strategic planning efforts
- Enhances staff capacity for program implementation
- Increases staff time available for implementation
- Shift focus to performance management, process improvement



## GFOA Best Practices

1. Incorporates a long-term perspective
2. Establishes linkages to broad organizational goals
3. Focuses budget decisions on results and outcomes
4. Involves and promotes effective communication with stakeholders
5. Provides incentives to government management and employees

## Proposed Budget Process

1. Two-year operating plan tied to an updated strategic plan
2. Priority Based Budgeting
3. Opportunity for program-level measures of success
4. City presents a menu to community of programs and services provided
5. New lens provided by PBB to analyze programs and services





## Packet Information

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**File #:** 2017-1483, **Version:** 1

---

PRESENTATION OF THE FY19 BUDGET CALENDAR

Issue/Request:

PRESENTATION OF THE FY19 BUDGET CALENDAR

Key Issues:

The Budget Calendar for Fiscal Year 2019 contains the processes and benchmarks necessary for City Council to successfully approve a budget prior to July 1, 2018. The document establishes the timing and deliverables by staff for the budget planning process such as mid-year projections for current fiscal year, expansion requests for next fiscal year, and revenue projections. The document outlines the components and milestones that must be met prior to the presentation of the budget by the City Manager.

The document also outlines the Finance & Budget Committee meeting dates. In consultation with the Committee, this document will outline future items for the Committee agenda in order for staff to plan, research, and analyze such that a substantive discussion can be had by Committee.

The presentation of the City Manager's proposed FY18 budget will be on April 30, 2018. The public hearing of the FY18 Budget is tentatively scheduled for May 17, 2018, with an estimated date of Council approval June 7, 2018.

The FY19 Budget Calendar is a working document and is subject to change.

Background:

[Enter text here]

Presenter: Jack Feldman, Management Analyst

Recommendation: N/A

Committee Recommendation: N/A

## FY19 Budget Calendar Overview

### September 2017

**September 18, 2017**  
5:30 PM      **Regular Finance & Budget Committee Meeting (rescheduled from September 5)**  
Agenda: Review of FY19 Budget Calendar, Discussion of Priority Based Budgeting

### October 2017

**October 2, 2017**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: Dashboards,  
October 20, 2016      Budget Kickoff Meeting  
October 20, 2016      Departments begin preparing mid year projections

### November 2017

**November 6, 2017**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: Discussion of Use Tax, Dashboards, Cleanup and Rollover Amendment  
November 2016      Pre-budget meeting with Internal Service Departments

### December 2017

**December 4, 2017**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: Dashboards  
December 5, 2016      LBP Training: Navigation and Entry  
December 6, 2016      LBP Training: Navigation and Entry  
December 7, 2016      LBP Training: Workforce and Reporting  
December 8, 2016      LBP Training: Workforce and Reporting

### January 2018

**January 8, 2018**  
5:30 PM      **Regular Finance & Budget Committee Meeting (rescheduled from January 1)**  
Agenda: Dashboards  
January 2018      Departments prepare FY18 budget requests  
January 12, 2018      All FY18 year end projections due  
January 16, 2018      City Manager Review of FY18 YE Projections  
January 26, 2018      Core Expenditure Numbers due

### February 2018

**February 5, 2018**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: Review of FY18 Year End Projections, Dashboards , Tentative Audit Report  
February 2, 2018      All expansion requests due for City Manager Review (Personnel, Capital, Fleet, ITS)  
February 2, 2018      Changes to the Schedule of Fees Due  
February 19, 2018      Department budget meetings with City Manager begin  
February 2018      Parks and Recreation budget to Park Board

### March 2018

**March 5, 2018**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: FY18 revenue projections, Changes to Schedule of Fees

### April 2018

**April 2, 2018**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: Dashboards  
**April 30, 2018**  
5:30 PM      **Special Finance & Budget Committee Meeting:**  
Agenda: Presentation of City Manager's proposed FY18 Budget  
April 2018      Department budget meetings with City Manager conclude  
April 2018      Annual Report Delivered to City Council

**May 7, 2018**  
5:30 PM      **Regular Finance & Budget Committee Meeting**  
Agenda: Continued Discussion of FY18 Budget  
May 2, 2018      Notice of public hearing due by noon  
**May 14, 2018**  
5:30 PM      **Special Finance & Budget Committee Meeting: (if needed)**  
Agenda: Continued review of City Manager's proposed budget  
**May 17, 2018**  
6:15 PM      **City Council Meeting:**  
PUBLIC HEARING, First Reading of FY18 Budget Ordinance

### June 2018

**June 7, 2018**  
6:15 PM      **City Council Meeting:**  
Second Reading of FY18 Budget Ordinance

## Packet Information

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**File #:** 2016-0063, **Version:** 1

---

AN ORDINANCE REPEALING THE CURRENT CITY OF LEE'S SUMMIT PURCHASING POLICY MANUAL AS ADOPTED BY RESOLUTION NO. 99-04 AND ADOPTING IN LIEU THEREOF A NEW POLICY ENTITLED THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY.

### Key Issues:

- Increase efficiency and effectiveness of the procurement process and maximize use of City resources by updating and streamlining processes.
- Continue competitive procurement processes.
- Continue to provide the necessary checks and balances to ensure fiscal responsibility in the utilization of public funds.
- Create thresholds in line with comparator municipalities.
- Establish disciplinary action for violation of policy.

### Proposed Committee Motion:

I MOVE TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF AN ORDINANCE REPEALING THE CURRENT CITY OF LEE'S SUMMIT PURCHASING POLICY MANUAL AS ADOPTED BY RESOLUTION NO. 99-04 AND ADOPTING IN LIEU THEREOF A NEW POLICY ENTITLED THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY.

### Background:

The need for revisions to the City's current Purchasing Policy was previously identified by the Finance Director and was most recently identified in the procurement audit performed by Rubin & Brown. The Procurement and Contract Services Manager formed a Procurement Policy Committee to review and revise the current policy. The committee was made up of representatives from the majority of City departments. Meetings were held until the proposed New Procurement Policy was finalized.

### Current policy deficiencies:

- Minimal definitions to aid staff in understanding of policy.
- Out of date terminology.
- No reference to Enterprise Resource Planning (ERP) system (INFOR)
- Lack of procedures for use of term professional services agreements/construction contracts.
- Confusing policy organization, descriptions and methodology making it difficult to find needed information.
- Inefficient dollar thresholds for efficient procurement.
- Does not address the semi-decentralization of Procurement.
- Does not have disciplinary action for policy violation.

Presentation and discussion of the New Procurement Policy occurred at the August 17, 2017 City Council Work Session where the presentation was received and filed.

Impact/Analysis:

The significant changes of the proposed New Procurement Policy:

- Increase efficiency and effectiveness of the procurement process and maximize use of City resources by updating and streamlining processes.
- Continue competitive procurement processes.
- Continue to provide the necessary checks and balances to ensure fiscal responsibility in the utilization of public funds.
- Create thresholds in line with comparator municipalities.
- Establish disciplinary action for violation of policy.

Timeline:

Other Information/Unique Characteristics:

[Enter text here]

Ben Calia, Procurement and Contract Services Manager

STAFF RECOMMENDS APPROVAL OF AN ORDINANCE REPEALING THE CURRENT CITY OF LEE'S SUMMIT PURCHASING POLICY MANUAL AS ADOPTED BY RESOLUTION NO. 99-04 AND ADOPTING IN LIEU THEREOF A NEW POLICY ENTITLED THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY.



AN ORDINANCE REPEALING THE CURRENT CITY OF LEE'S SUMMIT PURCHASING POLICY MANUAL AS ADOPTED BY RESOLUTION NO. 99-04 AND ADOPTING IN LIEU THEREOF A NEW POLICY ENTITLED THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY.

WHEREAS, the City of Lee's Summit Procurement and Contract Services Division of the Finance Department provides semi-centralized procurement of goods and services for City operations; and,

WHEREAS, through the adoption of Resolution No. 99-04 on February 18, 1999, the City Council of the City of Lee's Summit, Missouri, established the City of Lee's Summit Purchasing Policy which set forth policy guidelines which were intended to assist in the procurement of necessary goods and services at economical prices while ensuring compliance with all applicable laws and policies and simultaneously maintaining confidence in government expenditures; and,

WHEREAS, the City Council has approved, by Resolution, a number of revisions and updates to the City of Lee's Summit Purchasing Policy, including the following: Resolution No. 03-07; Resolution No. 05-16; and Resolution No. 06-06; and,

WHEREAS, a number of administrative revisions have also been implemented into the City of Lee's Summit Purchasing Policy, including revisions related to Bid Protests, Professional Services Contracts for Engineering, Architectural and Land Surveying Services, Sole Sources, and Change Orders, the latest revisions occurring in February 2009; and,

WHEREAS, it has been identified by the Director of Finance and further confirmed through the completion of a professional procurement audit completed by the City's contract service provider, Rubin Brown, LLP, that substantial revisions are needed to the City of Lee's Summit Purchasing Policy; and,

WHEREAS, in response to this identified need, the Procurement and Contract Services Manager assembled a committee comprised of representatives of a majority of City Departments to review and propose revisions to the City of Lee's Summit Purchasing Policy; and,

WHEREAS, the proposed revisions to the City of Lee's Summit Purchasing Policy were compiled and organized to create the City of Lee's Summit Procurement Policy, which was presented to the City Council as a discussion item on August 17, 2017; and,

WHEREAS the City of Lee's Summit Procurement Policy includes within it significant changes to the City of Lee's Summit Purchasing Policy, including, but not limited to: increased efficiencies and effectiveness of procurement processes, streamlining of procurement processes, enhanced checks and balances to ensure fiscal responsibility in the utilization of public funds, more efficient and effective purchasing thresholds, and the establishment of disciplinary procedures for non-compliance or violations; and,

**BILL NO.**

**ORDINANCE NO.**

WHEREAS, the City Council of the City of Lee's Summit, Missouri now desires to repeal the City of Lee's Summit Purchasing Policy and enact in lieu thereof the City of Lee's Summit Procurement Policy which was presented for consideration at the August 17, 2017 City Council Work Session.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City of Lee's Summit Purchasing Policy as adopted by Resolution No. 99-04, and as amended from time to time, be and is hereby repealed.

SECTION 2. That the City of Lee's Summit Procurement Policy, attached hereto as "Exhibit A" and incorporated herein by reference as though fully set forth, be and is hereby adopted.

SECTION 3. That the City Manager is authorized to make or cause to be made purchases consistent with the provisions of the City of Lee's Summit Purchasing Policy and in accordance with applicable requirements for the budgeting and appropriation of funds.

SECTION 4. That should any sentence, section, or clause of this Ordinance be declared invalid of unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

SECTION 5. That this Ordinance shall be in full force and effect from and after the date of its adoption, passage and approval by the Mayor.

PASSED by the City Council of Lee's Summit, Missouri this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*Deputy City Clerk Trisha Fowler Arcuri*

APPROVED by the Mayor of said City this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*Deputy City Clerk Trisha Fowler Arcuri*

**BILL NO.**

**ORDINANCE NO.**

---

APPROVED AS TO FORM:

---

Chief Counsel of Management and Operations/Deputy City Attorney  
*Jackie McCormick Heanue*



**LEE'S SUMMIT**  
MISSOURI

# **Procurement Policy**

# **City of Lee's Summit Procurement Policy**

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**\*\*\*Abrogate**: To annul or repeal a law or pass legislation that contradicts the prior law. Abrogate also applies to revoking or withdrawing conditions of a contract.

**\*Accept**: To receive as approved, adequate, or satisfactory. To receive willingly with the intent of retaining.

**\*Acquisition**: The process of obtaining supplies, services, construction or real estate through purchase, lease, or grants.

**\*Affidavit**: A written statement of facts provided by one party which may be under oath before a person of authority. An Affidavit may be required as part of a bid or request for proposal solicitation. For City purposes, affidavits shall be notarized.

**\*Agent**: A person authorized by a superior, i.e. principal, to act for him or her.

**\*Agreement**: An understanding, usually in writing, between two or more competent parties, under which one party agrees to certain performance as defined in the agreement and the second party agrees to compensation for the performance rendered in accordance with the conditions of the agreement. Agreements and contracts are sometimes used synonymously. Generally agreements are approved "as to form" and for legal sufficiency prior to execution.

**\*Amendment**: An agreed addition to, deletion from, correction or modification of a document or contract.

**\*Authority**: The right to perform certain acts or prescribe rules governing the conduct of others.

**\*Award**: The acceptance of a bid or proposal; the presentation of a purchase agreement or contract to a bidder or offeror.

**\*Best and Final Offer (BAFO)**: In a comparative negotiation, the final proposal submitted after negotiations are completed that contains the proposer's most favorable terms for price, services and products to be delivered.

**\*Best Value**: An assessment of the return which can be achieved based on the total life cycle cost of the item; which may include an analysis of the functionality of the item; can use cost/benefit analysis to define the best combinations of quality, service, and time and cost considerations over the useful life of the acquired item. A procurement method that emphasizes value over price. The best value might not be the lowest cost. Generally achieved through the Request for Proposal (RFP) method.

**\*Bid Bond**: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the bidder will not withdraw the bid. The bidder will furnish bonds in the required amount and if the contract is awarded to the bonded bidder, the bidder will accept the contract as bid, or else the surety will pay a specific amount.

**Bid-Solicitation Protest**: A written objection by a potential interested party to a solicitation or award of a contract, with the intention of receiving a remedial result. A protest may be filed in accordance with agency policy and procedure within predetermined time lines.

**\*Blanket Order**: A purchase order under which a contractor/vendor agrees to provide goods or services to a purchaser on a demand basis; the contract generally establishes prices, terms, conditions, and the period covered, although no quantities are specified; shipments are to be made when and as required by the purchaser which in certain cases may be the end user.

**Change Authorization**: A form used on construction contracts when an amendment to the original contract is requested by the contractor and the work must proceed prior to processing a change order in order to prevent project delays.

**\*Change Order**: A written alteration that is issued to modify or amend a contract or purchase order. A bilateral (agreed to by all parties) or unilateral (government orders a contract change without the consent of the contractor) request which directs the contractor to make changes to the contracted scope of work or specifications. In reference to construction contracts, it relates primarily to changes caused by unanticipated conditions encountered during construction not covered by the drawings, plans or specifications of the project.

**\*Competitive Negotiations**: A procurement method for obtaining goods, services and construction for public use in which discussion and negotiations may be conducted with responsible offerors who submit responsive proposals.

**\*Construction**: The process of utilizing labor to build, alter, repair, improve, or demolish any structure, building or public improvement; generally does not apply to routine maintenance, repair or operation (MRO) of existing real property.

**Construction Management**: Construction management is the overall planning, coordination, and control of a project from beginning to completion as defined by state statute.

**\*Contract**: An agreement between parties with binding legal and moral force, usually exchanging goods or services for money or other considerations.

**\*Cooperative Procurement**: The action taken when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits.

\*Design-Build: A delivery method for construction projects that combines the architectural, engineering, and construction services required for a project into a single contractual agreement.

\*Designee: A duly authorized representative.

\*\*Electronic Bidding (e-bidding): Is an electronic bidding event (without awarding commitment) according to defined negotiation rules (e-Agreement). A buyer and two or more suppliers take part in this online event.

\*\*Electronic Procurement (E-procurement): Is the business-to-business or business-to-consumer or business-to-government purchase and sale of supplies, work, and services through the internet as well as other information and networking systems, such as electronic data interchange and enterprise resource planning.

Emergency: An unexpected and urgent situation where an immediate threat to public health and safety exists; where conservation of public resources is at risk; where an immediate response is necessary to prevent further damage to public property, machinery, or equipment; or where delay would result in significant financial impact to the City as determined by the City Manager.

\*\*Enterprise Resource Planning (ERP): Is a category of business management software-typically a suite of integrated applications-that an organization can use to collect, store, manage and interpret data from many business activities, including: product planning, cost, manufacturing or service delivery, marketing and sales, inventory management, shipping and payment.

\*\*\*Fee Simple: Absolute title to land, free of any other claims against the title, which one can sell or pass to another by will or inheritance.

Formal Bid: A bid which must be advertised and submitted in conformance with a prescribed format to be opened and read in public at a specified date and time. As it pertains to the City, formal bids must be solicited for all goods or services \$50,000 and above.

\*Free on Board (FOB) Destination: Where the seller or consignee delivers the materials to a specified delivery point. The cost of shipping and the risk of loss are borne by the seller or consignee. Title passes when delivery is received by the buyer at destination. Seller has total responsibility until shipment is delivered.

\*Informal Bid/Proposal: A competitive bid, quotation or proposal for supplies or services that is conveyed by a letter, fax, e-mail or other manner that does not require a formal bid or proposal, public opening or other formalities. Generally relegated to requirements that may be considered low value or fall under a stipulated price/cost threshold.

\*Invitation for Bid (IFB): All documents used to solicit competitive or multi-step bids.

\*Invitation to Negotiate (ITN): A competitive negotiation process that is used when the procurement authority deems it is in its best interest to negotiate with offerors to achieve "best value." A form of source selection that is similar to the Request for Proposal process.

Item: A product, material or service.

\*Life Cycle Cost (LCC): The total cost of ownership over the life span of the asset.

\*Modification: Any written alteration to a provision of any contract accomplished by mutual agreement of the parties to the contract. Used synonymously with the term Amendment.

\*Piggyback (Piggyback Cooperatives): A form of intergovernmental cooperative purchasing in which an entity will be extended the pricing and terms of a contract entered into by another entity. Generally an entity will competitively award a contract that will include language allowing for other entities to utilize the contract which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own.

\*Procurement: Purchasing, renting, leasing, or otherwise acquiring any supplies, services or construction; includes all functions that pertain to the acquisition, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, storekeeping, salvage and disposal operations.

Procurement and Contract Services Manager: The Procurement and Contract Services Manager for the City of Lee's Summit shall be that position designated as the chief procurement officer (CPO) who shall have the responsibility of making authorized purchases for the City, unless directed or indicated otherwise by this policy.

\*Project Manager: Designated individual within the agency to administer a specific task or contract.

\*Purchase Order: A purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, delivery schedule, terms of payment, and transportation.

Qualification Based Selection (QBS): QBS is a process used by the City to obtain statements of qualifications for architectural, engineering, land surveying, or landscape architecture as required by state statute. The City also follows this process for design-build services and may choose QBS for other services unless prohibited by law or other policies.



**\*Quote:** An informal purchasing process which solicits pricing information from several sources.

**\*Quotations:** A statement of price, terms of sale, and description of goods or services offered by a vendor; may be non-binding if solicited to obtain market information for planning purposes.

**\*Request for Information (RFI):** A non-binding method whereby a jurisdiction publishes via newspaper, internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback or reactions from potential suppliers (contractors) prior to the issuing of a solicitation. Generally price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

**\*Request for Proposal (RFP):** The document used to solicit proposals from potential providers for goods and services (Offerors). Price is usually not a primary evaluation factor. Provides for the negotiation of all terms including price prior to contract award. May include a provision for the negotiation for Best and Final Offers.

**\*Request for Quotation (RFQ):** A small order amount purchasing method. Generally used for small orders under a certain dollar threshold. A request is sent to suppliers along with a description of the commodity or services needed and the supplier is asked to respond with price and other information by a pre-determined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance and reliability.

**\*Request for Qualifications (RFQu):** A document is issued by a procurement entity to obtain statements of the qualifications from bidders prior to issuing the solicitation. An attempt to gauge potential competition and obtain information which may be helpful when writing a statement of work or developing specifications. As it pertains to the City, this is a document issued by the City to obtain statements of qualifications for professional services. This document is part of the QBS process.

**Requisition:** An internal document by which a using agency sends details of supplies, services, or materials required to the Procurement and Contract Service Department. Requisitions are entered into and processed by the City's ERP system.

**\*Responsible Bidder/Offeror:** A contractor, business entity or individual who is fully capable to meet all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance.

**\*Responsive Bidder/Offeror:** A contractor, business entity or individual who has submitted a bid or request for proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements, including all form and substance.

**Serial Procurement:** Serial Procurement is intentionally breaking an order to an external vendor into two or more purchases/payments to avoid the required bid process. Also purchases over a 90 day period for the same product or service from the same supplier that reaches or exceeds a total of \$50,000 for that period.

**\*Scope of Work (SOW):** A written description of the contractual requirements for materials and services contained within a Request for Proposal, or detailed description of the tasks to be performed by the successful bidder. A well-conceived and clearly written SOW serves four main purposes:

- Establishes clear understanding of what is needed;
- Encourages competition in the marketplace and promotes economic stimulus;
- Satisfies a critical need of government; and
- Obtains the best value for the taxpayer.

**\*Sole Sourcing:** Selection of one particular supplier to the exclusion of all others. This decision may be based on lack of competition, proprietary technology, copyright or a supplier's unique capability. In government procurement, a sole source justification may be required from the requestor. As it pertains to the City, a sole source justification is required as set forth in this policy.

**\*Specification:** A precise description of the physical or functional characteristics of a product, good or construction item. A description of goods as opposed to a description of services. A description of what the purchaser seeks to buy and what a bidder must be responsive to in order to be considered for award of a contract. Specifications generally fall under the following categories: design, performance, combination (design and performance), brand name or approved equal, qualified products list and samples. May also be known as a purchasing description.

**\*\*\*Substantial Interest:** Ownership by the individual, the individual's spouse, or the individual's dependent children, whether singularly or collectively, directly or indirectly, of ten percent or more of any business entity, or of an interest having a value of then thousand dollars or more, or the receipt by an individual, the individual's spouse or the individual's dependent children, whether singularly or collectively, of a salary, gratuity, or other compensation or remuneration of five thousand dollars, or more, per year from any individual, partnership, organization, or association within any calendar year.

*\*Surplus Property:* A designation that applies to government property that is no longer needed by the agency and is designated for disposal outside of a government organization.

*\*Term Contract (aka: On-Call, Term & Supply or Yearly):* A type of contract in which a source of supply is established for a specified period of time for specified services or supplies all at a predetermined unit price; usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price..

*Transaction:* A Transaction is an instance of buying or selling something; a business deal. A transaction is an agreement between a buyer and a seller to exchange goods, services or financial instruments.

\*Terms and definitions from the “Public Procurement Dictionary of Terms”. “The Comprehensive Reference for Public Purchasing Terms and Concepts”. National Institute of Governmental Purchasing, Inc. (NIGP), 151 Spring Street, Herndon, VA 20170. Copyright 2008 by NIGP.

\*\* Terms and definitions from Wikipedia. \*\*\* Definitions from Law.com. \*\*\*\*Term and definition from Missouri Revised Statutes, Chapter 105, section 105.450.1, August 28, 2015. Non\* definitions were determined based on current City processes.

## **SECTION 2. AUTHORITY & ENFORCEMENT**

**2.1 Compliance with Policy.** The acquisition of any and all items or any transaction made by or on behalf of the City of Lee’s Summit, its departments, officials and authorized agents shall be made in accordance with the procurement policy contained herein unless otherwise approved by the City Council.

**2.2 Enforcement.** The City Manager will have the responsibility for the enforcement of this administrative policy. Department Directors will be entrusted with the responsibility of enforcing the policy within their departments.

**2.3 Authorized ERP System Users.** Department Directors shall submit to the Information Technology Services (ITS) Department a list of personnel authorized to issue requisitions, approve requisitions and conduct receiving functions on behalf of said department. It will be the Department Directors or their designees’ responsibility to inform the ITS Department of any changes to the departmental listings. ITS shall update the City’s Enterprise Resource Planning (ERP) system accordingly.

**2.4 Parks and Recreation Department.** Procurements regarding parks and recreation programming shall follow the standards and requirements set forth in this policy. Unless otherwise provided by City Charter, or other applicable law, the Administrator of Parks and Recreation shall exercise the authority that would otherwise be exercised by the City Manager, as set forth in this policy regarding procurements for parks and recreation programming. The Parks and Recreation Board shall exercise the authority that would otherwise be exercised by the City Council, as set forth in this policy, regarding procurements for parks and recreation programming.

**2.5 Unauthorized Purchases/Transactions.** Any purchase of an item or any transaction which does not comply with this policy shall be considered an unauthorized purchase and may result in disciplinary action as identified in Section 2.11 Disciplinary Action which may also include repayment/restitution to the City. When an unauthorized purchase becomes evident, the Procurement and Contract Services Manager (CPO), P-Card Administrator (if applicable) or designated procurement representative will notify the applicable Department Director. The Director shall be responsible for submitting a memorandum outlining the facts and circumstances of the purchase, as well as steps taken to avoid future unauthorized purchases, to the Procurement and Contract Services Manager (CPO), P-Card Administrator (if applicable), and City Manager.

**2.6 Serial Purchases.** Serial purchases shall not be permitted and shall be considered a violation of this Policy.

**2.7 Contracting Authority.** Unless otherwise established by the City Charter, this policy, or by the City Council, the City Manager shall execute all contracts and agreements for the procurement of goods and services or that generate revenue on behalf of the City of Lee’s Summit. All dollar thresholds and approval requirements stipulated in this policy shall be adhered to, unless otherwise approved by the City Council.

**2.8 Renewal of Contracts/Agreements.** City Council approval is not required for the renewal of contracts when the City Council previously approved renewal options. The City Manager shall have the authority to approve proposed renewal price increases if he or she concurs that the vendor provided justification is reasonable, fair, mutually agreed to, and within the parameter(s) established in the solicitation. Prior to execution, the resulting renewal contract/agreement shall be approved by Legal and City Manager.

**2.9 Contract/Agreement Extension.** Contract/agreement extensions shall be executed by the City Manager.

**2.10 Prohibited Acts by Elected and Appointed Public Officials and Employees.** For any transaction identified in this policy, the City shall not knowingly purchase any service, good or property from any Councilmember, the Mayor or any City Employee or any entity in which he or she holds a “substantial interest” as defined in section 105.450 RSMo. Additionally, it is recognized that it is difficult or impossible for every employee utilizing a purchasing card to have knowledge of every entity which a Councilmember, the Mayor or another employee may hold an interest as described above; however, the City shall exercise its best efforts to refrain from conducting such transactions utilizing a purchasing card and shall not knowingly do so.

**2.11 Disciplinary Action.** Noncompliance with the provisions of the Procurement Policy may result in the initiation of applicable disciplinary action as identified in the City Charter, Code of Ordinances or Personnel Policies. Any disciplinary action for violation of this policy shall be determined by the City Manager in accordance with section 2.2 Enforcement.

### **SECTION 3. GENERAL REQUIREMENTS**

**3.1 Specifications.** It is the responsibility of the department to write specifications and establish the quality of the product or service required. Procurement and Contract Services may assist the department in writing specifications, upon department request. Specifications shall be written to foster competition.

**3.2 Non Preference Policy.** The City does not have a preference policy for state and local commodities or services and minority enterprises other than that of “Domestic Products”. The City of Lee’s Summit has adopted a formal written policy to encourage the purchase of products manufactured or produced in the United States (City of Lee’s Summit Resolution No. 87-18, MO. State Statute No. 34.353, Section 3(5)).

**3.3 Green Procurement and Recycled Products.** City staff is encouraged to integrate environmental factors into the City’s buying decisions and procure environmentally preferable goods and services whenever practicable. Consideration should be given to:

- a. Replacing disposable with re-usable, recyclable, or compostable goods whenever possible. Specify and/or purchase products which contain a high percentage of post-consumer recovered material, reduce waste in the manufacture and use of products, and reduce packaging.
- b. Specifying non-virgin materials when comparable performance can be achieved.
- c. Life cycle economics.
- d. Impacts and threats of harm to human health or the environment.
- e. The environmental performance of vendors in providing products and services.

**3.4 Purchases Supported by Grant Funds.** Departments shall review all requirements for grant funding to insure the procurement process required as a condition to receiving said grant funds are complied with during the procurement of the item. Procurement and Contract Services will assist in the inclusion of all required procedures that are in addition to the requirements of this policy.

In the event a specific procurement procedure is required to be in writing, pursuant to grant rules and regulations, when the City is procuring an item which is funded in whole or in part by grant funds, the City Manager shall have the authority to authorize the amendment of this Procurement Policy by supplement to incorporate the special requirements of that procurement, such requirements however shall not alter the dollar thresholds as set forth herein, or violate any existing ordinances or resolutions of the City.

**3.5 Computer Related Items.** Purchases of computer-related equipment/software must be made via the ITS Department unless the Chief Technology Officer (CTO) delegates certain purchases to certain departments. All purchases shall be in

compliance with the procurement policy contained herein. Prior approval of the CTO or designee is required to purchase, transfer or dispose of any computer software or related hardware.

**3.6 Capital Asset Items.** Departments are responsible for following the City's Capital Asset Policy when accepting and receiving any item that meets the definition of a capital asset. An item is a capital asset if:

- a. It is tangible in nature;
- b. Has a useful life longer than two years; and
- c. Has a value exceeding \$5,000.

**3.7 Sensitive Asset Items.** This is defined as an asset with a value below the capitalization threshold which could easily be adopted for personal use or converted into cash, including property for which theft, loss, or misplacement could be dangerous to the public safety or community security. Sensitive asset property must be subject to physical security, protection, control and accountability. Examples of sensitive asset items include but not limited to:

- a. Fire Arms and Weapons;
- b. Computers;
- c. Cellular Phones; and
- d. Audio visual equipment.

**3.8 Licenses.** City vendors shall secure licenses as may be required by City ordinance or other applicable law and pay all associated charges and fees. A current City of Lee's Summit, MO, Business License shall be required, unless exempted by City ordinance. Before the issuance of any purchase order, contract or agreement, proof of a business license (i.e. xerographic copy of the paid receipt or of the actual license) shall be provided to the applicable contracting or ordering department. Said applicable contracting or ordering department shall keep said license on file. A business license shall not be required if the vendor's place of business does not reside in the City of Lee's Summits' city limits and is only delivering products or equipment.

**3.9 Permits.** Any City municipal building permits required for City building/construction projects shall be provided by the City at no cost to the vendor.

**3.10 Insurance Requirements.** If applicable, vendors shall provide a certificate of insurance in accordance with all stipulated requirements.

**3.11 Vendor Requirements.** To be placed in the City's ERP system as a vendor, vendors are required to provide a Federal W-9 and a completed City's Vendor Information Form to the applicable ordering/contracting department. Said forms are to be provided to the City's Accounts Payable Division so vendors can be established in the City's ERP software system.

**3.12 Transaction(s).** All transactions performed by City personnel shall be in compliance with this policy. It is the responsibility of City personnel to utilize the proper procurement and/or solicitation method for a single transaction or multiple transactions based upon estimated annual spend.

**3.13 Work Authorization and E-Verify.** For any contract for services greater than \$5,000, the successful bidder shall comply with § 285.530, RSMo, as amended, and (1) provide by sworn affidavit affirmation that it does not knowingly employ any person who is an unauthorized alien and (2) provide documentation affirming its enrollment and participation in a federal work authorization program with respect to the employees working in connection with this contract. The required documentation affirming enrollment must be from the federal work authorization program provider. Letter from respondent reciting compliance is not sufficient. When applicable, solicitations shall require the signed and notarized Work Authorization Affidavit and the electronic signature page from the E-Verify program prior to the issuance of a contract.

#### **SECTION 4. PROCUREMENT METHODS AND DOLLAR THRESHOLDS**

**4.1 Approved Procurement Methods.** The City department conducting the solicitation will work with the Procurement and Contract Services Division as needed to determine the appropriate solicitation process. Approved methods of procurement are the utilization of established contracts and agreements, unrestricted, quotes, informal bids/solicitations, or formal

bids/solicitations. These methods enable the procuring department(s) to achieve the maximum in efficiency and convenience, the utilization of economy of scale whenever possible as well as maintaining the necessary checks and balances to protect the utilization of public funds. All procurement methods shall be performed in compliance with this policy.

**4.2 Types of Procurement Methods and Dollar Thresholds.** Items not available on an existing City contract or authorized as an emergency purchase may be purchased by departments in accordance with the following:

4.2.1. **Unrestricted: \$.01 to \$2,999.99** - Departments are strongly encouraged to obtain the lowest cost through cost comparisons. This method requires approval as determined by the specific department.

4.2.2. **Request for Quotations (RFQ): \$3,000.00 to \$9,999.99** – City staff shall secure a minimum of three (3) quotations (if possible) from vendors if the item being procured is not available on an existing contract and if a sufficient number of vendors are available. This method requires approval by the Department Director or designee.

4.2.3. **Informal Bids/Solicitations: \$10,000.00 to \$49,999.99** – All informal solicitations within this dollar range shall be submitted to a pre-determined vendor list and may be broadcast on the internet. This method requires approval of a contract by the City Manager.

4.2.4. **Formal Bids/Solicitations (IFB): \$50,000.00 and over** – All solicitations for this dollar range shall be appropriately advertised, broadcast and received either in hard copy or electronically via a City approved Electronic Bidding System as determined by the department unless state or federal law governing a specific procurement provides otherwise. This method requires approval of a contract by the City Council.

## **SECTION 5. TYPES OF CONTRACTS/AGREEMENTS**

**5.1 One-Time Purchase Contract/Agreement.** This is a contract/agreement for the procurement of a good or service that covers no more than one purchase unless multiple purchases of the same product are indicated for a short duration.

**5.2 Term Contract/Agreement.** These are contracts/agreements in which a source of supply or services is established for a specified period of time with established specific pricing, which the City intends to use on an as-needed basis. Purchases must be within the using Department's approved budget.

**5.3 Term Professional Service Agreement or Construction Contract.** A term professional service agreement or Construction Contract is a contract/agreement for services such as engineering, architectural, land surveying, consulting, construction or other specialized or technical services in which a source of supply is established for a specified period of time for specified services all at a predetermined unit price. When utilizing a term professional services agreement or construction contract, the using department personnel shall confirm the work is within the general scope of the agreement and validate rates and unit costs applicable to the required work.

- a. For a defined scope of work, staff will obtain a quote before authorizing the provider to proceed.
- b. Confirm in writing the applicable rates or other costs contained in the agreement that will be used for work performed on an hourly or other unit price basis.
- c. The cost of any single task authorized by the department director must be less than \$50,000.
- d. Tasks costing \$50,000 or more must go through the City Council approval process.

**5.4 Piggyback (Piggyback Cooperatives).** A form of intergovernmental cooperative procurement in which an entity will be extended the pricing and terms of a contract entered into by another entity. Generally an entity will competitively bid and award a contract that will include language allowing for other entities to utilize the contract which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own. In this type of contract the City is not necessarily a party to the contract.

The City Manager shall have the authority to approve the City's participation in any piggyback contract(s) if estimated annual spend is less than \$49,999.99. City Council approval shall be required if the estimated annual spend exceeds \$50,000.00.

**5.5 Cooperative Contracts.** Contracts established when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits. In this type of contract the City would be a party to the contract. The City Manager shall have the authority to approve the City's participation in any cooperative

contract(s) if estimated annual spend is less than \$49,999.99. City Council approval shall be required if the estimated annual spend exceeds \$50,000.00.

**5.6 Revenue Generating Contract/Agreement.** A contract/agreement that generates revenue for the City rather than the expenditure of City funds.

**5.7 Requirement for City Council Approval.** Unless otherwise stated herein, all contracts in which the City is expending \$50,000.00 or more, or is anticipated by City staff to result in commission from a vendor of \$50,000.00 or more shall be subject to approval by the City Council.

## **SECTION 6. CONTRACT AMENDMENTS**

A Contract Amendment is necessary when there is a change in the quantity, cost, or scope of the item, service or work provided under the contract.

**6.1 Changes to Non-Construction Contracts.** Contract amendments shall be in writing and executed by all parties.

6.1.1. Changes resulting in total contract amount of \$49,999.99 or less must be approved by the applicable Department Director or their designee and executed by the City Manager.

6.1.2. Changes resulting in a total contract amount of \$50,000.00 or more must be approved by the City Council and executed by the City Manager.

**6.2 Change Orders to Construction Contracts.**

6.2.1. **Contracts \$500,000.00 and Greater:** For changes in quantities, materials, or costs not associated with a change in the contract scope, or change orders up to a cumulative total increase of five percent (5%) or less of the original contract amount must be approved by the appropriate Department Director and the City Manager. Change orders resulting in a revised contract amount exceeding five percent (5%) of the original contract, any single change order for an increase of \$100,000.00 or more, or any change in contract scope must be approved by the City Council. Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.

6.2.2. **Contracts less than \$500,000.00:** For changes in quantities, materials, or costs not associated with a change in the contract scope, or change orders up to a cumulative total increase of ten percent (10%) of the original contract amount must be approved by the appropriate Department Director and the City Manager. Change orders resulting in an increase to the revised contract amount exceeding ten percent (10%) of the original contract, any single change order for an increase of \$50,000.00 or more, or any change in contract scope must be approved by the City Council. Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.

**6.3 Change Authorizations for Construction Contracts.** When total change orders exceed the percentages outlined above, and, due to the stage of construction in progress or to prevent a lengthy delay in a project, the applicable Department Director, with the approval of the City Manager and with notification to the appropriate City Council committee chairperson, can issue a Change Authorization. The change authorization must be incorporated into a formal change order and presented to City Council for ratification at the next available meeting.

**6.4 Changes in Contract Time.** For changes in contract time not associated with a change in contract scope, additional time up to a cumulative total of ten percent (10%) of the original contract time must be approved by appropriate Department Director and the City Manager. Change orders resulting in a revised contract time exceeding ten percent (10%) of the original contract time, a single change order increasing contract time by 30 days or more, or any change in contract time due to a change in scope must be approved by the City Council. Any change order resulting in a decrease in contract time must be approved administratively by the appropriate Department Director and the City Manager.

**6.5 Modifications to One Time Design Consultant Contracts.** For modifications to one-time contracts for design of capital projects, changes in cost of services, not associated with a change in the contract scope, up to a cumulative total increase of five percent (5%) or less of the original contract amount must be approved by the appropriate Department Director and the City Manager. Modification resulting in a revised contract amount exceeding five percent (5%) of the original contract, any single modification for an increase of \$100,000.00 or more, or any change in contract scope must be approved by the

City Council. Any modification resulting in a decrease in cost must be approved administratively by the appropriate Department Director and the City Manager.

## **SECTION 7. SOLICITATION PROCESSES**

### **7.1 Request for Quotes (RFQ).**

7.1.1. The City department conducting the solicitation should identify the specific good or service to be quoted. The Department should identify any applicable special requirements that could include but not limited to the following: Current Prevailing Wage and incremental increase, City Business License, Certificate of Insurance (COI) naming the City as additionally insured under general liability, additional insurance requirements, Federal Work Authorization Affidavit and E-Verify Signature page (only for **services** that are \$5,000.00 or more), shipping and handling cost if not included in unit price, and estimated delivery time after receipt of order.

7.1.2. Requests for quotes may be made by any method conducive to providing all necessary information for soliciting a response. An actual quote should be provided by the potential vendor via email, fax or mail to insure that the goods or services quoted meet the requirements of the solicitation as well as the expectation of the requestor.

7.1.3. The City department conducting the solicitation shall utilize the Procurement and Contract Services Quote Form located on the City's intranet to summarize the quotes received. The completed Quote Form and any attachments (including individual submittals) associated with the Quote Form shall be approved by the applicable Department Director or designee and forwarded to the applicable Procurement Officer after the requisition has been entered and approved so it can be attached to the purchase order via the City's (ERP) system. The requisition number shall be identified on the Quote Form.

7.1.4. If a quote is chosen from a new vendor, a W-9 and vendor information form must be submitted to Accounts Payable.

**7.2 Bidding.** The City department conducting the solicitation shall determine the appropriate solicitation method in compliance with this policy. If assistance is requested, Procurement and Contract Services staff will meet with the City department conducting the solicitation to assist in determining the appropriate method of procurement. This meeting may also identify any special requirements, establish the tentative timeline for the project, estimate costs, define roles, and identify possible suppliers. The meeting will also determine which division/department will be responsible for preparing specifications and other bid documents. If documents are prepared by Procurement and Contract Services staff they will be submitted to the department conducting the solicitation for review and approval prior to letting.

7.2.1 Every bid shall state the closing date and time after which bids will not be accepted. The City department conducting the solicitation is authorized to extend the closing date for any bid if all responding bids have remained sealed, and if notice of the extension is provided to all potential vendors prior to the original opening time.

7.2.2 Bids shall be evaluated by the City department conducting the solicitation. The bid shall be awarded to the lowest, most responsive/responsible bidder, including consideration of any incentives, early payment discounts, buy-back provisions, or life cycle costs or other specified evaluation criteria included in the bid document that is deemed to be in the best interest of the City upon the recommendation and approval of the City department conducting the solicitation or their designated representative.

7.2.2.1. Informal Bidding – The City department conducting the solicitation will distribute the specifications to a minimum of three potential vendors (when possible). Written or electronic bids shall be required as stipulated in the informal bid document. Informal Bids between \$10,000.00 and \$49,999.99 may be broadcast on the internet.

7.2.2.2. Formal Bidding – On formal bids, appropriate advertisement is required. Performance, payment bonds, and bid bonds may be required. City Council approval is required on all formal bid recommendations for award of \$50,000.00 and over.

**7.3 Requests for Proposal (RFP).** Every RFP shall state the closing date and time until such proposals will be accepted. If the request has an indefinite closing date and will remain open until a satisfactory proposal is received, the request shall so state. The City department conducting the solicitation is authorized to extend the closing date for any RFP if all responding proposals have remained sealed and notice of the extension is provided to all potential respondents prior to the original closing time.

7.3.1. Selection Committee – A selection committee shall be established by the Project Manager to review the proposals and rate each firm according to the evaluation criteria established in the Request for Proposal.

7.3.2. Evaluation Process – The committee shall use the evaluation criteria established in the RFP. A two-step process may be used whereby the selection committee will first rate each proposal received on criteria established in the Request for Proposal. The composite scores of the committee will be used to determine the top rated firms which may be interviewed. If interviews are conducted, the firms are rated after the interviews and a second composite score recorded. The interview composite score sheet will be used to determine the highest rated respondents interviewed.

7.3.3. Evaluation Criteria-Best Value Procurement – The evaluation criteria shall be determined as a part of the RFP, which may include, but not be limited to, evidence of experience, reliability, references, expertise of firm, expertise of key personnel, and project approach. Cost may or may not be an evaluation criteria depending upon the nature of the project, but shall be predefined in the RFP document.

7.3.4. Negotiation Process – Upon determining the highest rated respondent, the Department Director or designated representative will then begin negotiations with the respondent receiving the highest score. If the City is unable to negotiate mutually agreed upon terms with the top rated respondent, the City shall begin negotiations with the second rated respondent, and so forth until mutually agreed upon terms are reached. After said terms have been reached, the City should request a fully executed best and final offer (BAFO) from an authorized agent of the selected firm to document any changes made during the negotiation process. Said BAFO shall be incorporated into the applicable contract/agreement.

7.3.5 Whenever construction management services are needed, the Department Director or the Project Manager shall prepare a Request for Proposal (RFP) which may include:

1. Fees for overhead and profit;
2. Reimbursable costs for reimbursable items as defined in the City's request for proposal;
3. Qualifications;
4. Demonstration of ability to perform projects comparable in design, scope and complexity;
5. Demonstration of good faith efforts to achieve compliance with federal, state and local affirmative action requirements, if applicable;
6. References of owners for whom construction management services have been performed;
7. Financial strength;
8. Qualifications of in-house personnel who will manage the project; and
9. Demonstration of successful management systems which have been employed for the purposes of estimating, scheduling and controlling costs.
10. The solicitation file shall contain documentation of the basis for respondent selection.

**7.4 Invitation to Negotiate (ITN).** The City may procure commodities and contractual services by an ITN. An ITN is used when the goals or problems can only be generally described in the scope of work. Respondents provide proposed solutions to the problem or methodologies to achieve the desired goal.

7.4.1 The ITN shall include: (1) a statement of the commodities or contractual services sought; (2) the time and date for the receipt of replies and the public opening as provided in the ITN document; (3) the primary terms and conditions applicable to the procurement, including the criteria to be used in determining the acceptability of the reply; (4) the time frames for completion of the work, including renewal periods, if applicable, and (5) the format for the recommended pricing structure.

7.4.2 A response is generally evaluated for its technical merit, innovative methodology, experience, and cost within the limitations set forth in the ITN. It differs from an RFP in that responses may be refined during the negotiation and evaluation process prior to making an award of the contract. Proposals may be ranked at any point in the evaluation process when the Evaluation Team determines it has received sufficient information from respondents. Ranking is not required prior to negotiations. The City may negotiate concurrently with multiple respondents selected for negotiations.

7.4.3 The City may select one or more respondent(s) upon the conclusion of negotiations. At the conclusion of negotiations, the City should request a fully executed best and final offer (BAFO) from an authorized agent of the selected firm(s) to document any changes made during the negotiation process. Said BAFO shall be incorporated into the applicable contract/agreement. When concurrent negotiations are held, BAFOs should be obtained from all respondents participating in the negotiations prior to final evaluation and recommendation of award.

The City may award contract/agreement(s) to one or more responsible respondent(s) based on the BAFOs the City determines who will provide the best value and best meet the City's objectives.



7.4.4 The solicitation file shall contain documentation of the basis for respondent selection, setting forth the deliverables and price pursuant to the contract/agreement, and explaining how these deliverables and price meet the objectives of the solicitation.

**7.5 Qualifications Based Selection (QBS).** The QBS process must be used for selection of professional services consultants for architecture, engineering, land surveying and landscape architecture in accordance with state statutes. The City also uses QBS in the selection of design-build teams due to the professional service providers included in the team. QBS may be used for other types of services allowed by law and determined by the Project Manager.

7.5.1 Whenever architectural, engineering, land surveying, landscape architecture or design-build services are needed, the Department Director or designated representative of the City department conducting the solicitation shall prepare a Request for Qualifications (RFQ). The RFQ will include a description of the project or services required and the criteria to be used in evaluating responses from interested professionals. Criteria should be tailored for the specific project or services needed and may include such items as:

- The specialized experience and technical competence of the respondent with respect to the type of services required;
- The capacity and capability of the respondent to perform the requested work;
- The past record of performance of the respondent with respect to such factors as control of costs, quality of work, and ability to meet schedules;
- The respondent's familiarity with the area in which the project is located.
- The respondents understanding of the required services and specific ways in which the firm is most qualified to provide those services.

7.5.2 For design-build RFQs the criteria may also include a list of architects, engineers, land surveyors, contractors, etc. proposed to provide services and their applicable hourly rates.

7.5.3 When an RFQ is used, a selection committee shall be established by the Department Director or the Project Manager to review the qualifications. Each committee member will rate each respondent's response according to the criteria set forth in the RFQ. The ranking of respondents by the committee will be used to determine the top rated respondent, which may be interviewed at the discretion of the Department Director or the Project Manager. If interviews are conducted, the respondents are again rated after the interviews according to the criteria and a final ranking by the committee will determine the most responsive and qualified respondent(s). The solicitation file shall contain documentation of the basis for selection.

7.5.4 If the Department is unable to negotiate a satisfactory contract with the selected respondent, those negotiations shall be terminated. Negotiations shall then commence with the second ranked respondent. If there is failure to reach agreement with the second respondent, the process will repeat until a contract has been successfully negotiated. At the conclusion of negotiations, the City should request a fully executed best and final offer (BAFO) from an authorized agent of the selected firm(s) to document any changes made during the negotiation process. Said BAFO shall be incorporated into the applicable contract/agreement. If there is a failure to negotiate a contract with any of the respondents, the Department shall reevaluate the necessary services and scope of work and re-issue a revised RFQ if appropriate and proceed in accordance with the provisions of this article.

7.5.5 For design-build services, contracts may be negotiated as two separate agreements: 1. For preliminary design-build services and; 2. For final design-build services, or a single initial contract for all services.

**7.6 Requests for Information (RFI).** RFIs can be utilized prior to preparing bid documents, RFPs or RFQs.

## **SECTION 8. NON-SOLICITATION TYPE OF PROCESSES**

**8.1 Unrestricted.** Departments procure goods or services not available through existing contracts and are less than \$2,999.99.

**8.2 Emergency Purchase.** Immediately upon determining that an emergency situation exists, as defined in Section 1, and prior to contacting vendors for supplies and services, the Procurement and Contract Service Manager shall determine the appropriate course of action. The Procurement and Contract Services Manager (CPO) or designated representative shall determine whether the purchase can be made utilizing an existing procurement contract on a timely basis or securing a

minimum of three (3) quotations from vendors, if a sufficient number of vendors and adequate amount of time is available. Emergency purchases shall be made with as much competition as practical under the circumstances. Departments must submit emergency purchases on the appropriate form and must include an explanation of the emergency.

8.2.1 The Procurement and Contract Service Manager (CPO) shall have the authority to approve all emergency purchases \$24,999.99 and below. Emergency purchases \$25,000.00 to \$49,999.99 require the approval of the City Manager. An emergency purchase that exceeds \$50,000.00 shall be presented to City Council by City Staff at the earliest opportunity after purchase has been made.

8.2.2 In certain emergency situations, the City Manager shall have the authority to execute an emergency contract modification where approval by the City Council would otherwise be required. The City Manager shall only execute the emergency modification if the work qualifies as an emergency and the overall budget is not exceeded. The emergency modification shall be submitted to the City Council by the City Manager for ratification at the next available Council meeting.

8.2.3 During periods of a “declared city emergency” by the Mayor, purchases may be made in accordance with the City’s Emergency Operations Plan.

**8.3 Sole Source.** The Procurement and Contract Services Manager (CPO) may waive the requirement of competitive bids or proposals for supplies/services when he/she has determined in writing the following conditions:

- a. supplies or services are proprietary and only available from the manufacturer or a single distributor;
- b. based on past procurement experience, it is determined that only one (1) distributor services the region in which the supplies are needed;
- c. supplies or services are available at a discount from a single distributor for a limited period of time; or
- d. A firm has significant previous or specialized knowledge on a proposed project that would result in significant monetary and/or time savings in completion of the project.

8.3.1 Sole source purchases shall be subject to approval as follows:

- \$.01 – \$9,999.99: Department Director and the Procurement and Contract Services Manager (CPO) prior to purchase
- \$10,000.00 - \$49,999.99: City Manager prior to purchase, with written recommendation from the above.
- \$50,000.00 and over: City Council prior to purchase with written recommendation from the above.

**8.4 Exempt Transactions.** Specific types of transactions are deemed to be ineligible for competitive pricing and are therefore exempt from the procurement policies defined herein. These transactions include:

- Utilities
- Advertising
- Professional memberships, sponsorships, or training
- Subscriptions to professional publications
- Travel reimbursement and direct payments to travel related vendors
- Maintenance and/or support contracts with vendors pertaining to software or hardware, which are required in order to maintain warranty compliance or the continuation of licensing and/or maintenance agreements
- Payments made in connection with risk management claims

## **SECTION 9. REAL PROPERTY PROCESSES**

### **9.1 Sale or Lease of Real Property.**

- a. All sale or lease of real property and any contracts pursuant hereto shall be subject to approval by the City Council.
- b. Prior to City staff actively marketing real property for sale or lease, the City Manager shall seek approval from the City Council regarding the method(s) used to market said property.

### **9.2 Acquisition of Interests in Rights-of-Ways and Easements.**

- a. As used in this article, the following terms shall have the described meaning:
  1. *Settlement Amount* - the amount to be paid by the City in consideration of receiving a property interest from a property owner.

2. *Appraised Value* - the fair market value of the subject property as determined by the City's qualified appraiser and may include replacement and/or relocation costs of amenities or facilities located within the real estate tract to be acquired.
3. *Excess Amount* – the difference between the Settlement Amount and the Appraised Value.
4. *Property* – legal interests in real estate acquired for public purposes.

b. Staff is authorized to acquire property administratively when the following conditions are met:

1. The property is needed in order to proceed with a project that is part of the Capital Improvement Program that has been approved by the City Council; and,
2. Funding for said project has been included in the current capital or annual budget approved by the City Council.

c. Administrative Procedures for Acquisition

1. If the proposed Settlement Amount is equal to or less than the Appraised Value, the City Manager or designee may approve the acquisition of the property, regardless of amount.
2. If the Excess Amount is less than or equal to \$10,000.00, the City Manager or designee may approve the acquisition of the property.
3. All other proposed acquisitions must be presented to the City Council for approval.

d. The City Manager, Mayor or designee is authorized to execute all documents necessary to carry out the intent of this policy.

e. All deeds, agreements and other documents used for an acquisition under this policy must be approved by the City's Law Department.

### **9.3 Purchase of Real Property-Fee Simple:**

- a. The purchase of real property in fee simple shall not be subject to the solicitation requirements set forth herein.
- b. The purchase of real property in fee simple in the amount of \$50,000.00 or more shall be subject to City Council approval.

## **SECTION 10. PAYMENT AND PROCUREMENT METHODS AND PROCEDURES**

**10.1 Petty Cash.** Petty cash shall only be used for purchases ranging from \$.01 to \$50.00.

**10.2 Procurement Card (P-Card).** P-Cards may be used to make purchases in accordance with this policy and the P-card policy.

**10.3 Payment Information Form (PIF).** A PIF may be used for payment of supplies or services **only when a purchase order or P-card cannot be utilized.** PIFs are to be submitted to Accounts Payable with the invoice and any other supporting documentation. PIFs are located on the intranet under Online Forms for the Finance Department.

**10.4 Purchase Orders.** Supplies and services that are not procured utilizing a P-Card or paid for using petty cash or a Payment Information Form (PIF) shall be procured with the issuance of a purchase order.

10.4.1 A requisition must be entered into the City's ERP system by the Department prior to a purchase order being issued by Procurement and Contract Services. Procurement and Contract Services will generate a Purchase Order document from the approved requisition information.

10.4.2 An inverted purchase order is a type of purchase order issued for multiple contract items that will be purchased, received, and invoiced over a period of time. The inverted purchase order will remain open with 'draws' or invoices paid from said purchase order. Inverted purchase orders should only be issued after consulting with Procurement and Contract Services and Finance to make sure that its utilization will meet all of the needs of the requestor.

10.4.3 If a Purchase Order was issued for an amount of \$49,999.99 or less and was placed less than one hundred eighty (180) days of the date of the original quote, departments are authorized to repeat an order for a maximum amount of \$25,000.00, provided that the supplier agrees to the original quote terms and pricing. When repeating an order, and prior to placing the order, the department must enter a new requisition (referencing original quote) into the ERP system for Procurement and Contract Services to create a new purchase order.

## **SECTION 11. RECEIVING, DELIVERY, FREIGHT and PRODUCT TESTING**

**11.1 Delivery and Receipt of Goods and Services.** The City of Lee's Summit uses decentralized receiving. City Departments are responsible for receiving goods and services they have ordered or had ordered for them either by physical signature or via the ERP system dependent upon the payment type to be utilized. Their physical signature or electronic signature in the ERP system indicates they have accepted the item or service and that it is in the correct quantity, size, and color and is in satisfactory working condition. Departments via their representative(s) are required to inspect the delivery and make note if there are external signs of damage. Internal damage or missing items shall be reconciled with the supplier and Procurement and Contract Services immediately. When items are delivered to City Departments, the only paperwork to be signed is the delivery notice. City Departments may conduct the receiving process in the ERP system which may not require paper transfers between departments. Any other vendor/supplier purchase order, document, contract, warranty, maintenance agreement, etc. are NOT to be signed at delivery. Department representatives should review aforementioned documents with applicable procuring department upon receipt of documents.

**11.2 Freight/Shipping on Orders.** The City shall use F.O.B. Destination as its primary freight or shipping designation.

**11.3 Product Testing/Demonstrations.** Product demonstrations may be held as deemed appropriate without prior approval of Procurement and Contract Services. In no event shall the retention of a test item by the City be evidence of intent to purchase said item.

## **SECTION 12. BID PROTESTS**

This procedure is intended solely as an attempt to provide bidders with the opportunity to communicate perceived issues to the City department conducting the solicitation. It is not intended to create any legal right, cause of action, property interest or independent means of redress that does not otherwise exist under Missouri law. It shall not serve to abrogate or effect the City's exclusive right to determine the lowest and most responsible bidder in any particular bid situation. Any correspondence initiated by, that involves or may involve legal representation shall be addressed to and handled by the City's Legal Department.

**12.1 Right to Protest.** Any actual or prospective bidder who is aggrieved in connection with the solicitation or award of a contract may protest to the applicable City department conducting the solicitation. The protest shall be submitted in writing to the City Clerk within 48 (forty-eight) hours after such aggrieved person knows or should have known of the facts giving rise thereto. The protest shall identify specific issues that are being protested and the facts that the protestor believes support the claim. It is the protestor's responsibility to establish his/her case. If and when the applicable City procuring entity is directly involved in the procurement action then the Director of Finance shall review the case and respond within the timeframe stated above.

**12.2 Review of Protest.** The Department Director of the City department conducting the solicitation shall have the authority to resolve a protest of an aggrieved bidder concerning the solicitation or award of a contract.

**12.3 Decision/Notice of Decision.** The applicable Department Director or Procurement and Contract Services manager, whoever was responsible for the solicitation, shall issue a decision in writing within three (3) business days of actual receipt of the protest. The decision shall state the reasons for the action taken. A copy of the decision shall be mailed or otherwise furnished immediately to the protestor.

**12.4 Appeal.** A protestor may appeal the decision by submitting a written appeal to the City Manager within five (5) business days of the date of the Department Director decision. The written appeal shall state with specificity the facts supporting the protestor's position. The appeal shall be reviewed by the City Manager or designee, who will issue a decision in writing within five (5) business days of receipt of the protestor's timely filed written appeal.

**12.5 Finality of Decision.** A Director's decision shall be considered final and is not subject to appeal or further consideration unless a timely appeal is filed. In the event of a timely appeal, the decision of the City Manager, or designee, shall be considered final and not subject to appeal or further consideration.

**12.6 Stay of Procurements during Protest.** In the event of a timely protest, the City of Lee's Summit shall not proceed further with the solicitation or with the award of the contract until the protest process is complete, unless the City Manager makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the City.

### **SECTION 13. OTHER PROTESTS AND DISPUTES**

**13.1 Protests of Non-Bid Solicitations.** Any protest regarding a non-bid competitive solicitation, such as RFP, QBS or ITN process, shall follow the same steps as previously outlined for bid protests.

**13.2 Disputes with Vendors.** City staff involved in the disputed procurement shall notify Procurement and Contract Services or the City department conducting the solicitation in a timely manner, concerning any complaint or dispute regarding an order, delivery, specification, defective supplies or poor performance by a supplier. Any decision concerning an attempt to cancel a contract or an attempt to resolve a dispute regarding defective products or unacceptable services shall be made jointly by Procurement and Contract Services and the City department conducting the solicitation. Any correspondence with suppliers shall be conducted via the Procurement and Contract Services Manager (CPO).

**13.3 Disputes between Departments and Procurement and Contract Services.** In the event a procurement dispute arises between the requesting Department and Procurement and Contract Services, the Finance Director supervising the Procurement and Contract Services Division shall make the final decision. If the Department Director of the requesting Department does not agree or accept the decision of said Finance Director, the requesting Department Director and the Finance Director may discuss the issue with the City Manager, or his designated representative and the City Manager or his designee shall make the final decision.

### **SECTION 14. DISPOSAL OF PROPERTY (OTHER THAN REAL PROPERTY)**

Department Director or designated representative determines property (other than real property) is no longer needed. Procurement and Contract Services is sent written notification with detailed information of surplus items. Procurement and Contract Services Manager (CPO), Department Director and/or designee will determine the best method for disposal. Once a disposal method is determined the Procurement and Contract Services Manager (CPO) or designated representative will coordinate the process. The following methods will be used for disposal of surplus property:

- Sell by requesting sealed bids.
- Trade-in as part of a bidding process.
- Sell through electronic auctioning process.
- Donate to an approved centralized not-for-profit clearinghouse such as Surplus Exchange Group to be picked up at no charge to the City (only after items have gone through two auction cycles with the City's e-Surplus auction service).
- Dispose of at the City's designated landfill if the property has no value.

**QUICK REFERENCE GUIDE**

**Procurement Method**

|   |  |
|---|--|
| <p><b>Unrestricted</b><br/>\$ .01 - \$2,999.99</p>                    | <ul style="list-style-type: none"> <li>• Quotes not required, cost comparison encouraged</li> <li>• Department administers</li> <li>• Department Director or designee authorization required to purchase</li> <li>• P-Cards may be utilized</li> </ul>   |
| <p><b>Quotes</b><br/>\$3,000.00 - \$9,999.99</p>                      | <ul style="list-style-type: none"> <li>• Three (3) quotes required if item is not available from an existing contract and if sufficient vendors are available</li> <li>• Department administers</li> <li>• Department Director or designee authorization required prior to purchase</li> <li>• ERP System Utilized – Department must enter requisition before order is placed</li> <li>• If sole source, a sole source form must be signed with required approvals obtained prior to purchase</li> </ul> |
| <p><b>Informal Bid/Solicitation</b><br/>\$10,000.00 - \$49,999.99</p> | <ul style="list-style-type: none"> <li>• Informal bid/solicitation process required</li> <li>• City department conducting solicitation authorization required</li> <li>• City department conducting solicitation and Department Director authorization required prior to purchase</li> <li>• Broadcasted electronically via the internet if deemed necessary</li> </ul>  |
| <p><b>Formal Bid/Solicitation</b><br/>\$50,000.00 and Over</p>        | <ul style="list-style-type: none"> <li>• Formal process required</li> <li>• City department conducting solicitation administers</li> <li>• City department Director in charge of conducting solicitation, City Manager and City Council approval required prior to purchase</li> <li>• Broadcasted electronically via the internet and e-bidding system</li> </ul>   |
| <p><b>Purchase Order</b></p>  | <p>Always required for purchases with the exception of:</p> <ol style="list-style-type: none"> <li>1. Capital Project progress payments</li> <li>2. Petty Cash purchase</li> <li>3. P-Card purchase</li> <li>4. Utilization of a Payment Information Form (PIF)</li> </ol>   |
| <p><b>Inverted Purchase Order</b></p>                                 | <p>Set up for commodity/service/construction contract purchases – reduces the need for additional purchase orders against contract</p> <p>-Inverted purchase orders should only be issued after consulting with Procurement and Contract Services and Finance to make sure that it's utilization will meet all of the needs of the requestor</p>   |
| <p><b>P-Card</b></p>  | <p>-Procurement and P-Card Policies must be adhered to</p>   |

| <b>Payment Method</b>           | <b>\$ Dollar Range</b> | <b>Conditions</b>   |
|---------------------------------|------------------------|---|
| <b>Petty Cash</b>               | \$ .01 - \$50.00       | -Reimbursed with receipt by supervisor  |
| <b>Payment Information Form</b> | No dollar limits       | -To be used for miscellaneous expenses, limited to recurring charges such as utility bills, seminar registration, insurance, etc. |

# CITY OF LEE'S SUMMIT

## PURCHASING POLICY MANUAL



March 2006

**PURCHASING MANUAL**  
**DIVISION OF PURCHASING**  
**CITY OF LEE'S SUMMIT MISSOURI**

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**I. Purchasing Policy Updates.....Section 1**  
(Originally adopted per Resolution No. 99-24, Revised per passage and adoption of Resolution No. 03-07 by the City Council on May 1, 2003

Resolution approving and adopting a Revised City of Lee's Summit Purchasing Policy, by the City Council on May 1, 2003.

Cooperative Programs and Agreements, Revised per Administrative Amendment 05-01, dated November, 2005.

Sale and Lease of Real Property, Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

Policy for the Administrative Acquisition of Rights-Of-Ways and Easements, Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

Change Orders (For other than Construction Contracts), Revised per Resolution No. 06-06, passed and adopted by City Council, March 9, 2006.

Bid Protest, Resolution 07-02 Adopted September 1, 2007 by City Administrator.

Professional Services Contracts-Engineering, Architectural and Land Surveying Services, Resolution 07-03 Adopted August 28, 2007 by City Administrator.

Sole Source, Resolution 08-1 Adopted November 17, 2008 by the City Manager.

Change Orders for Construction Contracts, Resolution 09-01 Adopted February 20<sup>th</sup>, 2009 by the City Manager.



## II. PURCHASING POLICY GOALS

- A. The Purchasing Division provides centralized procurement of goods and services. It is the responsibility of the Purchasing Division to assist city departments in obtaining necessary goods and services at the most economical prices while ensuring compliance with all applicable laws and policies, and maintaining confidence in government expenditures.

## III. BUSINESS PURCHASING CARD PROGRAM

- A. Any purchase made pursuant to the Business Purchasing Card Program shall be made in accordance with the terms of the process manual for the Business Purchasing Card Program, and applicable Purchasing Policy provisions.
- B. Any purchases currently being made pursuant to the process for Purchases \$0 to \$250 at Facilities with Charge Accounts may continue until users of that process begin using a Business Purchasing Card.

## IV. DEFINITIONS

CONSTRUCTION - the process of building, altering, repairing, improving or demolishing any public structure or facility or other public improvement of any kind.

CONTRACT - a legally binding promise enforceable by law, and generally, in writing.

EXISTING PURCHASING CONTRACTS - contracts previously entered into by the City and currently existing for such items, including but not limited to, term and supply contracts, annual contracts, maintenance contracts, and warranty contracts.

FORMAL WRITTEN BIDS - a competitive bid which must be submitted, in response to an advertised request, in a sealed envelope, in a prescribed format, to be opened in public at a specified time.

INFORMAL WRITTEN BIDS - a competitive bid or price quotation for supplies or

services conveyed to the City in writing by sealed bid without requiring advertising.

ITEMS - a product, material or service.

MATERIAL VALUE - a determination made by the Department Director as to the value of an item to be purchased relative to their respective Department budgets.

PROCUREMENT-purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction, including performance of any necessary functions, such as writing specifications, selection and solicitation of sources, preparation and award of contract, and contract administration.

QUOTATION - a statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser by letter, fax, telephone or other means of communication.

REQUISITION - an internal document by which a department sends details of supplies, services, or material required to the Purchasing Division and documentation for authority to commit funds for the purchase.

SCOPE OF SERVICES - a detailed description of the tasks to be performed by the successful bidder.

SPECIFICATIONS - a description of the physical or functional characteristics, or of the nature of a supply, service, or construction item; the requirements to be satisfied by a product, material, or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied, and/or the capabilities and performance characteristics that the item must satisfy.

V. PURCHASING PROCEDURES

A. PURCHASES \$0 TO \$50 AND PAID FROM PETTY CASH

1. Items in this range may be purchased directly by city departments with reimbursement from petty cash funds. The Department Director or designated representative must approve the purchase. Department Director will determine the amount of "petty cash" that shall be available at any given time in the department.

B. PURCHASES \$0 TO \$1000

1. Items in this range and not available on an existing purchasing contract, may be ordered by departments. Prior to placing an order, Departments are encouraged to obtain the lowest cost through cost comparisons and must contact the Purchasing Division for a purchase order number. After placing the order, a requisition must be submitted to the Purchasing Division, which shall include the purchase order number, account number, cost comparisons received, and Department Director or designated representative's signature.

C. PURCHASES \$1000 TO \$3000

1. Items in this range, and not available on an existing purchasing contract, through an approved "sole source", or authorized as an emergency purchase may be ordered by departments. Prior to placing an order, the Department Director, or designated representative shall contact the Purchasing Division to coordinate the purchase. The Purchasing Division will briefly summarize purchasing techniques, including a reminder to fully inquire about terms, freight charges and discounts, provide the Department with names and numbers of possible sources of supply, if necessary, and provide the department a purchase order number with which to place the order. The Department Director, or designated representatives, or Purchasing Division, if requested by the Department, shall secure a minimum of three (3) quotations from vendors, if a sufficient number of vendors are available.

2. The Department shall submit a requisition to the Purchasing Division within 24 hours of placing the order, which shall include the purchase order number, account number, a description of the item(s) to be purchased, quotations received, and the Department Director or designated representative's signature.
  
3. Departments are authorized to repeat an order for a maximum amount of \$3000, if the order is placed within ninety (90) days of the original quotation, following the Purchasing Division's approval, and provided that the supplier agrees to the same terms as the original purchase. When repeating an order, and prior to placing the order, the department must contact the Purchasing Division for a new purchase order number. A requisition must be submitted to the Purchasing Division, which shall include the purchase order number, account number, a description of the item(s) to be purchased, quotations received, and the Department Director or designated representative's signature.

D. PURCHASES \$3000 TO \$10,000

1. Items in this range, and not available on an existing purchasing contract, through an approved "sole source", or authorized as an emergency purchase, are to be ordered by purchase requisition through the Purchasing Division. The Purchasing Division shall obtain informal written bids. A minimum of three (3) bids shall be solicited, if sufficient vendors are available. All bids are to be received and opened by the Purchasing Division.
  
2. The Department Director or designated representative shall schedule a meeting with the Purchasing Division prior to preparing specifications to determine the method of procurement to be used, identify any special requirements, outline the time line for the project, estimate costs, define roles, and identify possible vendors. The department shall prepare

specifications and submit them, along with the requisition, to the Purchasing Division for review and procurement.

3. The bid shall be awarded to the lowest and best bidder upon the recommendation of the Department Director or designated representative and the approval of the Purchasing Agent or designated representative. The Purchasing Division may repeat an order within these ranges when the previous purchase was made within ninety (90) days of the original order and the seller agrees to the same terms as the previous purchase.

E. PURCHASES OVER \$10,000

1. The items in this range are to be requested by the department by submitting a purchase requisition to the Purchasing Division. The Purchasing Division shall obtain formal written bids, which must be advertised. Certain bonds, including performance, payment, and bid bonds may be required to be submitted when bidding for certain purchases. Purchasing Division will advise departments as to applicable bonds at the preparation meeting set forth in section E.2 below. In addition, the award of purchases in excess of \$20,000 range require City Council approval. All bids are to be received and opened by the Purchasing Division.
2. The Department Director or designated representative shall schedule a meeting with the Purchasing Division, prior to preparing specifications, to determine the method of purchase to be used, identify any special requirements, outline the time line for the project, estimate costs, define roles, and identify possible vendors. The department shall prepare specifications and submit them, along with a requisition, to the Purchasing Division for review and procurement.
3. The bids may be evaluated by the Purchasing Division and/or the Department, at the discretion of the Department Director. The bid shall be awarded to the lowest and best bidder upon the recommendation of

the Department Director or designated representative and the approval of the Purchasing Agent or designated representative. Prior to being placed on the Council agenda, the Department Director or designated representative shall prepare recommendation of award for Council approval. The recommendation must be signed by the Purchasing Agent or designated representative, certifying that all Purchasing policy requirements were met. .

4. "Sole source" purchases, over \$10,000 in price, shall be negotiated upon the approval of the Purchasing Agent, the Finance Director and the City Administrator or their designated representatives. See the Sole Source section of this Policy for additional information.

## VI. CHANGE ORDERS (FOR OTHER THAN CONSTRUCTION CONTRACTS)

Revised per Resolution No. 06-06, passed and adopted by City Council, March 9, 2006

- A. Contracts over \$20,000. In the event there is a change in the scope of services or cost in a contract, the Contractor may request a change order. A change order is an amendment to the contract. The contract amendment should contain the change in scope of services and/or in cost and must go to the City Council for approval.

In certain emergency situations or due to the stage of construction in progress or to prevent a lengthy delay in a project, the Department Director, with the approval of the City Administrator, and with notification to the appropriate City Council committee chairperson, can authorize a change order. After authorizing the change order, the change order is prepared and sent to City Council with a request to ratify the change order. These change orders may involve such issues as additional tasks, deletion of tasks, cost changes, and extensions of time.

- B. Contracts less than \$20,000. In the event there is a change in the scope of services or costs in a contract with an original contract amount of less than \$20,000, the Contractor may request a change order. A change order is an

amendment to the contract. The contract amendment should contain the change in scope of services and/or in cost must be approved by the Department Director and Purchasing Division. These change orders may involve such issues as additional tasks, deletion of tasks, cost changes, and extensions of time.

In the event the change order itself contains costs in an amount in excess of \$20,000, the change order must go to City Council for approval. In the event a series of change orders on a single contract accumulates to an amount in excess of \$20,000, all subsequent change orders, regardless of amount, must go the City Council for approval.

- C. Purchase Orders. Change orders to purchase orders are only allowed if the change is in the cost of the item being purchased. No change orders are allowed for changes in quantity or scope of original purchase order. Changes in quantity or scope are to be purchased with separate purchase order numbers. See applicable price range provisions regarding repeat orders.

Purchase Order Change order cost adjustments in an amount up to \$3,000 requires prior approval of the Purchasing Division.

Purchase Order Change order cost adjustments in an amount up to \$20,000 require prior approval of Purchasing Division and City Administrator.

Purchase Order Change order cost adjustments in an amount over \$20,000 require prior approval of the Purchasing Agent, City Administrator and City Council.

## VII. COOPERATIVE PROGRAMS AND AGREEMENTS

Revised per Administrative Amendment 05-01, dated November, 2005

### 1. COOPERATIVE PURCHASING PROGRAMS

- A. As used in this Article, the term “cooperative purchasing program” refers to programs through which the members of the program may acquire goods and

services in cooperation with other members of the program, thereby saving money on the purchase of goods and services through economies of scale and through the reduction of administrative costs. Subject to the provisions of this Article, the Purchasing Agent is authorized to participate in cooperative purchasing programs with the United States or any agency of the United States; with the State of Missouri or any agency, municipality or political subdivision of the State of Missouri; with other states or any agency, municipality or political subdivision of any other state; or with any association of municipalities or political subdivisions; provided that the cooperative purchasing program follows a competitive bidding process.

- B. From time to time, but not less than each July of each even numbered year, the City Council shall authorize by resolution the participation of the City in any and all Cooperative Purchasing Programs which the Council believe appropriate (the "Approved List"). The Purchasing Division shall be responsible for notifying the departments of current approved cooperative purchasing programs and any limitation or special requirements for their use.
- C. Council approval shall not be required for the purchase of any budgeted items from purchasing programs which are on the Approved List. City Council approval will be required for all purchases of unbudgeted items in excess of \$20,000. Specific unbudgeted items less than \$20,000 may be purchased through a cooperative purchasing program on the Approved List provided an alternative funding source with the respective Department's budget is identified in writing to the Finance Director and City Administrator.
- D. During the annual City budget approval process, if a Department knows a proposed budgeted item will be purchased through a cooperative purchasing program or acceptable purchasing agreement, as defined below, the Department shall provide such information to the City Council.

2. COOPERATIVE PURCHASING AGREEMENTS



- A. The City may procure goods or services pursuant to an acceptable cooperative purchasing agreement. An “acceptable cooperative purchasing agreement” is an agreement between a governmental entity and a third party which meets the following conditions:
1. the contract followed a competitive bidding process and was established in accordance with the laws and regulations applicable to the establishing governmental entity;
  2. the contract contains the same, or better, terms, conditions, specifications and pricing for the respective item that the City Department seeking the acquisition would bid and purchase on its own; and
  3. the contract contains a cooperative purchasing clause (sometimes referred to as a “piggyback” clause) which authorizes other governmental entities to purchase under the contract with the same terms and conditions.
- B. In the event a Department desires to acquire goods or services through a cooperative purchasing agreement, the Department Director or designated representative shall contact the Purchasing Department. The Purchasing Agent, or Purchasing Agent’s designated representative, shall determine whether the proposed agreement is an acceptable cooperative purchasing agreement. After this determination is made the matter shall be forwarded to the City Administrator for review.
- C. The City Administrator is authorized to approve purchases through acceptable cooperative purchasing agreements, subject to the following conditions:
1. City Council approval will be required for all purchases of unbudgeted items in excess of \$20,000.00
  2. Specific unbudgeted items less than \$20,000.00 may be purchased through a cooperative purchasing program provided an alternative funding source with the respective Department’s budget is identified in writing to the Finance Director and City Administrator.
- Council approval shall not be required for the purchase of any budgeted items from acceptable cooperative purchasing agreements.

#### VIII. TERM AND SUPPLY AND ANNUAL CONTRACTS

- A. Term and supply contracts and annual contracts shall be bid through the Purchasing Division following the same procedures established by this policy for other purchases based upon estimated value of contract. The Purchasing Agent shall prepare a recommendation of award for Council approval for all term & supply and annual contracts over \$20,000, based upon the annual value of the contract. In the instance of multiple year contracts, Council approval is not required for the renewal periods when the requested price increase does not exceed the renewal period increase established in the original contract. All multiple year contracts shall contain a clause which states that the Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City , and all provisions of the contract shall be construed so as to give effect to such intent. The Purchasing Division shall be responsible for notifying the departments of all current contracts available for use.
  
- B. The Purchasing Division will provide ordering instructions for each contract as is appropriate for that particular item. After a Department purchases an item from a term and supply or annual contract, the Department shall submit the signed tickets and/or receipts evidencing the purchase directly to the City Accounts Payable Division.

IX. NON-CONTRACT SERVICES

- A. Departments shall contact the Purchasing Division prior to obtaining quotations for any service involving labor, which is not covered by an existing contract to determine the appropriate method of procurement.

- B. If it is determined by the Purchasing Division that bonds, insurance, or prevailing wage are required, the Purchasing Division shall handle the procurement of such service, regardless of cost.

X. PROFESSIONAL SERVICES CONTRACTS-ENGINEERING, ARCHITECTURAL AND LAND SURVEYING SERVICES

Revision 07-03 Approved per City Administrator effective August 28, 2007

- A. Contracts for architectural, engineering and land surveying services shall be negotiated on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable prices. The Purchasing Department shall encourage firms engaged in the lawful practice of the architectural, engineering and land surveying professions to annually submit a statement of qualifications and performance data to the City.
- B. As used in the Article unless the context specifically requires otherwise:
  - 1. "Architectural services" means any service as defined in section 327.091, RSMo.
  - 2. "Engineering services" means any services as defined in Section 327.181, RSMo.
  - 3. "Firm" means any individual, firm, partnership, corporation, associates or other legal entity permitted by law to practice the profession of architecture, engineering or land surveying and provide said services;
  - 4. "Land surveying services" means any service as defined in section 327.272, RSMo.
  - 5. "Protest" means any capital improvement project or any study, plan, survey or program activity of the City, including development of new or existing programs.
- C. Whenever architectural, engineering or land surveying services are needed, the Purchasing Agent and the Department Director, or their designated representatives, shall evaluate current statement of qualifications and performance data of firms on file together with those that may be submitted by other firms regarding the proposed project. Except for those cases in which the required services may be provided through an existing indefinite delivery (aka "on call") contract, the Purchasing Agent or designated representative shall prepare a Request for Qualifications (RFQ) designed to ascertain qualifications of firms that may be interested in providing services for the proposed project.
  - (1) The specialized experience and technical competence of the firm with respect to the type of services required;
  - (2) The capacity and capability of the firm to perform the work in question. Including specialized services, within the time limitations fixed for the completion of the project;
  - (3) The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules;
  - (4) The firm's proximity to and familiarity with the area in which the project is located.When an RFQ is used, a selection committee shall be established by the Department Director or designated representative to review the qualifications.

Each committee member will rank each firm according to the criteria set forth in section C (1-4) of this Article. The composite rating of the committee will be used to determine the three top rated firms, which may be interviewed at the discretion of the Department Director. If interviews are conducted, the firms are again individually rated after the interviews according to the criteria contained in section C (1-4) of this Article and a second composite of the committee's rating of the firms.

The Purchasing Agent and the Department Director, or their designated representatives, shall list three highly qualified firms as determined by the process set forth in this section. They shall then select the firm considered best qualified and capable of performing the desired work and negotiate a contract for the project with the firm selected.. If an RFQ is used, the committee's composite rating shall be used to determine the best qualified firm. For a basic for negotiations the Department Director, or their designated representatives, are unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated. Negotiations shall then commence with another of the qualified firms selected. If there is a failing of accord with the second firm, negotiations with such firm shall be terminated. Negotiations shall then commence with the third qualified firm. If there is a failure to negotiate a contract with any of the selected firms, the Purchasing Agent and the Department Director, or their designated representatives, shall reevaluate the necessary architectural, engineering or land surveying services, including the scope and reasonable fee requirements. again compile a list of qualified firms and proceed in accordance with the provisions of the subsection.

#### XI.-B. SPECIALIZED CONSULTING SERVICE CONTRACTS

A. When a Department determines that specialized consulting services may be necessary regarding a project or program, the Department shall contact the Purchasing Agent or designated representative to determine the appropriate course of action.

B. The Purchasing Agent, or his or her designated representative, with the approval of the City Administrator, or his or her designated representative, may authorize the award of a specialized consulting services contract when the requesting Department has stated in writing that there is a need for such services from the proposed consultant because of specific circumstance which require a unique combination of abilities or expertise to perform . In the event that the contract amount will exceed \$20,000, the contract must be approved by the City Council upon the recommendation of the City Administrator.

#### XII.-C PROFESSIONAL SERVICES CONTRACTS- CONTRACT APPROVAL PROCESS AND CONTRACT MODIFICATION

- A. The Department Director or designated representative shall prepare a recommendation of award for Council approval for all contracts over \$20,000. The recommendation must be signed by the Purchasing Agent, prior to being placed on the Council Agenda, certifying that all requirements were met. Council approval is not required for the renewal of contracts when the requested price increase does not exceed the renewal period increase established in the original agreement or contracts under \$20,000 that may be authorized by the City Administrator. All multiple year contracts shall contain a clause which states that the Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the contract shall be construed so as to give effect to such intent.

Upon approval of the Purchasing Agent and City Administrator, professional services under \$5,000 may be exempt from the Request for Proposal and competitive bidding process.

B. Contract Modifications & Supplemental Agreements

In the event it is necessary to change the scope of services that increases the total compensation for a professional services contract valued at \$20,000 or more or if the change will cause the contract amount to exceed \$20,000, a written contract modification or supplemental agreement shall be approved by the City Council prior to the work commencing. Contract modifications or supplemental agreements that do not cause the total contract amount to exceed \$20,000 may be executed by the City Administrator.

In certain limited emergency situations, the City Administrator shall be given the authority to execute an emergency contract modification or supplemental agreement prior to City Council approval to modify the scope of services. "Emergencies" shall be defined as those unforeseen circumstances that present an immediate threat to public health, welfare, or safety; or when immediate response is necessary to prevent further damage to public property, machinery, or equipment; or when delay would result in significant financial impacts to the City as determined by the Department Director and City Administrator. The City Administrator shall only execute the emergency contract modification or supplemental agreement if the work qualifies as an "emergency" and the overall project budget is not exceeded. The emergency contract modification or supplemental agreement would be submitted to the City Council for ratification at the next available meeting.

XIII A. CONSTRUCTION CONTRACTS

- A. Construction contracts, supervised by City of Lee's Summit personnel, shall be bid through the Purchasing Division in accordance with the procedures

established for other purchases by this policy according to applicable price range.

- B. Construction contracts, supervised by outside consulting services shall be bid in coordination with the Purchasing Division. A bid package shall be reviewed by the Purchasing Division and approved by the Department Director or designated representative. Construction contracts shall be prepared by the consultant. The bid shall be advertised by the Purchasing Division and/or Department. The Consultant or the Purchasing Division, as determined by the Purchasing Division and the Department Director or designated representative, shall distribute the bid package to potential bidders. Purchasing shall receive, record and tabulate the bids and shall certify that bids were opened in compliance with all Purchasing Policy requirements. The final award of the bid shall be communicated to the successful bidder by the Purchasing Division.
  
- C. All construction contracts over \$10,000 must be advertised. All construction contracts in excess of \$20,000 must be approved by the City Council. The Department Director or designated representative shall prepare a recommendation of award for Council approval. Prior to being placed on the Council agenda, the recommendation must be signed by the Purchasing Agent or designated representative, certifying that all purchasing requirements were met.

#### D. CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

Revised per Resolution No. 09-01, approved by the City manager on February 20<sup>th</sup>, 2009.

- 1. Contracts \$100,000 and Greater: For changes in quantities, materials, or costs not associated with a change in the contract scope, change orders up to a cumulative total **increase** of five percent (5%) of the original contract amount must be approved by the appropriate Department Director and the City **Manager**. Change orders resulting in **an increased** revised contract amount exceeding five percent of the original contract, any single change order **for an increase of** \$100,000 or more, or any

change in contract scope must go through City Council for approval. **Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.**

2. Contracts less than \$100,000. For changes in quantities, materials, or costs not associated with a change in the contract scope, change orders up to a cumulative total **increase** of ten percent (10%) of the original contract amount must be approved by the appropriate Department Director and the City **Manager** . Change orders resulting in an **increased** revised contract amount exceeding ten percent of the original contract, any single change order **for an increase of \$10,000 or more**, or any change in contract scope must go through City Council for approval. **Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.**
3. For all contracts. For changes in contract time not associated with a change in contract scope. Change orders up to a cumulative total of ten percent (10%) of the original contract time must be approved by appropriate Department Director and the City Manager. Change orders resulting in a revised contract time exceeding ten percent of the original contract time, and single change order totaling 30 days or more. Or any change in contract time due to a change in scope must be approved by the City Council.

#### XIV C. EMERGENCY PURCHASES

- A. The Purchasing Agent or designated representative may authorize emergency procurement of supplies, services, or construction items when there exists a threat to public health, welfare, or safety; or when immediate repair is necessary to prevent further damage to public property, machinery, or equipment; or when City operations

will be adversely affected as determined by the Department Director and City Administrator or designated representatives.

- B. Immediately upon determining that an emergency situation exists, and prior to contacting vendors for supplies and services, the Department shall contact the Purchasing Division to determine the appropriate course of action. Emergency purchases require prior approval of the Purchasing Agent or designated representative and shall be procured by the following procedure. The Purchasing Agent or designated representative shall determine whether the purchase can be procured on an existing purchasing contract on a timely basis; approved "sole source"; or securing a minimum of three (3) quotations from vendors, if a sufficient number of vendors are available. Emergency purchases shall be made with as much competition as practical under the circumstances. Departments must submit emergency purchases on the appropriate form and must include an explanation of the emergency.
  
- C. The Purchasing Agent shall approve all emergency purchases under \$10,000. Emergency purchases over \$10,000 require the approval of the Purchasing Agent and the City Administrator.
  
- D. During periods of a "declared city emergency" by the Mayor, purchases may be made in accordance with the City Emergency Operations Plan.

\_\_\_\_Article XIII of the City of Lee's Summit Purchasing Policy is hereby amended to read as follows:

XV. SOLE SOURCE

*Revised per Resolution No. 08-01 approved by the City manager on November 17, 2008*

- A. When a Department determines a sole source may be necessary for purchase of an item, and before contacting the sole source vendor, the Department shall contact the Purchasing Agent or designated representative to determine the appropriate course of action **unless a proposed contract is for an item and vendor designated a per-se sole source.**



B. The Purchasing Agent or designated representative and Department Director or designated representative may authorize a sole source purchase when such a request is presented in writing by the requesting Department that only a single feasible procurement source exists. A single feasible sole source exists when:

1. Supplies or services are proprietary and only available from the manufacturer or a single distributor;
2. Or it is determined that only one (1) distributor services the region;
3. Or when supplies or services are available at a discount from a single distributor for a limited period of time;
4. Or specialized consultant or technical services for a project with specific circumstances which require a unique combination or abilities or expertise to perform the services required.
5. In the event a sole source purchase is in the amount excess of \$20,000, it shall also be approved by the Finance Director and City Manager or their designated representatives and must be approved by the City Council.
6. **The following items/vendors are designated as per-se sole source which may be approved without further verification of sole source status:**
  - **private utility companies contracting to move or relocate their own utility facilities.**
  - **maintenance and support contract with vendors or software or hardware, which are required in order to maintain warranty compliance or pursuant to existing licensing agreements.**

### C. SPECIAL PURCHASES

A. The Purchasing Agent, under special circumstances, may purchase up to \$3000, through negotiation without competitive bids. This authority shall be used only when a written determination is made by the Purchasing Agent that no better prices could have been obtained through competitive bidding. Orders of this

nature may not be placed more than once during any 90 day period with any one firm or organization.

D. POLICY FOR THE ADMINISTRATIVE ACQUISITION OF RIGHTS-OF-WAY AND EASEMENTS

Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

A. Purpose: The purpose of this policy is to provide an administrative approval process for acquiring rights-of-way and easements needed for City projects.

B. Definitions: As used in this article, the following terms shall have the described meaning:

*Settlement Amount* - the amount to be paid by the City in consideration of receiving a Property Interest from a property owner.

*Appraised Value* - the fair market value of the subject property as determined by the City's qualified appraiser.

*Excess Amount* – the difference between the Settlement Amount and the Appraised Value.

*Property* – legal interests in real estate acquired for the following purposes: rights-of-way, storm water and sanitary sewer easements, water line easements and temporary construction easements.

C. Conditions: Staff is authorized to acquire Property administratively when the following conditions are met:

1. The Property is needed in order to proceed with a project that is part of the Capital Improvement Program that has been approved by the City Council; and,
2. Funding for said project has been included in the current annual budget approved by the City Council.

If the above conditions are met, the acquisition of Property may be approved administratively in the following situations, and subject to the procedures detailed herein.

#### D. Procedures

1. If the proposed Settlement Amount is equal to or less than \$5,000.00, the City Administrator may approve the acquisition of the Property.
2. If the proposed Settlement Amount is between \$5,000.00 and \$20,000.00, the City Administrator may approve the acquisition of the Property if the Excess Amount is not greater than 10% of the Appraised Value.
3. If the proposed Settlement Amount is not in excess of \$50,000.00, and is equal to or less than the Appraised Value, the City Administrator may approve the acquisition of the Property.
4. All other proposed acquisitions must be presented to the Mayor and City Council for approval.

E. The City Administrator, or the City Administrator's designee, is authorized to execute all documents necessary to carry out the intent of this policy.

F. All deeds, agreements and other documents used for an acquisition under this policy must be approved by the Law Department.

#### E. SALE AND LEASE OF REAL PROPERTY

Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

- a. The Mayor and City Council may lease real property which is currently underutilized in order to maximize the return of the property to the City until such time as such properties shall be required for public usage, after following an applicable process which results in a fair market value determination which is financially most advantageous to the City.
- b. Nothing herein shall prevent, the City Administrator or designated representative from negotiating the lease to a Lessee of any real property that is shown to have a unique value to such Lessee due to its configuration, accessibility or size. Mayor and City Council shall have final approval of all such negotiations and any transaction.

- c. The Mayor and City Council may sell real property after following an applicable process which results in a fair market value determination which is financially most advantageous to the City.
- d. Nothing herein shall prevent the City Administrator or the City Administrator's designated representative from negotiating for sale or trade to a buyer any real property that is shown to have a unique value to such buyer due to its configuration, accessibility or size. The Mayor and City Council shall have final approval of all such negotiations and any related transaction.

## XVI. PRODUCT TESTING/DEMONSTRATIONS

- A. Product demonstrations may be held as deemed appropriate by the department without prior approval of the Purchasing Division.
- B. Prior to taking into the City's possession any item for testing or evaluation, departments shall contact the Purchasing Division for approval. Purchasing shall notify the vendor in writing that the City has taken the item into possession for test purposes only and if a purchasing decision is made, that decision will be communicated directly to the vendor at the end of the test period. In no event shall the retention of a test item by the City be evidence of intent to purchase said item.

## XVII. GENERAL INSTRUCTIONS

### A. SPECIFICATIONS

- 1. It is the responsibility of the department to write their specifications and establish the quality of the product or service required, using standard bid formats prepared by the Purchasing Division. The Purchasing Division may assist the department in writing specifications, upon department request.

2. Specifications shall be written to require competition at the manufacturer's level when possible. Use of a brand name specification shall include the designation "or an approved alternate". A "no substitute" request must be approved by the Purchasing Division following written justification by the department as to why no other brand will meet the need.

#### B. MULTIPLE PURCHASES

1. Making multiple purchases for the purpose of avoiding the bidding process shall not be permitted and shall be considered a violation of this Policy.

#### C. INVOICES

1. Vendors are to be instructed to send all original invoices to the City of Lee's Summit Accounts Payable Department, P.O. Box 1600, Lee's Summit, Missouri 64063.

#### D. DESIGNATED REPRESENTATIVES

5. Throughout this Policy several references have been made to "designated representatives", in order to assure that proper authority has been given to an individual who represents themselves as a "designated representative" the departments are requested to make an effort to communicate said designated authority to the Purchasing Division when appropriate.

6. The Purchasing Division reserves the right to request evidence of an individual's "designation".

#### E. RECYCLED PRODUCTS

1. The City shall purchase recycled content products over those made from virgin materials when cost, quality, variety, quantity, delivery time and any other defined specifications are comparable to products made from virgin materials.

#### F. CONFLICT OF INTEREST

1. It shall be considered a conflict of interest and a violation of the City's disciplinary policy for a city employee or an immediate family member to attempt to conduct, or conduct, business with the City as a vendor of goods or services if the employee is involved directly or indirectly with the City's procurement process of the particular items such as preparing specifications, making recommendations, accepting materials or performing any other management act.

#### G. PURCHASES SUPPORTED BY GRANT FUNDS

1. Departments shall review all requirements for grant funds used in the procurement of items to insure the bidding process required as a condition to receiving said grant funds are complied with during the procurement of the item. The Purchasing Division will assist in the inclusion of all required procedures that are in addition to the requirements of this policy.

#### H. PURCHASING POLICY SUPPLEMENTAL

1. In the event a specific procurement procedure is required to be in writing when the City is purchasing an item which is funded in whole or in part by grant funds, ie. CDBG, the City Administrator shall have the authority to authorize the amendment of this Purchasing Policy by supplement to incorporate the special requirements of that procurement.

#### D. DELIVERY OF ITEMS

1. When items are delivered to City Departments, the only paperwork to be signed is the delivery notice. Any other vendor purchase order, document, contract, warranty, maintenance agreement, etc. are NOT to be signed at delivery. All such documents shall be forwarded to the Purchasing Agent or designated representatives.

2. Once the Purchasing Agent or designated representatives receive the aforementioned documents they will coordinate review and execution of the documents with the applicable Department Directors or designated representatives.

#### XIII. BUDGET

1. It shall be the Department Director's responsibility to ensure that all items to be purchased, of material value, have been approved through the budget process. Unbudgeted or unanticipated items may be purchased during the fiscal year with notification provided to the Finance Department indicating an alternate funding source within the respective department's budget.

2. The Finance Director and Department Director or department designated representative will forward the request with a recommendation to the City Administrator for approval. All other applicable purchasing policy requirements shall be followed for the procurement of the previously unbudgeted item, once approved by the City Administrator.

#### XIX. DISPUTES ,ADJUSTMENTS AND APPEALS

A. Departments shall notify the Purchasing Division, in a timely manner, concerning any complaint or dispute regarding an order, delivery, specification, defective goods or poor performance by a supplier. Any decision concerning an attempt to cancel a contract or an attempt to resolve a dispute regarding defective products

or unacceptable services shall be made jointly by the Purchasing Division and the Department Director(s) or department designated representative. Any correspondence with suppliers shall be made available to both the Department Director and the Purchasing Agent.

- B. In the event a procurement dispute arises between the requesting Department and the Purchasing Division, the Assistant to the City Administrator supervising the Purchasing Division shall make the final decision. If the Department Director of the requesting Department does not agree or accept the decision of said Assistant to the City Administrator, the requesting Department Director and the said Assistant to the City Administrator may discuss the issue with the City Administrator, or designated representative, and the City Administrator, or designated representative shall make the final decision.

#### XX. UNAUTHORIZED PURCHASES

The purchase of an item must be made in accordance with the Purchasing Policy and Procedures. Any purchase of item, which does not comply with these procedures shall be considered an unauthorized purchase. Whenever funds have been expended or payment cannot be avoided on an unauthorized purchase, anyone may report the matter in writing to the Department Director and to the City Administrator for action. Said action may include discipline in accordance with the City's disciplinary policies.

#### XXI. RESPONSIBILITY FOR ENFORCEMENT

- A. The City Administrator will have the responsibility for the enforcement of this administrative policy. Department Directors will be entrusted with the responsibility of enforcing the policy within their departments.

#### XXII. POLICY AMENDMENT

- A. The City Administrator may authorize amendments to this administrative policy in furtherance of the goals of this Policy.



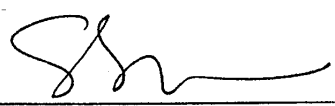
### XXIII: BID PROTESTS

Revised per Revision 07-02 approved by City Administrator on September 1, 2007

- (1) Right to Protest. Any actual or prospective bidder who is aggrieved in connection with the solicitation or award of a contract may protest to the Purchasing Manager. The protest shall be submitted in writing within 48 (forty-eight) hours after such aggrieved person knows or should have known of the facts giving rise thereto. The protest shall identify specific issues that are being protested and the facts that the protestor believe supports their claim (it is the protestor's responsibility to establish their case).
- (2) Review of Protest. The Purchasing Manager shall have the authority to resolve a protest of an aggrieved bidder concerning the solicitation or award of a contract. This authority shall be exercised in accordance with the City's Purchase Policy and subject to the approval of the City Administrator.
- (3) Decision. The Purchasing Manager shall issue a decision in writing within three (3) days of receipt of the protest. The decision shall state the reasons for the action taken.
- (4) Notice of Decision. A copy of the decision under Subsection (3) of this Article shall be mailed or otherwise furnished immediately to the protestor and any other party intervening.
- (5) Appeal. A protestor may appeal the decision of the Purchasing Manager by submitting a written appeal to the City Administrator within five business days of the date the Purchasing Manager's decision under Subsection (3) of this article. The written appeal shall state with specificity the facts supporting the protestor's position. The appeal shall be reviewed by the City Administrator, or his designee, who will issue a decision in writing 5 (five) business days of receipt of the protestor's timely filed written appeal.
- (6) Finality of Decision. A decision under Subsection (3) of this Article shall be considered final and is not subject to appeal or further consideration unless a timely appeal is filed under Subsection (5). In the event of a timely appeal under Subsection (5) the decision of the City Administrator, or his designee, shall be considered final and not subject to appeal or further consideration.
- (7) Stay of Procurements During Protests. In the event of a timely protest under Subsection (1) of this Article, the City of Lee's Summit shall not proceed further with the solicitation or with the award of the contract until the Purchasing Manager issues a decision under Subsection (3) or (until the City Administrator, or his designee, renders a decision on appeal pursuant to Subsection (5) of this Article), or until the Purchasing Manager, after consultation with the City Administrator, makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the City of Lee's Summit.

The procedure provided by this Article is intended solely as an attempt to provide bidders with the opportunity to communicate perceived issues to the City's Purchasing Department. It is not intended to create any legal right, cause of action, property interest or independent means of redress that does not otherwise exist under Missouri Law. This article shall not serve to abrogate or effect the City's exclusive right to determine the lowest and most responsible bidder in any particular bid situation.

5/1/03  
Date

  
Shelley Temple-Kneuvean, Acting City  
Administrator

(Current as of 5/2006)

## Packet Information

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**File #:** TMP-0628, **Version:** 1

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AN ORDINANCE APPROVING AMENDMENT NO. 4 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN, AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI, WITH PARTIAL FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED FROM THE GENERAL FUND RESERVE BALANCE.

Issue/Request:

AN ORDINANCE APPROVING AMENDMENT NO. 4 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN, AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI, WITH PARTIAL FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED FROM THE GENERAL FUND RESERVE BALANCE.

Key Issues:

The Budget Amendment Ordinance would transfer funds in the amount of \$62,555 from the General Fund to the Solid Waste Management Fund for the purposes of reopening the North Recycling Center for the remainder of the Fiscal Year as part of a cost-sharing agreement with the City of Kansas City. The Budget Amendment also authorizes the creation of a Recycling Center Attendant on the Pay and Classification Plan.

Under the agreement with the City of Kansas City, the City of Lee's Summit will staff the center and provide roll-off boxes. The City of Kansas City will pull the containers at no charge and keep the recycling revenue.

One-time costs are funded by the General Fund Reserve balance. The annual operating cost for the recycling center is \$30,413. The operating costs are funded by the FY18 Budget via reallocated budget expenditure in the Administration Department. This recurring cost will have to be funded in the FY19 budget process via recurring revenue and/or service reductions in order for the continued operation of the center beyond June 30, 2018.

Proposed Committee Motion:

I move to recommend to City Council AN ORDINANCE APPROVING AMENDMENT NO. 4 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN, AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI, WITH PARTIAL FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED FROM THE GENERAL FUND RESERVE BALANCE.

Background:

The closing of the two recycling centers was tied to the contract with Heartland Environmental Services, LLC, to manage the operations of the Landfill and Resource Recovery Park. Their offer to operate solid waste services in Lee's Summit did not include recycling as part of their offered services. When the recycling centers closed, residents had the option of using trash hauler-provided services for a fee, or using drop-off locations at schools. Later in 2016, the school district closed their public drop off locations. This left residents in single family homes with curbside recycling as their only

option, while those living in apartment complexes have fewer options.

The proposed re-opening of the north recycling facility, as well as general discussion regarding costs has already been presented to the Public Works Committee, whose members expressed their support in moving forward with the re-opening of the facility and the forwarding of the topic to Finance and Budget Committee in order to identify funding sources.

Annual operating cost for the recycling center: \$24,413

RecycleFEST, 2 events per year: \$6,000

One-time costs to reopen the recycling center: \$32,142

One-time grant revenue available: \$13,885

Presenter: Jack Feldman, Management Analyst

Recommendation:

Committee Recommendation: [Enter Committee Recommendation text Here]

**BILL NO.****ORDINANCE NO.**

AN ORDINANCE APPROVING AMENDMENT NO. 4 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN, AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI, WITH PARTIAL FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED FROM THE GENERAL FUND RESERVE BALANCE.

WHEREAS, Ordinance No. 8162, passed by the City Council on June 1, 2017, adopted the City's Budget for the Fiscal Year ending June 30, 2018; and,

WHEREAS, the North and South Recycling Centers ceased operations in February 2016 due to elimination of funding; and,

WHEREAS, on June 20, 2017, the Public Works Committee directed the City Manager to develop a funding plan that would support the negotiated contract on the operation of the North Recycling Center with the City of Kansas City, Missouri; and,

WHEREAS, this expansion in city services is unfunded by a recurring revenue source and will need to be identified in the Fiscal Year 2019 budget process.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Budget for the Fiscal Year ending June 30, 2018, as adopted by Ordinance No. 8162, is hereby amended by increasing the appropriations to and expenditures of the below identified funds for the fiscal and budget year of 2017-2018, in the manner shown below.

| Amended Fund                | Amended Department | Added/ (Reduced) | New Amended budget |
|-----------------------------|--------------------|------------------|--------------------|
| F100 General Fund           | Administration     | \$32,142         | \$5,356,838        |
| F520 Solid Waste Management |                    | \$62,555         | \$2,175,026        |

SECTION 2. That the FY18 Pay and Classification Plan, as adopted by Ordinance No. 8162, is hereby amended to authorize the inclusion of the following position:

| <u>Department</u> | <u>Job Title</u>           | <u>Grade</u> | <u>Min</u> | <u>Mid</u> | <u>Max</u> |
|-------------------|----------------------------|--------------|------------|------------|------------|
| Solid Waste       | Recycling Center Attendant | 8            | 26,111.65  | 34,037.54  | 41,963.42  |

A true and accurate copy of the FY18 Pay and Classification Plan, as amended herein, being attached hereto as Exhibit A and incorporated herein by reference be and is hereby approved and adopted.

SECTION 3. All other provisions of Ordinance No. 8162 shall remain in full force and effect,

**BILL NO.**

**ORDINANCE NO.**

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subject to Amendment No. 1 (Ordinance No. 8203), Amendment No. 2 (Ordinance No. \_\_\_\_\_), and Amendment No. 3 (Ordinance No. \_\_\_\_\_).

SECTION 4. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 5. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*Deputy City Clerk Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*Deputy City Clerk Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and Operations/Deputy City Attorney  
*Jackie McCormick Heanue*

## FY18 North Recycling Center Projections

|   | FY18 Projections | Notes                            |
|---|------------------|----------------------------------|
| REVENUE-Revenue                                   | -                | See one-time Revenue Below       |
| OTHER-Other                                       | -                |                                  |
| 4713-0-Capital Project Reimb.                     | -                |                                  |
| 4715-0-Bad Debt Recovery                          | -                |                                  |
| 4716-0-Refunds & Reimbursements                   | -                |                                  |
| EXPENSES-Expenses                                 | 34,818           | Also See one-time Expenses Below |
| PERSONAL SER-Personal services                    | 22,422           |                                  |
| 7000-0-Salaries-Regular                           | 4,950            | Contract Mgmt. & Admin. Support  |
| 7001-0-Salaries-Part Time                         | 16,230           |                                  |
| 7002-0-Overtime                                   | -                |                                  |
| 7005-0-Holiday Worked                             | -                |                                  |
| 7007-0-Duty Pay                                   | -                |                                  |
| 7008-0-Short Term Disability Pay                  | -                |                                  |
| 7009-0-FICA-Employer                              | -                |                                  |
| 7010-0-FICA-PT                                    | 1,006            |                                  |
| 7011-0-Medicare Deduction                         | 236              |                                  |
| 7012-0-Clothing Allowance                         | -                |                                  |
| 7013-0-Car Allowance                              | -                |                                  |
| 7014-0-Communication Allowance                    | -                |                                  |
| 7015-0-Health/Dental Insurance                    | -                |                                  |
| 7016-0-Health Insurance Rebate                    | -                |                                  |
| 7017-0-OPEB-Other Post Empl Bene                  | -                |                                  |
| 7018-0-Life Insurance                             | -                |                                  |
| 7019-0-Worker's Compensation                      | -                |                                  |
| 7020-0-Disability Insurance                       | -                |                                  |
| 7021-0-Unemployment Insurance                     | -                |                                  |
| 7022-0-Work Comp Employer Suplmt                  | -                |                                  |
| 7023-0-Retirement-Lagers                          | -                |                                  |
| 7028-0-GASB 68-Finance use only                   | -                |                                  |
| 7099-0-VEH & GTL-non cash income                  | -                |                                  |
| OTHR SUP SRV-Other supplies, services and charges | 11,056           |                                  |
| 7200-0-Advertising Expense                        | 1,250            |                                  |

16816.5

6,256

|                                   |       |                         |
|-----------------------------------|-------|-------------------------|
| 7201-0-Organizational Dues        | -     |                         |
| 7202-0-Subscript To Periodicals   | -     |                         |
| 7203-0-Insurance Expense          | -     |                         |
| 7205-0-Postage Expense            | -     |                         |
| 7206-0-Printing Expense           | -     |                         |
| 7207-0-Professional Fees Expense  | -     |                         |
| 7213-0-Rentals & Leases Expense   | 4,392 | Airport Lease Agreement |
| 7214-0-Uniform Rental             | -     |                         |
| 7215-0-Recording & Abstracts Exp  | -     |                         |
| 7217-0-Employee Training Expense  | -     |                         |
| 7218-0-Travel & Meeting Expense   | -     |                         |
| 7221-0-Sanitation Services        | 4,800 | WCA Box Rental Fees     |
| 7223-0-Furn, Fix & Office Equip.  | -     |                         |
| 7225-0-Miscellaneous Equipment    | -     |                         |
| 7226-0-Ins Claim Exp-Reimbursable | -     |                         |
| 7228-0-Bad Debt Expense           | -     |                         |
| 7230-0-Closure Expense            | -     |                         |
| 7231-0-Postclosure Expense        | -     |                         |
| 7232-0-Depletion Expense          | -     |                         |
| 7233-0-Public Relations Expense   | -     |                         |
| 7234-0-Special Events             | -     |                         |
| 7236-0-Contributions Expense      | -     |                         |
| 7238-0-Damages And Claims Exp     | -     |                         |
| 7247-0-Remediation                | -     |                         |
| 7248-0-Photoprocessing            | -     |                         |
| 7249-0-Consumable Tools           | 100   |                         |
| 7251-0-Mobile Communications Exp  | -     |                         |
| 7258-0-Telephone                  | -     |                         |
| 7259-0-Mobile Telephone Expense   | 384   | Attendant basic service |
| 7260-0-Asphalt                    | -     |                         |
| 7261-0-Concrete                   | -     |                         |
| 7262-0-Rock & Gravel              | -     |                         |
| 7264-0-Other Construct Materials  | -     |                         |
| 7269-0-Special Apparel            | 80    |                         |



|                                |       |  |       |
|--------------------------------|-------|--|-------|
| 7270-0-Office Supplies         | 50    |  |       |
| 7272-0-Computer Supplies       | -     |  |       |
| 7273-0-Janitorial Supplies     | -     |  |       |
| 7278-0-Other Supplies          | -     |  |       |
| 7284-0-Freight                 | -     |  |       |
| 7285-0-Bankcard Fees           | -     |  |       |
| 7287-0-Handling Fee            | -     |  |       |
| 7288-0-P-Card unallocated      | -     |  |       |
| R&M-Repairs and maintenance    | 1,100 |  | 1,100 |
| 7300-0-Maint & Repair-Bldgs    | 100   |  |       |
| 7301-0-Maintenance-Grounds     | 1,000 |  |       |
| 7302-0-Maint & Repair-Other    | -     |  |       |
| 7304-0-Maint & Repair-Dp Equip | -     |  |       |
| 7305-0-Maint & Repair-Vehicle  | -     |  |       |
| 7306-0-Maint & Repair-Other Eq | -     |  |       |
| UTILITIES-Utilities            | 240   |  | 240   |
| 7403-0-Electricity             | 240   |  |       |
| 7407-0-Water/Sewer             | -     |  |       |
| FUEL & LUB-Fuel and lubricants | -     |  |       |
| 7500-0-Fuel/Lubricants Expense | -     |  |       |

\$ 24,413

|   |           |                                     |           |
|---|-----------|-------------------------------------|-----------|
| One-time revenues/expenditures                                  |           |                                     |           |
| Revenue   |           |                                     |           |
| Refunds & Reimbursements  | (13,885)  | MARC SWMD Grant Reimburse           |           |
| Total One-Time Revenue  | (13,885)  |                                     |           |
| Expenditure   |           |                                     |           |
| Installation cost of fencing, 756lf @ \$41.63/lf (115X87X50yds) | \$ 31,472 | Securing Airport from Wildlife      |           |
| Installation of front entrance sign                             | \$ 270    | Posts and Quickrete needed only     |           |
| Purchase of push mower  | \$ 400    |                                     |           |
| Total One-Time Expenditures                                     | \$ 32,142 |                                     | \$ 32,142 |
| Optional Funding for RecycleFEST                                | \$ 6,000  | 2 Events per Year (Spring and Fall) | \$ 6,000  |

|                               |           |
|-------------------------------|-----------|
| Total Increased Expense FY18* | \$ 62,555 |
|-------------------------------|-----------|

\*assumes 3/4 of the year for personnel expenses

3/4 of the year

removed WCA box rental fee

removed

FY18 Pay and Classification Plan

Exhibit A

| Department                | Job Title                  | Grade | Min       | Mid       | Max       |
|---------------------------|----------------------------|-------|-----------|-----------|-----------|
| Finance                   | Cash Receipts Clerk        | 7     | 24,565.94 | 31,960.29 | 39,354.64 |
| All                       | Clerk-Typist               | 7     | 24,565.94 | 31,960.29 | 39,354.64 |
| Airport                   | Airport Attendant          | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Airport                   | Service Attendant          | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Municipal Court           | Deputy Court Clerk         | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Airport                   | Line Attendant             | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Solid Waste               | Recycling Center Attendant | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Public Works Operations   | Service Attendant          | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Public Works Engineering  | Service Representative I   | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Police                    | Shelter Attendant          | 8     | 26,111.65 | 34,037.54 | 41,963.42 |
| Finance                   | Accounting Clerk           | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Municipal Court           | Bond Clerk                 | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Police                    | Crime Scene Technician     | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Central Building Services | Custodian                  | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Police                    | Parking Control Officer    | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Police                    | Police Records Clerk       | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Police                    | Police Services Officer    | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Municipal Court           | Records Management Clerk   | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| All                       | Secretary                  | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Finance                   | Treasury Cashier           | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| Municipal Court           | Warrant Clerk              | 9     | 28,268.71 | 36,904.80 | 45,540.89 |
| All                       | Administrative Assistant   | 10    | 30,643.74 | 40,082.02 | 49,520.29 |
| All                       | Administrative Secretary   | 10    | 30,643.74 | 40,082.02 | 49,520.29 |
| Water                     | Customer Service Rep.      | 10    | 30,643.74 | 40,082.02 | 49,520.29 |
| Police                    | Detention Officer          | 10    | 30,643.74 | 40,082.02 | 49,520.29 |
| Police                    | Evidence & Property Tech.  | 10    | 30,643.74 | 40,082.02 | 49,520.29 |
| Fire                      | Office Coordinator         | 10    | 30,643.74 | 40,082.02 | 49,520.29 |
| Finance                   | Procurement Officer I      | 10    | 30,643.74 | 40,082.02 | 49,520.29 |

| Department               | Job Title                               | Grade | Min       | Mid       | Max       |
|--------------------------|---|-------|-----------|-----------|-----------|
| Finance                  | Account Technician                      | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Municipal Court          | Accounting Technician                   | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Police                   | Animal Control Officer                  | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Development Services     | Business Service Rep - Dev Ctr          | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Police                   | Communications Specialist               | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Development Services     | Community Standards Officer             | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Municipal Court          | Court Security Officer                  | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Administration           | Deputy City Clerk                       | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Finance                  | EMS Billing Specialist                  | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Administration           | Executive Assistant                     | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Law                      | Executive Assistant PTR                 | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| All                      | Facilities Maintenance Worker           | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Administration           | Human Resources Assistant               | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| ITS                      | ITS Help Desk Support Spec.             | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Police                   | Lead Detention Officer                  | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Law                      | Legal Assistant                         | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Development Services     | Neighborhood Services Officer           | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| Police                   | Purchasing and Supply Officer           | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
| ITS                      | System Support Analyst                  | 11    | 33,261.42 | 43,572.46 | 53,883.50 |
|                          |   |       |           |           |           |
| Finance                  | Accountant                              | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Finance                  | Accounts Payable Supervisor             | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Public Works Operations  | Administrative Coordinator              | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Water                    | Administrative Supervisor               | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Administration           | Benefits Specialist                     | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Law                      | Contract Compliance Coor/Para           | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Water                    | Customer Service Supervisor             | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Water                    | Operations Technician                   | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Development Services     | Development Technician                  | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Public Works Engineering | Engineering Technician                  | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Water                    | Equipment Technician                    | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Development Services     | Field Building Inspector                | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Development Services     | Field Engineering Inspector             | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| ITS                      | GIS Technician                          | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Water                    | Instrumentation and Controls Technician | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| All                      | Lead Comm Specialist                    | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Administration           | Creative Services Specialist            | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Finance                  | Payroll Specialist                      | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Development Services     | Permit Technician                       | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Municipal Court          | Probation/Compliance Officer            | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Finance                  | Procurement Officer II                  | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Public Works Engineering | Traffic Operations Tech                 | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| ITS                      | System Support Specialist               | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| All                      | Technical Services Specialist           | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| Water                    | Utility Technician                      | 12    | 36,149.53 | 46,240.43 | 56,331.32 |
| ITS                      | Web Specialist                          | 12    | 36,149.53 | 46,240.43 | 56,331.32 |

| Department                  | Job Title                      | Grade | Min       | Mid       | Max       |
|-----------------------------|--------------------------------|-------|-----------|-----------|-----------|
| Police                      | Animal Control Field Supvr.    | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Public Works Engineering    | CIP Resident Inspector         | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Public Works Engineering    | Field Engineering Inspector    | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Administration              | Human Resources Generalist     | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Fire/Dev. Center/Water      | Management Analyst             | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Water                       | Metered Services Supervisor    | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Law                         | Office Manager/Paralegal       | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Public Works Engineering    | Senior Traffic Operations Tech | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Public Works Engineering    | Right-of-Way Agent             | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Public Works Engineering    | Senior Engineering Technician  | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| ITS                         | Senior GIS Technician          | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Finance                     | Senior Procurement Officer     | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| Water                       | Water Utilities Analyst        | 13    | 39,339.27 | 51,750.82 | 64,162.36 |
| ITS                         | Applications Analyst           | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| All                         | Communications Supervisor      | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| ITS                         | Communications Systems Admin.  | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| Water                       | Community Relations Specialist | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| Public Works Engineering    | Construction Project Manager   | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| Central Vehicle Maintenance | Maintenance Shop Supervisor    | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| Public Works Engineering    | Project Manager                | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| Public Works Engineering    | Lead Engineering Technician    | 14    | 42,865.82 | 56,518.59 | 70,171.35 |
| ITS                         | Web Administrator              | 14    | 42,865.82 | 56,518.59 | 70,171.35 |

| Department                    | Job Title                           | Grade | Min       | Mid       | Max       |
|-------------------------------|-------------------------------------|-------|-----------|-----------|-----------|
| Police                        | Animal Control Manager              | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| ITS                           | Applications Administrator          | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Administration                | City Clerk                          | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Water                         | Control System Supervisor           | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Administration                | Media Services Supervisor           | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| ITS                           | Network Administrator               | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Development Services          | Plans Examiner                      | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Police                        | Police Systems Manager              | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Administration                | Public Communications Coord.        | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Administration                | Risk Management Officer             | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Public Works Engineering      | Lead Traffic Operations Technician  | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Public Works Engineering      | Staff Engineer                      | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Water                         | Utility System Supervisor           | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Public Works Engineering      | Environmental Specialist            | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Police                        | Mgr, Accreditation/Info Mgmt        | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Airport                       | Assistant Airport Manager           | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Finance                       | Cash Management Officer             | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Finance                       | Financial Analyst                   | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| All                           | Planner                             | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| CBS                           | Central Building Services Manager   | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Administration                | Cultural Arts Manager               | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Administration                | Management Analyst                  | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Public Works Engineering      | Public Works Administration Manager | 15    | 47,476.00 | 61,781.62 | 76,794.41 |
| Airport                       | Airport Manager                     | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Municipal Court               | Court Administrator                 | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| ITS                           | Database Administrator              | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Central Vehicle Maintenance   | Fleet Manager                       | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| ITS                           | GIS Coordinator                     | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| ITS                           | IT Operations Supervisor            | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| ITS                           | ITS Project Manager                 | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| ITS                           | ITS Support Services Supvr.         | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Development Services          | Project Manager - Dev Ctr           | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Public Works Operations       | Public Works Operations Mgr.        | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Development Services          | Senior Field Building Inspect.      | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| All                           | Senior Staff Engineer               | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Law                           | Staff Attorney                      | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| ITS                           | Systems Analyst                     | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Water                         | Account Services Manager            | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Water                         | Utility Engineer                    | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Water                         | Utility System Manager              | 16    | 51,092.90 | 67,596.04 | 84,099.07 |
| Planning and Special Projects | Senior Planner                      | 16    | 51,092.90 | 67,596.04 | 84,099.07 |



| Department                    | Job Title                                       | Grade | Min       | Mid        | Max        |
|-------------------------------|---|-------|-----------|------------|------------|
| Planning and Special Projects | Asst Director of Planning and Special Projects  | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Development Services          | Codes Administration Manager                    | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Central Building Services     | City Architect                                  | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Administration                | Creative Services Manager                       | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Public Works Engineering      | Construction Manager                            | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Finance                       | Controller                                      | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Development Services          | Development Engineering Mgr.                    | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Water                         | Facilities Manager                              | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Finance                       | Procurement & Contract Svc Mgr                  | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Solid Waste                   | Solid Waste Superintendent                      | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Public Works Engineering      | Supervisory Engineer                            | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Development Services          | Current Planning Manager                        | 17    | 55,888.87 | 74,080.70  | 92,272.52  |
| Development Services          | Asst. Director of Plan Services                 | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Development Services          | Asst. Director of Field Services                | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Water                         | Asst. Dir. of Engineering Svcs                  | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Water                         | Asst. Dir. of Support Service                   | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Water                         | Asst. Director of Operations                    | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Public Works Operations       | Asst. Director of P. Wks. Oper                  | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Law                           | Chief Counsel of Mgmt & Ops / Dep City Attorney | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Law                           | Chief Counsel of Public Safety                  | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Law                           | Chief of Litigation                             | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Law                           | Chief Counsel of Infrastructure & Planning      | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| Public Works Engineering      | City Traffic Engineer                           | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| ITS                           | Manager, Entprs. Tech. Svcs.                    | 18    | 61,212.99 | 81,260.25  | 101,307.50 |
| ITS                           | Asst Director, App Mgmt Svcs                    | 19    | 70,545.93 | 93,649.72  | 116,753.51 |
| Public Works Engineering      | Deputy Dir. of P.Wks./Admin.                    | 19    | 70,545.93 | 93,649.72  | 116,753.51 |
| Public Works Engineering      | Deputy Dir. of P.Wks./City Eng                  | 19    | 70,545.93 | 93,649.72  | 116,753.51 |
| Finance                       | Deputy Director of Finance                      | 19    | 70,545.93 | 93,649.72  | 116,753.51 |
| Administration                | Director of Human Resources                     | 19    | 70,545.93 | 93,649.72  | 116,753.51 |
| ITS                           | Chief Technology Officer                        | 20    | 74,711.04 | 99,216.27  | 123,721.49 |
| All                           | Director of Administration                      | 20    | 74,711.04 | 99,216.27  | 123,721.49 |
| Development Services          | Director of Development Services                | 20    | 74,711.04 | 99,216.27  | 123,721.49 |
| Planning and Special Projects | Director of Planning and Special Projects       | 20    | 74,711.04 | 99,216.27  | 123,721.49 |
| All                           | Asst. City Mgr., Dev Svcs/Comm                  | 21    | 80,141.96 | 106,428.52 | 132,715.08 |
| All                           | Asst. City Mgr., Operations                     | 21    | 80,141.96 | 106,428.52 | 132,715.08 |
| Water                         | Director of Water Utilities                     | 21    | 80,141.96 | 106,428.52 | 132,715.08 |
| Finance                       | Finance Director                                | 21    | 80,141.96 | 106,428.52 | 132,715.08 |
| Public Works Engineering      | Director of Public Works                        | 22    | 82,909.73 | 108,863.02 | 134,816.31 |
| Fire                          | Fire Chief                                      | 22    | 82,909.73 | 108,863.02 | 134,816.31 |
| Police                        | Police Chief                                    | 22    | 82,909.73 | 108,863.02 | 134,816.31 |
| Law                           | Chief Prosecuting Attorney                      | 24    | 90,000.00 | 145,000.00 | 200,000.00 |
| Law                           | City Attorney                                   | 24    | 90,000.00 | 145,000.00 | 200,000.00 |

| Department                  | Job Title                         | Grade | Min       | Mid        | Max        |
|-----------------------------|-----------------------------------|-------|-----------|------------|------------|
| <b>Part Time Temporary</b>  |                                   |       |           |            |            |
| Development Services        | Administrative Support            | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| All                         | Intern                            | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| ITS                         | Audio Visual Evening              | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| ITS                         | Audio Visual Sys Support PTT      | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| Public Works Engineering    | Construction Inspector            | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| Water                       | Fire Hydrant Painter              | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| ITS                         | ITS Support PTT                   | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| Administration              | Payroll Support                   | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| Law                         | Prosecuting Attorney PTR          | PTT   | 0.00      | 25,000.00  | 50,000.00  |
| <b>Represented Groups</b>   |                                   |       |           |            |            |
| Fire                        | Firefighter                       | F1    | 37,626.54 | 44,982.53  | 52,338.51  |
| Fire                        | Firefighter Paramedic             | F1P   | 43,626.54 | 50,982.53  | 58,338.51  |
| Fire                        | Fire Engineer                     | F2    | 40,941.09 | 48,617.55  | 56,294.00  |
| Fire                        | Fire Engineer Paramedic           | F2P   | 46,941.09 | 54,617.55  | 62,294.00  |
| Fire                        | Fire Specialist                   | F3    | 44,605.37 | 55,779.02  | 66,952.67  |
| Fire                        | Fire Specialist Paramedic         | F3P   | 50,605.37 | 61,779.02  | 72,952.67  |
| Fire                        | Fire Captain I                    | F4    | 53,153.26 | 63,597.88  | 74,042.49  |
| Fire                        | Fire Captain I Paramedic          | F4P   | 59,153.26 | 69,597.88  | 80,042.49  |
| Fire                        | Fire Captain II                   | F5    | 58,134.06 | 71,940.59  | 85,747.12  |
| Fire                        | Fire Captain II Paramedic         | F5P   | 64,134.06 | 77,940.59  | 91,747.12  |
| Fire                        | Battalion Chief                   | F7    | 69,810.54 | 84,121.70  | 98,432.86  |
| Fire                        | Battalion Chief Paramedic         | F7P   | 75,810.54 | 90,121.70  | 104,432.86 |
| Fire                        | Assistant Fire Chief I            | F8    | 76,442.54 | 92,113.26  | 107,783.98 |
| Fire                        | Assistant Fire Chief I Paramedic  | F8P   | 82,442.54 | 98,113.26  | 113,783.98 |
| Fire                        | Assistant Fire Chief II           | F9    | 79,749.90 | 98,889.95  | 118,030.00 |
| Fire                        | Assistant Fire Chief II Paramedic | F9P   | 85,749.90 | 104,889.95 | 124,030.00 |
| Fire                        | Communications Specialist         | F11   | 35,412.83 | 47,929.75  | 59,271.85  |
| Fire                        | Lead Communications Specialist    | F12   | 38,487.76 | 50,864.49  | 61,964.45  |
| Police                      | Police Officer I                  | P1    | 38,629.42 | 46,077.33  | 53,778.27  |
| Police                      | Police Officer II                 | P2    | 42,032.31 | 49,798.30  | 57,826.85  |
| Police                      | Master Police Officer I           | P3    | 45,794.26 | 57,400.16  | 69,006.06  |
| Police                      | Master Police Officer II          | P4    | 57,201.54 | 63,103.80  | 69,006.06  |
| Police                      | Police Sergeant I                 | P5    | 57,500.00 | 72,073.54  | 86,647.08  |
| Police                      | Police Sergeant II                | P6    | 72,073.00 | 79,360.00  | 86,647.00  |
| Police                      | Police Captain                    | P7    | 69,810.54 | 84,121.70  | 98,432.86  |
| Police                      | Police Major I                    | P8    | 76,442.50 | 92,113.26  | 107,783.98 |
| Police                      | Police Major II                   | P9    | 79,749.90 | 100,864.02 | 118,030.00 |
| Central Vehicle Maintenance | Mechanic                          | UN0   | 33,473.65 | 41,713.36  | 49,953.07  |
| All                         | Maintenance Worker                | UN2   | 28,443.17 | 36,418.62  | 44,394.06  |
| Public Works Operations     | Equipment Operator                | UN4   | 35,075.25 | 42,514.16  | 49,953.07  |
| Water                       | Equipment Operator Sewer          | UN4   | 35,075.25 | 42,514.16  | 49,953.07  |
| Water                       | Equipment Operator Water          | UN4   | 35,075.25 | 42,514.16  | 49,953.07  |
| Water                       | Meter Service Technician          | UN6   | 26,111.70 | 37,815.86  | 49,520.22  |
| Water                       | Metered Services Specialist       | UN7   | 33,261.49 | 43,572.46  | 53,883.44  |

## Packet Information

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**File #:** TMP-0645, **Version:** 1

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AN ORDINANCE APPROVING THE CALENDAR YEAR 2018 EMPLOYEE BENEFIT PROGRAMS, APPROVING AGREEMENTS FOR SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND BLUE CROSS BLUE SHIELD OF KANSAS CITY, VSP, THE STANDARD, NEW DIRECTIONS, TABEN GROUP, THE HARTFORD, AND TRUSTMARK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS OR OTHER DOCUMENTS AS NECESSARY TO ADMINISTER EMPLOYEE BENEFITS FOR CALENDAR YEAR 2018 BY AND ON BEHALF OF THE CITY.

Issue/Request:

AN ORDINANCE APPROVING THE CALENDAR YEAR 2018 EMPLOYEE BENEFIT PROGRAMS, APPROVING AGREEMENTS FOR SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND BLUE CROSS BLUE SHIELD OF KANSAS CITY, VSP, THE STANDARD, NEW DIRECTIONS, TABEN GROUP, THE HARTFORD, AND TRUSTMARK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS OR OTHER DOCUMENTS AS NECESSARY TO ADMINISTER EMPLOYEE BENEFITS FOR CALENDAR YEAR 2018 BY AND ON BEHALF OF THE CITY.

Key Issues:

- City engaged the services of Holmes Murphy as the City's health insurance benefits broker in early 2017 after a competitive RFP process.
- Holmes Murphy undertook a rigorous marketing of all of the City's employee benefit products.
- The identified target for the City's FY2018 Budget was an overall impact to the City for employee benefits to be at a rate increase 10% or less.
- The Health Insurance market is currently extremely volatile and, initial indications were that the City could see a potential rate impact of far in excess of the budgeted 10%.
- After Holmes Murphy collected market results, it began working extensively with the City's Health Insurance Task Force, comprised of City staff from each department as well as representatives from each of the three (3) collective bargaining groups, to craft a comprehensive recommendation for the City's calendar year 2018 Employee Benefits for approval by the City Manager and adoption by the City Council. The Committee examined different carriers, different plan designs, different mixes of carriers and plan designs, different "cost levers," and different coverage types in its analysis and consideration process.
- The net budget impact of the proposed package is 9.7%, which achieved the objective of the budgeted 10%.
- Key Highlights of the Proposed Calendar Year 2018 Employee Benefits Package:
  - Blue Cross Blue Shield of Kansas City (BCBSKC) will remain the City's Health Insurance Carrier, but the City's arrangement with BCBSKC will shift from a self-insured plan to a fully-insured plan. The current plan designs will remain largely intact, except that a prescription mail incentive will be applied and an

increase to the emergency room copay was added to reduce the cost of coverage.

- Delta Dental will no longer provide Dental Insurance coverage to the City. Instead, BCBSKC will also be incorporating Dental Insurance coverage to the City. This change resulted in a 12% savings over the previous year's costs for Dental Insurance coverage, and offers a two year rate guarantee, with a 3<sup>rd</sup> year rate cap of 8%. Further, it provided an additional incentive in the form of a ½% credit on the medical insurance premiums, since it is being provided by the same carrier and can be packaged.
- VSP Vision will continue to provide Vision Insurance coverage to the City. Holmes Murphy was able to negotiate an 11% premium decrease with a two year rate guarantee.
- The Standard will continue to provide the City's Life Insurance, Accidental Death and Disability coverage.
- New Directions will continue to provide the City's Employee Assistance Program (EAP) benefits.
- Taben Group will replace the City's current service providers for COBRA Administration (COBRAGuard) and FSA Administration (TASC FSA).
- The Hartford will take the place of Allstate as the City's service provider for offering voluntary benefits such as accident, critical illness, universal life and long term care plans. These benefits are not provided or paid for by the City; rather they are provided as a convenience as options for employees to procure at their discretion.

**Proposed City Council Motion:**

I MOVE TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF AN ORDINANCE APPROVING THE CALENDAR YEAR 2018 EMPLOYEE BENEFIT PROGRAMS, APPROVING AGREEMENTS FOR SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND BLUE CROSS BLUE SHIELD OF KANSAS CITY, VSP, THE STANDARD, NEW DIRECTIONS, TABEN GROUP, THE HARTFORD, AND TRUSTMARK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS OR OTHER DOCUMENTS AS NECESSARY TO ADMINISTER EMPLOYEE BENEFITS FOR CALENDAR YEAR 2018 BY AND ON BEHALF OF THE CITY.

**Background:**

This year, the City, through its health insurance benefits broker, Holmes Murphy, undertook a rigorous marketing initiative of all employee benefits programs. That effort resulted in a proposed benefits package that came in at a net 9.7% cost increase, which is under the budgeted and projected 10% increase that was accounted for in the FY2018 budget. The package includes several changes, both to plan design and carriers, as noted in the Key Issues section, above. Agreements have been negotiated for the provision of all employee benefits services and are being presented to the City Council for review and approval.

Agreements with the following entities will need to be entered into in order to implement the proposed Calendar Year 2018 Employee Benefits Package:

- Blue Cross Blue Shield of Kansas City (Medical Insurance and Dental Insurance)
- VSP (Vision Insurance)

- Hartford Life and Accident Insurance Company (Voluntary Benefits)
- Taben Group (COBRA and FSA Administration Services)
- The Standard (Life Insurance and Accidental Death & Disability)
- New Directions (Employee Assistance Program)
- TrustMark (Payroll Deduction Services for Voluntary Benefits)

Also included in the packet is a summary prepared by Holmes Murphy of the Employee Medical Premiums under the proposed Calendar Year 2018 Employee Benefits Package.

It is essential that this item be considered at this time in order to provide the organization sufficient time to get processes and necessary set-ups in place with new carriers prior to the start of open enrollment which takes place on November 1 of each year. The rates included herein will become effective on January 1, 2018 for all employees participating in City plans.

Impact/Analysis:

Net 9.7% increase to current employee benefits costs; under 10% target/budgeted amount.

Timeline:

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Nick Edwards, Director of Administration & Jackie McCormick Heanue, Chief Counsel of Management & Operations/Deputy City Attorney

Recommendation: Staff recommends approval of AN ORDINANCE APPROVING THE CALENDAR YEAR 2018 EMPLOYEE BENEFIT PROGRAMS, APPROVING AGREEMENTS FOR SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND BLUE CROSS BLUE SHIELD OF KANSAS CITY, VSP, THE STANDARD, NEW DIRECTIONS, TABEN GROUP, THE HARTFORD, AND TRUSTMARK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS OR OTHER DOCUMENTS AS NECESSARY TO ADMINISTER EMPLOYEE BENEFITS FOR CALENDAR YEAR 2018 BY AND ON BEHALF OF THE CITY.

Committee Recommendation: [Enter Committee Recommendation text Here]

AN ORDINANCE APPROVING THE CALENDAR YEAR 2018 EMPLOYEE BENEFIT PROGRAMS, APPROVING AGREEMENTS FOR SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND BLUE CROSS BLUE SHIELD OF KANSAS CITY, VSP, THE STANDARD, NEW DIRECTIONS, TABEN GROUP, THE HARTFORD, AND TRUSTMARK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS OR OTHER DOCUMENTS AS NECESSARY TO ADMINISTER EMPLOYEE BENEFITS FOR CALENDAR YEAR 2018 BY AND ON BEHALF OF THE CITY.

WHEREAS, the City enters into Agreements with service providers for the provision of employee benefits including health, dental, vision, and life insurance as well as employee assistance services; and,

WHEREAS, the City, through its' health insurance benefits broker, undertook a rigorous marketing effort of its' employee benefits for calendar year 2018, which resulted in negotiated agreements with several entities (hereinafter referred to as "Service Providers") more specifically: Blue Cross Blue Shield of Kansas City for medical insurance coverage for calendar year 2018, Blue Cross Blue Shield of Kansas City for dental coverage with a rate guarantee for calendar year 2019 and a rate cap for calendar year 2020, VSP for vision insurance coverage for calendar year 2018 with a rate guarantee for calendar year 2019, New Directions for employee assistance benefits for calendar year 2018, The Standard for life and accidental death and disability coverage for calendar year 2018, Taben Group for COBRA and FSA administration services for calendar year 2018, the Hartford for voluntary accident, critical illness, universal life and long term care products for calendar year 2018, and Trustmark for voluntary program payroll deduction services for calendar year 2018; and

WHEREAS, the City and Service Providers desire to enter into formal agreements delineating the terms and conditions of the provision of services for calendar year 2018; and,

WHEREAS, a copy of the 2018 Blue Cross Blue Shield of Kansas City Medical Benefit & Rater Confirmations are attached hereto as "Exhibit A," a copy of the 2018 Blue Cross Blue Shield of Kansas City Dental Benefit & Rate Confirmation is attached hereto as "Exhibit B," a copy of the VSP Renewal Letter is attached hereto as "Exhibit C," a copy of the New Directions EAP Renewal is attached hereto as "Exhibit D," a copy of the Taben Group Cobra Retiree Billing Administrative Services Agreement is attached hereto as "Exhibit E," a copy of the Taben Group FSA Administrative Services Agreement is attached hereto as "Exhibit F," a copy of the Trustmark Voluntary Benefits Employer Agreement is attached hereto as "Exhibit G," a copy of the Standard 2018 Renewal Summary is attached hereto as "Exhibit H," and the Hartford Insurance Application is attached hereto as "Exhibit I."

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

SECTION 1. That the calendar year 2018 employee benefit programs for the City of Lee's Summit for the provision of dental, vision, and life insurance as well as employee

assistance services and voluntary benefits by Blue Cross and Blue Shield of Kansas City, VSP, The Standard, New Directions, The Hartford, the Taben Group, and Trustmark be and the same hereby are approved and the City Manager is hereby authorized to execute any and all documents necessary to ensure the implementation of the same as well as to effectuate the termination of services from Allstate, Delta Dental, COBRAGuard, and TASC FSA as current service providers.

SECTION 2. That the 2018 Blue Cross Blue Shield of Kansas City Medical Benefit & Rater Confirmations, attached hereto as "Exhibit A" and incorporated herein by reference, the 2018 Blue Cross Blue Shield of Kansas City Dental Benefit & Rate Confirmation attached hereto as "Exhibit B" and incorporated herein by reference, the VSP Renewal Letter attached hereto as "Exhibit C" and incorporated herein by reference, the New Directions EAP Renewal attached hereto as "Exhibit D" and incorporated herein by reference, the Taben Group Cobra Retiree Billing Administrative Services Agreement attached hereto as "Exhibit E" and incorporated herein by reference, the Taben Group FSA Administrative Services Agreement attached hereto as "Exhibit F" and incorporated herein by reference, and the Trustmark Voluntary Benefits Employer Agreement attached hereto as "Exhibit G" and incorporated herein by reference, be and the same are hereby approved. The City Manager is hereby authorized to execute the same, as well as any additional documents necessary to engage the services as described herein from the Service Providers referenced herein for the provision of employee benefits for calendar year 2018 by and on behalf of the City of Lee's Summit, Missouri.

SECTION 3. That this Ordinance shall be in full force and effect from and after the date of its adoption, passage, and approval by the Mayor.

PASSED by the City Council of Lee's Summit, Missouri this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*City Clerk Denise R. Chisum*

APPROVED by the Mayor of said City this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

**BILL NO. 17-**

**ORDINANCE NO.**

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\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and Operations/Deputy City Attorney  
*Jackie McCormick Heanue*



# **City of Lee's Summit**

**Group Number: 34136000**

**Preferred-Care Blue**

**Blue Choice PPO Plan**

**Benefit & Rate Confirmation**

**(Effective January 1, 2018)**



**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – Blue Choice PPO Plan**

|  |
|--|
| <b>Preferred-Care Blue</b>                           |
| <b>Copayment, Deductible, Coinsurance and Limits</b> |

| <b><i>Hospital and Physician</i></b>  |  |               |
|---|--|---------------|
| Calendar Year Deductible  | <u>Individual</u>                              | <u>Family</u> |
| Preferred   | \$0  | \$0           |
| Non-Preferred   | \$500  | \$1,500       |
| Coinsurance Member Pays   |  |               |
| Preferred   | 0%   |               |
| Non-Preferred   | 20%  |               |
| Out-of-Pocket Maximum <i>(Includes Deductible, Coinsurance &amp; All Copays)</i>  | <u>Individual</u>                              | <u>Family</u> |
| Preferred   | \$3,000  | \$6,000       |
| Non-Preferred   | \$9,000  | \$18,000      |
| Physician Office Visit  |  |               |
| Preferred   |  |               |
| PCP   | \$20 Copay*                                    |               |
| Specialist  | \$40 Copay*                                    |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |
| *Copay applies to the Office Visit Charge Only. Other procedures performed in a Physician's office are subject to the applicable deductible and coinsurance level unless otherwise specified in the benefit schedule. |  |               |
| Lab Services  |  |               |
| Preferred   |  |               |
| Physician's Office / Independent Lab  | No Copay*                                      |               |
| Outpatient Facility/Hospital  | Deductible & Coinsurance                       |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |
| X-ray and other Radiology Procedures  |  |               |
| Preferred   | Deductible & Coinsurance                       |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |
| Routine Preventive Care   |  |               |
| Preferred   | Expanded (ACA Compliant) Women's Preventive*** |               |
|   | Routine Services: 100%                         |               |
|   | Related OV: 100%                               |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |

\*\*\*Routine Women's Preventive required under the Affordable Care Act of 2010 ("ACA")

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – Blue Choice PPO Plan**

| <b><i>Hospital and Physician (cont'd.)</i></b>                 |  |
|--|--|
| Routine Vision Care  | No Benefit   |
| Prenatal Program   | Yes  |
| Emergency Room   | \$200 Copay then Deductible & Preferred<br>Coinsurance<br><i>Copay waived if admitted to a Hospital</i>                    |
| Urgent Care Benefit<br>Preferred<br>Non-Preferred              | \$40 Copay*<br>Deductible & Coinsurance  |
| Inpatient Hospital Services<br>Preferred                       | \$300 Copay per Day<br><i>Copay limited to five copays per member per<br/>calendar year</i>                                |
| Non-Preferred  | Deductible & Coinsurance   |
| Outpatient Surgery in Hospital or other<br>Outpatient Facility | Deductible & Coinsurance   |
| MRIs, PET Scans, CT Scans, & MRAs<br>Preferred                 | \$100 Copay then 0% Coinsurance<br><i>\$100 Maximum Calendar year Copayment<br/>(copay limited to 1 per calendar year)</i> |
| Non-Preferred  | Deductible & Coinsurance   |

| <b><i>Mental Illness/Substance Abuse</i></b>              |   |
|---|---|
| Inpatient Mental Illness/Substance Abuse<br>Preferred     | \$300 Copay per Day<br><i>Copay limited to five copays per member per<br/>calendar year</i> |
| Non-Preferred   | Deductible & Coinsurance  |
| Outpatient Mental Illness/Substance Abuse<br>Office Visit | \$20 Copay*   |
| Outpatient Mental Illness/Substance Abuse<br>Therapy      | Deductible & Coinsurance  |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – Blue Choice PPO Plan**

| <b><i>Ancillary/Miscellaneous</i></b>  |   |
|--|---|
| Air Ambulance  | Network Deductible & Preferred<br>Coinsurance   |
| Ground Ambulance   | Network Deductible & Preferred<br>Coinsurance<br><i>No limit per trip</i>   |
| Home Health Services   | Deductible & Coinsurance<br><i>60 visit Calendar Year Maximum</i>   |
| Skilled Nursing Facility   | Deductible & Coinsurance<br><i>30 day Calendar Year Maximum</i>   |
| Inpatient Hospice<br>Preferred   | \$150 Copay per Day<br><i>Applies to Annual Inpatient Hospital Maximum</i>  |
| Non-Preferred  | Deductible & Coinsurance<br><i>14 Day Lifetime Max</i>  |
| Outpatient Therapy<br>(Speech, Hearing, Physical, and Occupational)  | Deductible & Coinsurance<br><i>Combined 60 visit Calendar Year Maximum for<br/>Physical &amp; Occupational Therapy</i><br><br><i>Combined 20 visit Calendar Year Maximum for<br/>Speech &amp; Hearing Therapy</i> |
| Chiropractic Services<br>*Copay applies to the Office Visit Charge<br>Only. Other procedures performed in a<br>Chiropractor's office are subject to the<br>applicable deductible and coinsurance level<br>unless otherwise specified in the benefit<br>schedule. | Network: \$40 Copay*<br>Non-Network: Deductible & Coinsurance   |
| Infertility/Impotency  | Not Covered   |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – Blue Choice PPO Plan**

| <b><i>Outpatient Prescription Drugs</i></b> |   |
|---|---|
| Network                                     | BCBSKC Rx   |
| Rx Deductible                               | None  |
| Long-Term Supply – Mail order only          | All covered drugs   |
| Retail Copays:<br>Tier 1/Tier 2/Tier 3      | \$10/40/65  |
| Mail Order Copays:<br>Tier 1/Tier 2/Tier 3  | \$20/80/130   |
| Contraceptives:                             | Generic contraceptive drugs covered at 100%<br>Injectables, implants, and devices covered at 100%   |
| Out-of-Network:                             | 50% after Copay   |
| ExpressScripts Program:                     | BlueKC Network without Walgreens  |
|   | Select Home Delivery Incentive Choice:<br>\$10 additional charge for maintenance medications at Retail<br>Out-of-Network: 50% after Copay |

| <b><i>Other</i></b>  |  |
|--|--|
| Lifetime Maximum   | Unlimited  |
| Dependent Limiting Age   | 26   |
| Maternity  | Covered  |
| Dependent Daughters Eligibility/Termination                                  | Covered for maternity<br>First day of month/last day of month  |
| Domestic Partner Amendment – Coverage for same sex and opposite sex coverage | Not covered  |
| Coverage for Legally Married Same Sex Spouse                                 | Yes  |
| Wellness Fund (Group Total)  | \$35,000   |
|  | <i>*Amount applies to group as a whole and amount is not available for each unique product the group offers.</i> |
| Nurse Line   | Yes  |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – Blue Choice PPO Plan**

| <b><i>Underwriting</i></b>  |  |
|---|--|
| Minimum percent of Eligible employees covered   | 75%  |
| Percentage threshold of total employee enrollment at renewal based on prior year's enrollment | 90%  |
| Classification of Eligible Employees  | All full-time employees actively working 30 hours per week; Retirees and their Dependents who are eligible in accordance with the Employer's Employee Benefits Program |
| Waiting Period  | First of the Month following one full calendar month of service  |
| Minimum Employer Contribution   | 75% cost of Eligible Employees/50% total account premium   |
| Section 125 Enrollment Provisions   | Yes  |
| Insurance Coverage Creditable (Medicare Part D)   | Yes  |
| Start Date of Annual Enrollment Period  | 30 days prior to group anniversary date  |
| End Date of Annual Enrollment Period  | 15 days after group anniversary date   |
| Contract Term   | 12 months  |
| Subsequent Renewal Terms  | 12 months  |
| Renewal Notification  | 120 Days   |
| Next Renewal  | 1/1/19   |
| Reinstatement Fee   | \$500  |
| Subject to ERISA  | No   |

| <b><i>Mandated Offerings</i></b> |  |
|----------------------------------|--|
| Pregnancy Termination            | <input type="checkbox"/> Accept <input checked="" type="checkbox"/> Reject |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – Blue Choice PPO Plan**

| <b>Rates</b>          |            |
|-----------------------|------------|
| Employee              | \$790.48   |
| Employee & Spouse     | \$1,728.70 |
| Employee & Child(ren) | \$1,728.70 |
| Family                | \$2,006.69 |

| <b>A Healthier You™</b>                             |                     |
|---|---------------------|
| <i>Select only one:</i>                             |                     |
| <input checked="" type="checkbox"/> AHY 100+        |                     |
| AHY for Subscriber and Spouse with Medical Coverage | Included in premium |

| <b>A Healthier You Buy-Up Options</b>  |             |
|--|-------------|
| <input checked="" type="checkbox"/> AHY Standard – Employees with no medical*                          | \$2.00 PEPM |
| *Including individuals with no medical coverage requires automated enrollment via EDI or Blues Enroll. |             |

| <b>Funding</b> | <input type="checkbox"/> Cost Plus<br><input checked="" type="checkbox"/> Insured<br><input type="checkbox"/> Other _____ |
|----------------|---|
|                |   |

Confirmed by City of Lee's Summit:

Accepted by Blue Cross and Blue Shield of Kansas City:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# **City of Lee's Summit**

**Group Number: 34136000**

**Preferred-Care Blue**

**PPO Plan**

**Benefit & Rate Confirmation  
(Effective January 1, 2018)**





**Benefit and Rate Confirmation  
City of Lee's Summit – Preferred-Care Blue – PPO Plan**

|  |
|--|
| <b>Preferred-Care Blue</b>                               |
| <b>Copayment, Deductible, Coinsurance<br/>and Limits</b> |

| <b><i>Hospital and Physician</i></b>  |  |               |
|---|--|---------------|
| Calendar Year Deductible  | <u>Individual</u>                              | <u>Family</u> |
| Preferred   | \$500  | \$1,000       |
| Non-Preferred   | \$1,500  | \$3,000       |
| Coinsurance Member Pays   |  |               |
| Preferred   | 10%  |               |
| Non-Preferred   | 30%  |               |
| Out-of-Pocket Maximum <i>(Includes Deductible, Coinsurance &amp; All Copays)</i>  | <u>Individual</u>                              | <u>Family</u> |
| Preferred   | \$2,800  | \$5,600       |
| Non-Preferred   | \$8,400  | \$16,800      |
| Physician Office Visit  |  |               |
| Preferred   |  |               |
| PCP   | \$25 Copay*                                    |               |
| Specialist  | \$50 Copay*                                    |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |
| *Copay applies to the Office Visit Charge Only. Other procedures performed in a Physician's office are subject to the applicable deductible and coinsurance level unless otherwise specified in the benefit schedule. |  |               |
| Lab Services  |  |               |
| Preferred   |  |               |
| Physician's Office / Independent Lab  | No Copay*                                      |               |
| Outpatient Facility/Hospital  | Deductible & Coinsurance                       |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |
| X-ray and other Radiology Procedures  |  |               |
| Preferred   | Deductible & Coinsurance                       |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |
| Routine Preventive Care   |  |               |
| Preferred   | Expanded (ACA Compliant) Women's Preventive*** |               |
|   | Routine Services: 100%                         |               |
|   | Related OV: 100%                               |               |
| Non-Preferred   | Deductible & Coinsurance                       |               |

\*\*\*Routine Women's Preventive required under the Affordable Care Act of 2010 ("ACA")

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – PPO Plan**

| <b><i>Hospital and Physician (cont'd.)</i></b>    |   |
|---|---|
| Routine Vision Care                               | No Benefit  |
| Prenatal Program                                  | Yes   |
| Emergency Room                                    | \$200 Copay then Deductible & Preferred<br>Coinsurance<br><i>Copay waived if admitted to a Hospital</i> |
| Urgent Care Benefit<br>Preferred<br>Non-Preferred | \$50 Copay*<br>Deductible & Coinsurance   |

| <b><i>Mental Illness/Substance Abuse</i></b>              |                          |
|---|--------------------------|
| Inpatient Mental Illness/Substance Abuse                  | Deductible & Coinsurance |
| Outpatient Mental Illness/Substance Abuse<br>Office Visit | \$25 Copay*              |
| Outpatient Mental Illness/Substance Abuse<br>Therapy      | Deductible & Coinsurance |

**Benefit and Rate Confirmation  
City of Lee's Summit – Preferred-Care Blue – PPO Plan**

| <b><i>Ancillary/Miscellaneous</i></b>  |   |
|--|---|
| Air Ambulance  | Network Deductible & Preferred<br>Coinsurance   |
| Ground Ambulance   | Network Deductible & Preferred<br>Coinsurance<br><i>No limit per trip</i>   |
| Home Health Services   | Deductible & Coinsurance<br><i>60 visit Calendar Year Maximum</i>   |
| Skilled Nursing Facility   | Deductible & Coinsurance<br><i>30 day Calendar Year Maximum</i>   |
| Inpatient Hospice  | Deductible & Coinsurance<br><i>14 Day Lifetime Max</i>  |
| Outpatient Therapy<br>(Speech, Hearing, Physical, and Occupational)  | Deductible & Coinsurance<br><i>Combined 60 visit Calendar Year Maximum for<br/>Physical &amp; Occupational Therapy</i><br><br><i>Combined 20 visit Calendar Year Maximum for<br/>Speech &amp; Hearing Therapy</i> |
| Chiropractic Services<br>*Copay applies to the Office Visit Charge<br>Only. Other procedures performed in a<br>Chiropractor's office are subject to the<br>applicable deductible and coinsurance level<br>unless otherwise specified in the benefit<br>schedule. | Network: \$50 Copay*<br>Non-Network: Deductible & Coinsurance   |
| Infertility/Impotency  | Not Covered   |

**Benefit and Rate Confirmation  
City of Lee's Summit – Preferred-Care Blue – PPO Plan**

| <b><i>Outpatient Prescription Drugs</i></b> |   |
|---|---|
| Network                                     | BCBSKC Rx   |
| Rx Deductible                               | None  |
| Long-Term Supply – Mail order only          | All covered drugs   |
| Retail In-Network Copays:                   |   |
| Tier 1:                                     | \$10 Copay  |
| Tier 2:                                     | 40% up to \$100   |
| Tier 3:                                     | 60% up to \$150   |
| Retail Non-Network Copays:                  |   |
| Tier 1/ Tier 2/ Tier 3:                     | 50% after \$10 Copay/ 40%/ 60%  |
| In-Network Mail Order Copays:               |   |
| Tier 1:                                     | \$20 Copay  |
| Tier 2:                                     | 40% up to \$200   |
| Tier 3:                                     | 60% up to \$300   |
| Non-Network Mail Order Copays:              |   |
| Tier 1/ Tier 2/ Tier 3:                     | 50% after \$20 Copay/ 40%/ 60%  |
| Contraceptives:                             | Generic contraceptive drugs covered at 100%<br>Injectables, implants, and devices covered at 100%   |
| Annual Out of Pocket:                       | \$1,500 Individual/ \$4,500 Family  |
| ExpressScripts Program:                     | BlueKC Network without Walgreens<br><br>Select Home Delivery Incentive Choice:<br>\$10 additional charge for maintenance medications at Retail<br>Out-of-Network: 50% after Copay |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – PPO Plan**

| <i>Other</i>   |  |
|--|--|
| Lifetime Maximum   | Unlimited  |
| Dependent Limiting Age   | 26   |
| Maternity  | Covered  |
| Dependent Daughters  | Covered for maternity  |
| Eligibility/Termination  | First day of month/last day of month   |
| Domestic Partner Amendment – Coverage for same sex and opposite sex coverage | Not covered  |
| Coverage for Legally Married Same Sex Spouse                                 | Yes  |
| Wellness Fund (Group Total)  | \$35,000   |
|  | <i>*Amount applies to group as a whole and amount is not available for each unique product the group offers.</i> |
| Nurse Line   | Yes  |

**Benefit and Rate Confirmation  
City of Lee's Summit – Preferred-Care Blue – PPO Plan**

| <b><i>Underwriting</i></b>  |  |
|---|--|
| Minimum percent of Eligible employees covered   | 75%  |
| Percentage threshold of total employee enrollment at renewal based on prior year's enrollment | 90%  |
| Classification of Eligible Employees  | All full-time employees actively working 30 hours per week; Retirees and their Dependents who are eligible in accordance with the Employer's Employee Benefits Program |
| Waiting Period  | First of the Month following one full calendar month of service  |
| Minimum Employer Contribution   | 75% cost of Eligible Employees/50% total account premium   |
| Section 125 Enrollment Provisions   | Yes  |
| Insurance Coverage Creditable (Medicare Part D)   | Yes  |
| Start Date of Annual Enrollment Period  | 30 days prior to group anniversary date  |
| End Date of Annual Enrollment Period  | 15 days after group anniversary date   |
| Contract Term   | 12 months  |
| Subsequent Renewal Terms  | 12 months  |
| Renewal Notification  | 120 Days   |
| Next Renewal  | 1/1/19   |
| Reinstatement Fee   | \$500  |
| Subject to ERISA  | No   |

| <b><i>Mandated Offerings</i></b> |  |
|----------------------------------|--|
| Pregnancy Termination            | <input type="checkbox"/> Accept <input checked="" type="checkbox"/> Reject |

**Benefit and Rate Confirmation  
City of Lee's Summit – Preferred-Care Blue – PPO Plan**

| <b>Rates</b>          |            |
|-----------------------|------------|
| Employee              | \$707.31   |
| Employee & Spouse     | \$1,556.97 |
| Employee & Child(ren) | \$1,556.97 |
| Family                | \$1,807.40 |

| <b>A Healthier You™</b>                             |                     |
|---|---------------------|
| <i>Select only one:</i>                             |                     |
| <input checked="" type="checkbox"/> AHY 100+        |                     |
| AHY for Subscriber and Spouse with Medical Coverage | Included in premium |

| <b>A Healthier You Buy-Up Options</b>  |             |
|--|-------------|
| <input checked="" type="checkbox"/> AHY Standard – Employees with no medical*                          | \$2.00 PEPM |
| *Including individuals with no medical coverage requires automated enrollment via EDI or Blues Enroll. |             |

| <b>Funding</b> | <input type="checkbox"/> Cost Plus<br><input checked="" type="checkbox"/> Insured<br><input type="checkbox"/> Other _____ |
|----------------|---|
|                |   |

Confirmed by City of Lee's Summit:

Accepted by Blue Cross and  
Blue Shield of Kansas City:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# **City of Lee's Summit**

**Group Number: 34136000**

**Preferred-Care Blue**

**BlueSaver PPO Plan**

**Benefit & Rate Confirmation**

**(Effective January 1, 2018)**





**Benefit and Rate Confirmation  
City of Lee's Summit – Preferred-Care Blue – BlueSaver PPO Plan**

|  |
|--|
| <b>Preferred-Care Blue</b>                           |
| <b>Copayment, Deductible, Coinsurance and Limits</b> |

| <b><i>Hospital and Physician</i></b>   |  |               |
|--|--|---------------|
| Calendar Year Deductible   | <u>Individual</u>                              | <u>Family</u> |
| Preferred  | \$2,700  | \$5,400       |
| Non-Preferred  | \$2,700  | \$5,400       |
| Coinsurance Member Pays  |  |               |
| Preferred  |  | 0%            |
| Non-Preferred  |  | 30%           |
| Out-of-Pocket Maximum <i>(Includes Deductible, Coinsurance &amp; All Copays)</i> | <u>Individual</u>                              | <u>Family</u> |
| Preferred  | \$2,700  | \$5,400       |
| Non-Preferred  | \$5,400  | \$10,800      |
| Physician Office Visit   | Deductible & Coinsurance                       |               |
| Lab Services Performed in a Physician's Office / Independent Lab                 | Deductible & Coinsurance                       |               |
| X-ray and other Radiology Procedures   | Deductible & Coinsurance                       |               |
| Routine Preventive Care  | Expanded (ACA Compliant) Women's Preventive*** |               |
| Preferred  | Routine Services: 100%                         |               |
|  | Related OV: 100%                               |               |
| Non-Preferred  | Deductible & Coinsurance                       |               |
| Routine Vision Care  | No Benefit                                     |               |
| Prenatal Program   | Yes  |               |
| Emergency Room   | Deductible & Preferred Coinsurance             |               |
| Urgent Care Benefit  | Deductible & Coinsurance                       |               |

| <b><i>Mental Illness/Substance Abuse</i></b> |                          |
|--|--------------------------|
| Inpatient Mental Illness/Substance Abuse     | Deductible & Coinsurance |
| Outpatient Mental Illness/Substance Abuse    | Deductible & Coinsurance |

\*\*\*Routine Women's Preventive services required under the Affordable Care Act of 2010 ("ACA")

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – BlueSaver PPO Plan**

| <i>Ancillary/Miscellaneous</i>                                      |   |
|---|---|
| Air Ambulance   | Deductible & Preferred Coinsurance  |
| Ground Ambulance  | Deductible & Preferred Coinsurance<br><i>No limit per trip</i>  |
| Home Health Services  | Deductible & Coinsurance<br><i>60 visit Calendar Year Maximum</i>   |
| Skilled Nursing Facility  | Deductible & Coinsurance<br><i>30 day Calendar Year Maximum</i>   |
| Inpatient Hospice   | Deductible & Coinsurance<br><i>14 Day Lifetime Max</i>  |
| Outpatient Therapy<br>(Speech, Hearing, Physical, and Occupational) | Deductible & Coinsurance<br><i>Combined 60 visit Calendar Year Maximum for<br/>Physical &amp; Occupational Therapy</i><br><br><i>Combined 20 visit Calendar Year Maximum for<br/>Speech &amp; Hearing Therapy</i> |
| Chiropractic Services   | Deductible & Coinsurance  |
| Infertility/Impotency   | Not Covered   |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – BlueSaver PPO Plan**

| <b><i>Outpatient Prescription Drugs</i></b> |  |
|---|--|
| Network                                     | BCBSKC Rx  |
| Long-Term Supply – Mail order only          | All covered drugs  |
| Retail Copays:<br>Tier 1/Tier 2/Tier 3      | In Network: Deductible then 100%<br>Out of Network: Deductible then 50% after<br>\$10/40/65  |
| Mail Order Copays:<br>Tier 1/Tier 2/Tier 3  | In Network: Deductible then 100%<br>Out of Network: Deductible then 50% after<br>\$20/80/130   |
| Contraceptives:                             | Generic contraceptive drugs covered at<br>100%<br>Injectables, implants, and devices covered<br>at 100%  |
| ExpressScripts Program:                     | BlueKC Network without Walgreens<br><br>Select Home Delivery Incentive Choice:<br>\$10 additional charge for maintenance<br>medications at Retail<br>Out-of-Network: 50% after Copay |

| <b><i>Other</i></b>   |  |
|---|--|
| Lifetime Maximum  | Unlimited  |
| Dependent Limiting Age  | 26   |
| Maternity   | Covered  |
| Dependent Daughters<br>Eligibility/Termination                                  | Covered for maternity<br>First day of month/last day of month  |
| Domestic Partner Amendment – Coverage<br>for same sex and opposite sex coverage | Not covered  |
| Coverage for Legally Married Same Sex<br>Spouse                                 | Yes  |
| Wellness Fund (Group Total)   | \$35,000<br><i>*Amount applies to group as a whole and amount is not<br/>available for each unique product the group offers.</i> |
| Bank Selection  | UMB  |
| Nurse Line  | Yes  |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – BlueSaver PPO Plan**

| <b><i>Underwriting</i></b>  |  |
|---|--|
| Minimum percent of Eligible employees covered   | 75%  |
| Percentage threshold of total employee enrollment at renewal based on prior year's enrollment | 90%  |
| Classification of Eligible Employees  | All full-time employees actively working 30 hours per week; Retirees and their Dependents who are eligible in accordance with the Employer's Employee Benefits Program |
| Waiting Period  | First of the Month following one full calendar month of service  |
| Minimum Employer Contribution   | 75% cost of Eligible Employees/50% total account premium   |
| Section 125 Enrollment Provisions   | Yes  |
| Insurance Coverage Creditable (Medicare Part D)   | Yes  |
| Start Date of Annual Enrollment Period  | 30 days prior to group anniversary date  |
| End Date of Annual Enrollment Period  | 15 days after group anniversary date   |
| Contract Term   | 12 months  |
| Subsequent Renewal Terms  | 12 months  |
| Renewal Notification  | 120 Days   |
| Next Renewal  | 1/1/19   |
| Reinstatement Fee   | \$500  |
| Subject to ERISA  | No   |

| <b><i>Mandated Offerings</i></b> |  |
|----------------------------------|--|
| Pregnancy Termination            | <input type="checkbox"/> Accept <input checked="" type="checkbox"/> Reject |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Preferred-Care Blue – BlueSaver PPO Plan**

| <b>Rates</b>          |            |
|-----------------------|------------|
| Employee              | \$654.38   |
| Employee & Spouse     | \$1,439.88 |
| Employee & Child(ren) | \$1,439.88 |
| Family                | \$1,671.49 |

| <b>A Healthier You™</b>                             |                     |
|---|---------------------|
| <i>Select only one:</i>                             |                     |
| <input checked="" type="checkbox"/> AHY 100+        |                     |
| AHY for Subscriber and Spouse with Medical Coverage | Included in premium |

| <b>A Healthier You Buy-Up Options</b>  |             |
|--|-------------|
| <input checked="" type="checkbox"/> AHY Standard – Employees with no medical*                          | \$2.00 PEPM |
| *Including individuals with no medical coverage requires automated enrollment via EDI or Blues Enroll. |             |

| <b>Funding</b> | <input type="checkbox"/> Cost Plus<br><input checked="" type="checkbox"/> Insured<br><input type="checkbox"/> Other _____ |
|----------------|---|
|                |   |

Confirmed by City of Lee's Summit:

Accepted by Blue Cross and Blue Shield of Kansas City:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of Lee's Summit  
Group ID #:34136000  
Blue Dental PPO / Blue Dental Choice  
GRID / GRID+  
Benefit & Rate Confirmation  
Effective January 1, 2018**



**Benefit and Rate Confirmation  
City of Lee's Summit – Dental Plan**

| <b>Covered Services</b>  |  |
|--|--|
| <b>Type I Services:</b><br>Diagnostic and Preventive Services  | Covered<br><br><i>Select one:</i><br><input checked="" type="checkbox"/> 2 Routine cleanings/CY<br>(Perio cleanings covered under Type III if elected)<br><input type="checkbox"/> 2 combined Routine or Perio cleanings/CY<br>(Perio cleanings will not be covered under Type III if elected)<br><input type="checkbox"/> 4 combined Routine or Perio cleanings/CY<br>(Perio cleanings will not be covered under Type III if elected) |
| <b>Type II Services:</b><br>Basic Restorative Services; <b>Periodontics;</b><br>Endodontics; and Extractions | Covered  |
| <b>Type III Services:</b><br>Major Restorative and Maintenance of<br>Prosthodontics                          | Covered  |
| <b>Type IV Services:</b><br>Orthodontic Services   | Covered  |

| <b>Calendar Year Deductible:</b> <input checked="" type="checkbox"/> <i>Individual/Family</i> <input type="checkbox"/> <i>Each Covered Person</i><br>Ratio 1:2 or 1:3 |                             |                                 |                              |
|---|-----------------------------|---------------------------------|------------------------------|
| <b>Deductible:</b>  | <b>Blue Dental PPO/GRID</b> | <b>Blue Dental Choice/GRID+</b> | <b>OON/Non-Participating</b> |
| Type I  | Waived                      | Waived                          | Waived                       |
| Types II and III  |                             | \$50/150_____                   |                              |

| <b>Coinsurance:</b> | <b>Blue Dental PPO/GRID</b> | <b>Blue Dental Choice/GRID+</b> | <b>OON/Non-Participating</b> |
|---------------------|-----------------------------|---------------------------------|------------------------------|
| Type I              | 100%                        | 100%                            | 100%                         |
| Types II            | 85%                         | 80%                             | 80%                          |
| Type III            | 55%                         | 50%                             | 50%                          |
| Type IV             | 50%                         | 50%                             | 50%                          |

**Benefit and Rate Confirmation  
City of Lee's Summit – Dental Plan**

| <b>Calendar Year Maximum:</b>                    | <b>Blue Dental PPO/GRID</b>                            | <b>Blue Dental Choice/GRID+</b> | <b>OON/Non-Participating</b> |
|--|--|---------------------------------|------------------------------|
| Types I, II, and III (per covered person)        | \$1,250  |                                 |                              |
| Preventive applies towards Calendar Year Maximum | Yes – preventive applies towards Calendar Year Maximum |                                 |                              |

| <b>Dental Rewards:</b>                         | Covered   |   |   |
|--|---|---|---|
| <b>Dental Rewards Program:</b>                 | <b>If total calendar year claims fall into this range amount:</b> | <b>Then Blue KC will reward the member with this amount for use next year and beyond:</b> | <b>However, Dental Reward totals will be capped at this amount:</b> |
| Standard for all members, no options available | \$1 - \$300   | \$250   | \$500   |

| <b>Special Benefit Provisions:</b>  |  |                                 |                              |
|---|--|---------------------------------|------------------------------|
| <b>Type III Services</b>  |  |                                 |                              |
| Temporomandibular Joint (TMJ) Dysfunction   | Not Covered  |                                 |                              |
| Dental Implants   | Not Covered  |                                 |                              |
| <b>Type IV Services</b>   |  |                                 |                              |
| <b>Orthodontia</b>  | <b>Blue Dental PPO/GRID</b>                                | <b>Blue Dental Choice/GRID+</b> | <b>OON/Non-Participating</b> |
| Orthodontia Lifetime Maximum  | \$1,250 Lifetime Maximum                                   |                                 | \$1,250 Lifetime Maximum     |
| Orthodontia Limiting Age  | No age limit   |                                 |                              |
| <b>Additional Services</b>  |  |                                 |                              |
| Provide benefits for replacement of teeth missing <b>prior</b> to effective date? | Covered<br>(insert missing tooth amendment DPPO-201-12-MK) |                                 |                              |



**Benefit and Rate Confirmation  
City of Lee's Summit – Dental Plan**

| <b>Eligibility:</b>  |   |
|--|---|
| Dependent Limiting Age   | Age 26  |
| Eligibility/Termination  | First day of the month/ Last day of the month |
| Domestic Partner Amendment – Coverage for same sex and opposite sex coverage | Not Covered                                   |
| Coverage for Legally Married Same Sex Spouse                                 | Yes   |

| <b>Underwriting:</b>  |  |
|---|--|
| Minimum percent of Eligible Employees covered   | 75%  |
| Percentage threshold of total employee enrollment at renewal based on prior year's enrollment   | 90%  |
| Classification of Eligible Employees  | All full-time employees actively working 30 hours per week; Retirees and their Dependents who are eligible in accordance with the Employer's Employee Benefits Program |
| Waiting Period  | First of the Month following one full calendar month of service  |
| Minimum Employer Contribution<br><i>Select one:</i><br><input checked="" type="checkbox"/> Contributory<br><input type="checkbox"/> Voluntary | 75% cost of eligible employees or 50% of total account premium   |
| Section 125 Enrollment Provisions   | Yes  |
| Start Date of Annual Enrollment Period  | 90 days prior to group anniversary date  |
| End Date of Annual Enrollment Period  | 15 days after group anniversary date   |
| Contract Term   | 12 months  |
| Subsequent Renewal Terms  | 12 months  |
| Renewal Notification  | 120 days   |
| Next Renewal  | 1/1/19   |
| Reinstatement Fee   | \$500  |

**Benefit and Rate Confirmation**  
**City of Lee's Summit – Dental Plan**

***Network***

**PPO Product: Blue Dental**

Dental Network Inside Our Service Area: Blue Dental PPO / Blue Dental Choice Networks

Dental Network Outside Service Area: GRID / GRID+ Blue Cross and Blue Shield Networks

Inside Our Service Area OON/Non-Participating Provider Payments:

*Select one:*

- Traditional Fee Schedule  
 90% of UCR based on Context4 Data

Outside Our Service Area OON/Non-Participating Provider Payment:

*Select one:*

- Traditional Fee Schedule  
 90% of UCR based on Context4 Data

**Benefit and Rate Confirmation  
City of Lee's Summit – Dental Plan**

| <b>Rates</b> |         |
|--------------|---------|
| Employee     | \$35.17 |
| Family       | \$88.50 |

| <b>Funding</b>                      |             |
|-------------------------------------|-------------|
| <input type="checkbox"/>            | Cost Plus   |
| <input checked="" type="checkbox"/> | Insured     |
| <input type="checkbox"/>            | ASO         |
| <input type="checkbox"/>            | Other _____ |

Confirmed by City of Lee's Summit:

Accepted by Blue Cross and Blue Shield of  
Kansas City:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**\*Two-year rate guarantee with a third year rate cap of +8%.**



August 15, 2017

Susan Wayman  
City of Lee's Summit  
220 SE Green St  
Lee's Summit, MO 64063

**Re: City of Lee's Summit #30026016 / January 1, 2018 Renewal Notification**

Dear Ms. Susan Wayman:

Thank you for being a VSP® Vision Care customer. We put your employees first and guarantee their satisfaction. As the only national not-for-profit vision company, VSP gives you:

- Lowest Employee Out-of-Pocket
- Reduced Healthcare Costs
- 50% off Hearing Aids and Devices through our Partnership with TruHearing
- Diabetic Plus Eyecare - This program targets **glaucoma and age-related macular degeneration** in addition to **diabetic retinopathy** and other **diabetic eye diseases** with just a **\$20 copay – no limit on visits!** No impact on rates.

City of Lee's Summit has been a valued VSP client since July 1, 2011 and we currently cover 658 members. The plan offered is VSP's Choice Plan B which allows for an examination and lens once every 12 months, and frames once every 24 months, with a \$10 exam copayment and a \$15 materials copayment.

Rates include all applicable taxes and health assessment fees known as of the date of your renewal.

To continue VSP's program for this next policy, sign and return the Renewal Agreement to me by e-mail at [isabel.rothrock@vsp.com](mailto:isabel.rothrock@vsp.com) or fax to 916-463-39286 by December 1, 2017. Please consider VSP your long-term partner in helping you maximize your benefit dollars.

Cordially,

A handwritten signature in cursive script that reads 'Isabel Rothrock'.

Isabel Rothrock  
Senior Client Manager

cc: Jeff Spencer  
Holmes Murphy & Associates, LLC

**RENEWAL AGREEMENT**

Group Name/Number: **City of Lee's Summit / #30026016**

**Current Plan Design -24 Month Rate Guarantee**

Plan Type: Choice – B  
Frequency: 12/12/24  
Copays: \$10 Exam/\$15 Materials  
RFA & ECL Allowance: \$160 & \$130  
Current Rates: \$7.31/16.72  
Renewal Rates: \$6.34/15.05

**Alternative Plan Design - 48 Month Rate Guarantee**

Plan Type: Choice - B  
Frequency: 12/12/24  
Copays: \$10 Exam/\$15 Materials  
RFA & ECL Allowance: \$160 & \$130  
Alternative Rates: \$6.84/15.66

Open AccessSM Allowances: Examination up to \$45, Single Vision up to \$30, Lined Bifocal up to \$50, Lined Trifocal up to \$65, Lenticular up to \$100, Frame up to \$70, Elective Contact Lenses up to \$105 & Necessary Contact Lenses \$210.

**Renewal Options**

- Renew with current plan design
- Renew with alternative plan design

**Contract Period for Option 1: January 1, 2018 through December 31, 2019**

**Contract Period for Option 2: January 1, 2018 through December 31, 2021**

To renew your contract and maintain continuous service, please choose the option that best meets your needs, sign and return the Renewal Agreement by e-mail to: [isabel.rothrock@vsp.com](mailto:isabel.rothrock@vsp.com), or fax to: 916-463-3928 by December 1, 2017. VSP will produce your renewal contract when we have received the Signed Renewal Agreement. Please review the new contract carefully, since some of the provisions may have changed from your prior contract. Additionally, please keep a copy of this Renewal Agreement and accompanying letter, given that they serve as your Notice of Renewal.

By: \_\_\_\_\_

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

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



August 23, 2017

City of Lee's Summit  
Susan Wayman  
Susan.wayman@cityofls.net

Dear Susan,

Thank you for choosing to partner with New Directions in 2018 to offer the Employee Assistance Program (EAP). Your commitment to your employees' health will mean a more productive, less stressful year. Employees covered by a BlueKC policy receive a discounted rate. Based upon the reported employees, your rate for the contract year is as follows:

630 BCBS covered employees at \$20.02 pepy  
17 non BCBS covered employees at \$27.87 pepy  
Blended rate of \$20.23 pepy.

Renewal time is the perfect opportunity to highlight some things you may consider sharing with leaders and staff, including:

**A fresh, new website for employees**

Help just got easier for your staff with the launch of the new EAP employee site on ndbh.com. Here, your employees and their family members can use your company code to:

- Learn to manage stress
- Get help with legal needs
- Take a health assessment
- Request an EAP counseling session online
- Start a live chat to answer benefit questions
- Download hundreds of health and life management resources

Navigation, layout, user experience and content have also been improved.

**A new online portal for managers**

Supervisors can visit the new EAP Manager Portal on ndbh.com using your company code and "manager" password to find the tools and resources to make their roles simpler. Here they'll find:

- Quick access to the proper steps to manage employee performance issues
- Promotional items for download and print (posters, wallet cards, etc.)
- Free monthly webinars, tip sheets and employee resources for sharing
- Quick ways to register for organizational training
- Timely articles focused on manager needs
- Steps to manage critical incidents
- Leadership resources and videos
- Stress toolkit for managers

These online tools, plus all the EAP resources you've learned to count on, can help your employees reduce stress, get physically or financially fit, improve relationships or be the best version of themselves.

Thank you again for partnering with New Directions to offer the EAP. We look forward to creating healthier, more productive employees in 2018, and watching your business thrive. We look forward to talking with you soon!

With appreciation,

Betsy Klein, Vice President EAP



## **COBRA & Retiree Billing Administrative Services Agreement**

This Cobra & Retiree Billing Administrative Services Agreement (the "Agreement") is entered into, and effective this January 1, 2018, by and between City of Lee's Summit, MO, the ("Plan Sponsor") and the Taben Group ("Taben") an LLC designed to assist and provide employers with compliance with Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) and any subsequent amendments thereto (hereinafter "COBRA");

WHEREAS, Plan Sponsor has established one or more group health plans and is an employer who employs 20 or more employees on a typical business day during the preceding calendar year and is thus subject to the requirements of the Act and;

WHEREAS, Plan Sponsor desires to use the third-party administrative services of Taben to help it comply with the continuation of health coverage requirements of COBRA

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

### ARTICLE I SERVICES PROVIDED BY TABEN

**Taben hereby agrees to act as administrator as described herein and provide Plan Sponsor the following services:**

- Administer COBRA and State Continuation rules and regulations on behalf of Plan Sponsor.
- Consult, assist and advise Plan Sponsor when necessary regarding COBRA and State Continuation administration.
- Maintain and update a COBRA data base for all Qualified Beneficiaries ("QB's") using information provided by Plan Sponsor.
- If requested in writing by Plan Sponsor, mail Initial Rights Notification to new active plan participants and spouses within 7 business days of receipt by Taben of the information needed to mail such notices.
- Mail COBRA Eligibility Notice and Election Form to a Primary Qualified beneficiary ("PQB") and other QB's within 7 business days of receipt by Taben of the information needed to mail such notices.
- Send HIPAA Certificate of Coverage to PQB's and other QB's within 7 business days of receipt by Taben of the information needed to mail such notices. HIPAA Certificates of Coverage will also be sent to QB's whenever requested and at the end of COBRA continuation.
- Provide payment coupons, as well as online payment capabilities to QB's whenever a fully completed election form is received, with or without payment. (A convenience fee will be applied to online payments.)



## COBRA & Retiree Billing Administrative Services Agreement

- Mail non-enrollment confirmation to QB's who do not enroll and pay within 60 days of COBRA Eligibility Notice.
- Mail Enrollment Confirmation to QB's and Plan Sponsors upon receipt of timely initial payment *and* fully completed Enrollment Form.
- Mail mid-month late payment reminders to QB if payment is not received.
- Mail Termination of Coverage notice to enrolled QB's who fail to pay timely or who lose COBRA coverage for any other reason.
- Collect, record, deposit and remit all payments to Plan Sponsor at month end.
- Manage insufficient funds collection and short payments in accordance with COBRA rules.
- Field phone calls and other communications from QB's, and their representatives including the use of a toll free 800 number.
- Verify QB payment status to health care providers and to Plan Sponsor as requested.
- Communicate eligibility to Plan Sponsor and their Health Plans via mail, phone, email, on line updates (where available) and periodic summary reporting when requested in writing.
- Image and securely store all inbound and outbound written communications which will be retained and identified by QB.
- Shred all original documents (except checks and money orders) in an effort to maintain HIPAA compliance.
- Mail "COBRA Ending Soon" notice to enrolled QB's approximately 6 months prior to COBRA period end date.
- Record and retain all phone calls and inbound voice mail messages in a secure, transferable (wav.), digital format.
- Protect and maintain Protected Health Information (PHI)
- Maintain in house an FTP server for secure Data Transfer
- Provide a secure web portal for transferring files and forms.
- Provide "Open Enrollment" mailings and phone support as directed by Plan Sponsor.
- Provide employer and participant web portal access to payment and plan information.
- Provide the same basic services as directed by the client for Retiree Billing.





## **COBRA & Retiree Billing Administrative Services Agreement**

### ARTICLE II DUTIES OF THE PLAN SPONSOR

**Plan Sponsor hereby agrees to act and assist Taben in its performance as an administrator by performing the following which includes but is not limited to:**

- Providing Taben all information on current COBRA continuants needed to take over COBRA administration. This information will be transferred to Taben at least 30 days prior to Taben beginning administration of existing COBRA continuants.
- Taking full responsibility for the Health plan and its operation including authority and responsibility for administering, construing and interpreting the provisions of the Health Plan. All final determinations as to a PQB's or QB's entitlement to Plan benefits are to be made by Plan Sponsor, including any determination upon appeal of a denied claim for Plan Benefits Eligibility.
- Provide to Taben all information needed to mail a COBRA Eligibility Notice to QB's. This information should be provided as soon as possible after a Qualifying event and in no event later than 30 days after the qualifying event.
- Provide Taben all pertinent information relating to the Plan Sponsors Group Health Plan(s), at the inception of the Group Health Plan such as group Health Plan rates and effective dates, any associated enrollment materials, inserts / stuffers for non-COBRA eligible benefits, etc. Plan Sponsor will provide this information at least 30 days prior to open enrollment response deadlines. Plan sponsor also agrees to immediately inform Taben of any subsequent change to the Plan Sponsors Group Health Plan.
- Issue in writing to Taben any instructions, decisions or requests for exceptions regarding COBRA administration.
- Providing a guarantee to Taben that information being provided to Taben will be delivered in a format acceptable to Taben which is accurate, complete and will be submitted timely.
- Ensuring that access to Taben's secure web portal and other systems is limited to current employees or authorized agents of the Plan Sponsor and that all authorized users of Plan Sponsor will maintain HIPAA compliance with any information transmitted or received in any form.

### ARTICLE III GENERAL PROVISIONS

- This Agreement embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties hereto.



## COBRA & Retiree Billing Administrative Services Agreement

- Both parties agree within the permitted uses under HIPAA that all records pertaining to COBRA administration for Group Health plan participants under this agreement will be made available to either party at all times.
- Neither Plan Sponsor nor Taben can assign this Agreement without the other party's prior written consent. This Agreement may be amended only by written agreement which is executed by a duly authorized officer of each party.
- Each party shall be authorized to perform audits of the records of data specifically related to performance of the parties under this agreement with reasonable prior written notice. An agent of either party may perform audits provided such agent understands they may be required to sign a confidentiality agreement. Plan Sponsor acknowledges and agrees upon Taben's request to reimburse Taben for all of Taben's reasonable expenses, including copying and labor costs in assisting the Plan Sponsor to complete any audit.
- Plan Sponsor acknowledges in contemplation of entering into this Agreement Taben has revealed and will continue to reveal and to disclose to Plan Sponsor information which is proprietary and/or confidential. Plan Sponsor agrees to keep such proprietary and/or confidential information in strict confidence and not disclose such information to any third parties or employees who do not have a legitimate need to know such information. Plan Sponsor shall not use confidential and/or proprietary information for any purpose not directly related to and necessary for the performance of its obligations under this Agreement.
- Plan Sponsor agrees to immediately notify Taben of any action or threatened action against Taben. Taben reserves the right to retain its own counsel in any action which Taben is or potentially could be a party to.
- This agreement will be construed in accordance with laws of the State of Kansas.
- If any provision or portion of this Agreement is deemed invalid or unenforceable, or is not implemented for any reason, the remaining provisions or portions of this Agreement shall remain in full force and effect, and in no way shall be affected, impaired or invalidated.
- Any captions or headings of any of the Articles or Sections of this Agreement are solely for convenience of the parties, are not part of this Agreement, and shall not be used to determine the validity or interpretation of this Agreement.
- All Notices regarding this agreement should be sent in writing to the following:

Taben Group  
Mark Williams, Executive Vice President  
10875 Benson, Suite 130  
Overland Park KS 66210

City of Lee's Summit, MO  
Name & Title \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_



## COBRA & Retiree Billing Administrative Services Agreement

### ARTICLE IV TERM & TERMINATION

This agreement shall commence with the effective date herein and will continue indefinitely until terminated in writing by either party. The terminating party shall provide at least 60 (sixty) days written notice of termination.

Standard termination / transition services include:

- Initial report to new vendor providing needed data on enrolled COBRA / RB participants
- Summary / Final report two weeks after transition identifying any changes in COBRA / RB participants enrolled, terminations, and paid-through dates
- Process all enrollments and event data request up to cancellation date
- Return payments and enrollment forms received after the cancellation date to QB / Retiree with new vendor instructions

Taben is always willing to adjust the standard process to meet the needs of the client and new COBRA vendor. Continued work outside the parameters outlined above would require a minimum of one additional month's administration fees.

### ARTICLE V FEES

**Plan Sponsor agrees to pay Taben COBRA and Retiree Billing administration fees in accordance with the schedule outlined below. All payments are due, and must be paid to Taben within 30 days from the invoice date rendered by Taben. Taben reserves the right to retain unpaid administration fees from monthly premium remittance if fees are not paid by the due date.**

**Rates are guaranteed not to change for 4 year (s) from the effective date of this agreement\*.**

- **Per employee per month COBRA administration fee.....\$ .65\***
- **Per Retiree per month administration fee.....\$ 5**
- **Annual renewal rate reset / open enrollment fee .....\$ Included**  
**(per enrolled COBRA participant)**
- **Initial rights / New Hire notice fee.....\$ Included**
- **COBRA monthly minimum administration fee.....\$ 75**

*\*Please note that Taben will retain the 2% administration fee*

**Please Note:** *In the event a "significant" modification to COBRA or HIPAA law occurs, Taben reserves the right to modify or change any and all of our fees. Any such fee change is to be effective on the date of such modification.*



## COBRA & Retiree Billing Administrative Services Agreement

### ARTICLE VI HOLD HARMLESS

#### Hold Harmless

Taben will indemnify, hold harmless and defend Plan Sponsor against any liability, damage or cost resulting from negligent acts or omissions committed by Taben, except and to the extent such negligent act or omission was caused directly or indirectly by Plan Sponsor and will maintain Errors and Omissions Insurance of at least \$1,000,000 at all times.

Plan Sponsor will indemnify, hold harmless and defend Taben against any liability, damage or cost resulting from negligent acts or omissions committed by Plan Sponsor and agrees not to instruct Taben to administer COBRA in a manner that violates ERISA, COBRA or other applicable law. Plan Sponsor shall indemnify Taben and hold it harmless from and against any liability, expense demand or other obligation resulting from or out of any premium charge, tax, or similar assessment (Federal or State) for which the Plan or employer is liable.

### ARTICLE VII BUSINESS ASSOCIATE AGREEMENT

#### Business Associates Agreement

If applicable, the parties have executed or agree to execute a separate Business Associates Agreement outlining the responsibilities of both parties regarding Protected Health Information (PHI) the effective date of which will run concurrently with the first transmission of (PHI) between the parties.

Therefore, both parties acknowledge they have read, understood and agree to the terms and conditions contained herein and by the attesting signatures below executed this agreement on 1st day of January, 2018.

#### CITY OF LEE'S SUMMIT, MO

X \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

#### THE TABEN GROUP

X \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

**City of Lee's Summit, MO**  
**Administrative Services Agreement**

**This Administrative Services Agreement** (“Agreement”) dated as of January 1, 2018, between City of Lee's Summit, MO, a MO Municipality (“City of Lee's Summit”) and The Taben Group, a Kansas limited liability company (“Taben”).

**Background**

Taben is engaged as City of Lee's Summit’s administrative services provider and shall perform the services set forth in this Agreement for the following Component Benefits established and maintained by City of Lee's Summit:

***Check applicable boxes and attach Schedules.***

- A Cafeteria Plan** within the meaning of Internal Revenue Code § 125:
  - Premium Only Plan (POP) (as described in Schedule A)
  - Health Flexible Spending Account (Health FSA) (as described in Schedule B)
  - Dependent Care Flexible Spending Account (DCFSA) (as described in Schedule C)

*The Component Benefits elected by Client above will be collectively referred to as the Program in this Agreement.*

Accordingly, City of Lee's Summit and Taben agree as follows:

**Section 1**  
**Effective Date and Term**

***Applies to All Component Benefit Services***

**1.1 Effective Date**

The effective date of this Agreement is January 1, 2018 (“Effective Date”).

**1.2 Term; Renewal**

The initial term of this Agreement shall be the 12 month period beginning on the Effective Date set forth above. This Agreement will renew automatically for successive 12 month periods unless one party provides written prior notice of its intent to terminate in accordance with the corresponding provisions of this Agreement.

## **Section 2 Scope of Undertaking**

### ***Applies to All Component Benefit Services.***

#### **2.1 Scope of Undertaking**

City of Lee's Summit has sole and final authority to control and manage the operation of the Program. Taben is and shall remain an independent contractor with respect to the services being performed under this Agreement and shall not for any purpose be deemed an employee of City of Lee's Summit. Taben and City of Lee's Summit shall not be deemed partners, engaged in a joint venture, or governed by any legal relationship other than that of independent contractor.

Taben does not assume any responsibility for the general policy design of the Program, the adequacy of its funding, or any act or omission, or breach of duty by City of Lee's Summit. Taben shall not in any way be deemed an insurer, underwriter, or guarantor with respect to any benefits payable under the Program. Taben provides only the administrative services set forth in this Agreement and does not assume any financial risk or legal obligation with respect to claims for benefits under the Program or for the Program itself.

Except as otherwise expressly set forth in this Agreement, nothing in this Agreement shall be deemed to constitute Taben as a party to the Program or to confer upon Taben any authority or control respecting management of the Program, authority or responsibility in connection with the administration of the Program, or responsibility for the terms or validity of the Program. Nothing in this Agreement shall be deemed to impose upon Taben any obligation to any employee of City of Lee's Summit or any Participant in the Program.

#### **2.2 Non-Discretionary Duties**

Except as otherwise expressly set forth in this Agreement, the services to be performed by Taben under this Agreement shall be ministerial in nature and will generally be performed in accordance with the terms of the Component Benefits established and maintained by City of Lee's Summit.

#### **2.3 Limited Fiduciary Duties (Applies to Health FSA only)**

The provisions of this subsection shall only apply to ERISA plans and not non-ERISA plans.

Notwithstanding the foregoing, pursuant to Section 405(c)(1) of ERISA, City of Lee's Summit delegates to Taben certain functions which might be deemed to be of a fiduciary nature, including authority to determine initial claims for benefits as set forth in this Agreement, and to pay Program benefits by checks written (or other draft payment or debit) on a bank account established and maintained in the name of City of Lee's Summit for the payment of Program benefits claims pursuant to the corresponding requirements of this Agreement.

The parties agree that Taben is a fiduciary of the Program only to the limited extent necessary to perform such limited fiduciary duties as expressly delegated under this Agreement. Taben shall not be deemed a fiduciary in connection with any other duty or responsibility in the administration of the Program.

**Section 3**  
**City of Lee's Summit's Responsibilities**

***Applies to All Component Benefit Services.***

**3.1 Fiduciary Duties**

The provisions of this subsection shall only apply to ERISA plans and not non-ERISA plans.

Except as otherwise specifically delegated to Taben in this Agreement, City of Lee's Summit has the sole authority and responsibility for the Program and its operation, including the authority and responsibility for administering, construing, and interpreting the provisions of the Program and making all determinations under the Program. City of Lee's Summit gives Taben the authority to act on behalf of City of Lee's Summit in connection with the Program, but only as expressly stated in this Agreement or as mutually agreed in writing by City of Lee's Summit and Taben. City of Lee's Summit is the Plan Administrator and Named Fiduciary of the Program for purposes of ERISA, if applicable to the Program. City of Lee's Summit agrees that this responsibility is and shall remain that of City of Lee's Summit.

**3.2 Bank Account**

City of Lee's Summit shall promptly establish and maintain a bank account for the payment of Program benefits pursuant to the corresponding requirements of this Agreement.

**3.3 Information to Taben**

Upon request, City of Lee's Summit agrees to provide Taben with information necessary for Taben's performance of duties and obligations under this Agreement, including information concerning the Program and the eligibility of individuals to participate in and receive Program benefits. Taben shall be entitled to rely, without investigation or inquiry, upon any written or oral information or communication of City of Lee's Summit or its agents. Such information shall be provided to Taben in the time and in the manner agreed to by City of Lee's Summit and Taben. Taben shall have no responsibility with regard to benefits paid in error due to City of Lee's Summit's failure to accurately or timely communicate or update such information.

City of Lee's Summit shall be responsible for ensuring the accuracy of its Eligibility Reports, and bears the burden of proof in any dispute with Taben relating to the accuracy of any Eligibility Reports.

Taben incurs no liability to City of Lee's Summit or any Participant as a consequence of an inaccurate or untimely Eligibility Report. Additionally, Taben is under no obligation to credit City of Lee's Summit for any Program benefits paid to Participants or any administrative fees incurred by or paid to Taben as a consequence of an inaccurate or untimely Eligibility Report.

Taben shall assume that City of Lee's Summit's Eligibility Reports are complete and accurate and is under no duty to question the completeness or accuracy of such information. Eligibility Reports are deemed Protected Health Information (PHI) and, when transmitted by or maintained in

electronic media shall be deemed Electronic PHI, and subject to the Privacy and Security Rules under HIPAA, and the corresponding requirements of this Agreement.

### **3.4 Plan Documents**

City of Lee's Summit is responsible for the Program's compliance with all applicable federal and state laws and regulations and shall provide Taben with all relevant Program documents, including but not limited to, the corresponding plan documents and any plan amendments. City of Lee's Summit will notify Taben of any changes to the Program as soon as administratively possible and at least 30 days before the effective date of such changes.

Taben may provide sample plan documents and forms for review by City of Lee's Summit and City of Lee's Summit's legal counsel, including plan document, summary plan description (only for ERISA plans), election forms, and similar documents, as applicable to the Program. Taben may customize such documentation, but only to the extent to incorporate the information supplied by City of Lee's Summit at Taben's request or at City of Lee's Summit's directive and as necessary to the performance of Taben's obligations under this Agreement. In addition, Taben may from time to time provide updated sample documents to reflect changes in the applicable laws. Although Taben has taken steps to ensure that its sample documents and forms are of high quality and generally comply with the applicable laws, it cannot be aware of all of the facts and circumstances that may apply to City of Lee's Summit or the Program.

City of Lee's Summit acknowledges that Taben is not a law firm or accounting firm and does not provide tax or legal advice. City of Lee's Summit must ask its own legal counsel to review such documents for legal and tax compliance. City of Lee's Summit bears sole responsibility for determining the legal and tax status of the Program. As a result, Taben does not represent, guarantee or warranty the suitability of any such documents for City of Lee's Summit's particular situation.

### **3.5 Liability for Claims and Expenses**

City of Lee's Summit is solely responsible for payment of claims made pursuant to, and the benefits to be provided by, the Program. Taben does not insure or underwrite the liability of City of Lee's Summit under the Program. Except for expenses specifically assumed by Taben in this Agreement, City of Lee's Summit is responsible for all expenses incident to the Program.

### **3.6 Financial and Medical Records**

In order for City of Lee's Summit and Taben to perform their respective obligations under this Agreement, a Participant's personal financial records or medical records may be requested. If required by law or regulation, and in accordance with applicable state and federal law, City of Lee's Summit must either:

- Notify and provide each Participant an opportunity to opt out (if required); or
- Obtain a written authorization for release of any requested records from each Participant.



### **3.7 HIPAA Privacy & Security**

Where required or applicable, City of Lee's Summit shall provide Taben with the following documents or information:

- Notice of Privacy Practices & Restrictions, and any subsequent changes thereto;
- Certification that City of Lee's Summit amended the plan document as required by the Privacy Rule to permit disclosure of PHI to City of Lee's Summit for plan administrative purposes, and that City of Lee's Summit agrees to the conditions set forth in the Privacy Rule;
- Copies of any authorizations of Participants or beneficiaries to use or disclose PHI, and any later changes to or revocations of such authorizations;
- Notice of any restriction on the use or disclosure of PHI that City of Lee's Summit agrees to under the Privacy Rule;
- Notice of any requests that communications be sent to a Participant or beneficiary by an alternative means or at an alternative location that City of Lee's Summit agrees to under the Privacy Rule; and
- Notice of any communication from the Health and Human Service's Office of Civil Rights (OCR) or a similar agency regarding City of Lee's Summit's compliance with HIPAA's Privacy and Security rules with respect to the Program, including immediate notification regarding a potential or actual OCR audit.

City of Lee's Summit shall not request Taben to use or disclose PHI in any manner that would not be permissible under the Privacy or Security Rules if done by City of Lee's Summit, except that Taben may use or disclose PHI for purposes of Data Aggregation and the management and administrative activities of Taben, as provided in this Agreement.

## **Section 4 Taben's Responsibilities**

***Sections 4.1 through 4.3 Apply to All Component Benefit Services.***

***Sections 4.4 to 4.13 Apply to All Component Benefit Services, except COBRA and HIPAA Portability Administration.***

### **4.1 Delegated Responsibilities**

Taben's responsibilities and obligations shall be limited to those expressly delegated to Taben in this Agreement (including the obligations listed in any Schedule to this Agreement) or any other written and signed agreement between City of Lee's Summit and Taben. Taben generally provides certain administrative services, as described in this Agreement. Taben agrees to administer City of Lee's Summit's Program in accordance with the governing plan documents, this Agreement, and current applicable state laws and regulations.

## **4.2 Service Delivery**

Taben agrees to provide customer service personnel by telephone during Taben's normal business hours. Taben also agrees to provide electronic administrative services 24 hours per day, 7 days per week, with reasonable allowance for downtime for maintenance and upgrading of electronic administrative systems.

Taben will not be deemed in default of this Agreement, nor held responsible for any cessation, interruption, or delay in the performance of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, natural disaster, acts of God, labor controversy, civil disturbance, disruption of the public markets, war or armed conflict, or the inability to obtain sufficient materials or services required in the conduct of its business, including Internet access, or any change in or the adoption of any applicable law, judgment, or decree.

## **4.3 Service Levels**

Taben agrees to provide specific service levels in the performance of the administration of Program benefits as set forth in Exhibit A.

## **4.4 Benefits Payment**

Taben agrees to, on behalf of City of Lee's Summit, operate under the express terms of this Agreement and the Program. Taben makes the initial determination if persons covered by the Program (as described in the Eligibility Reports) are entitled to benefits requested under the Program and shall pay Program benefits to Participants in its usual and customary manner as set forth in this Agreement.

City of Lee's Summit agrees that:

- Taben has no responsibility or obligation with respect to Prior Reimbursement Requests and Prior Administration;
- City of Lee's Summit is responsible for processing Prior Reimbursement Requests and maintaining legally required records of all Prior Reimbursement Requests and Prior Administration sufficient to comply with applicable legal requirements (e.g., IRS substantiation); and
- City of Lee's Summit will indemnify and hold Taben, its officers, directors, and employees, harmless from and against any and all losses, claims, damages, liabilities, or expenses relating to or arising from Prior Reimbursement Requests and Prior Administration.

## **4.5 Bonding**

The provisions of this subsection shall only apply to ERISA plans and not non-ERISA plans.

To the extent required by law, Taben will obtain a fidelity bond or ERISA bond for all persons involved in collecting money or making claim payments, and all officers of Taben.

#### **4.6 Reporting**

Taben agrees to make available to City of Lee's Summit each month via electronic medium (unless otherwise agreed by the parties) a master report showing the payment history and status of Participant claims and the amounts and transactions of Participant accounts during the preceding month.

For those Program benefits subject to HIPAA, City of Lee's Summit must provide certification that the plan document requires City of Lee's Summit to comply with applicable Privacy and Security Rules under HIPAA before Taben will make available the reports provided for in this Section to City of Lee's Summit. Taben agrees to also make available to Participants each month via electronic medium a report showing their individual payment history and status of claims and the amounts and transactions in their individual accounts during the preceding month.

For those Program benefits subject to HIPAA, City of Lee's Summit is responsible for ensuring that any beneficiary of the Participant who submits a claim agrees to the disclosure of PHI to the Participant, if required by the Privacy Rule.

#### **4.7 Claims Appeals**

Taben agrees to refer to City of Lee's Summit, its designee, Plan Administrator, or Named Fiduciary for the following:

- The second and final level of appeal of an adverse benefit determination; and
- Any class of claims City of Lee's Summit may specify in writing, including:
  - Questions of eligibility or entitlement of the claimant for coverage under the Program;
  - Questions with respect to benefits available or the amount due under the Program; or
  - Any other appeal.

#### **4.8 Forfeited Funds**

Taben shall tender any remaining forfeited funds (after payment of administrative expenses) to the applicable state's unclaimed property fund.

#### **4.9 Additional Documents and Communications**

If City of Lee's Summit requests, and City of Lee's Summit and Taben mutually agree upon payment of additional applicable service charges, then Taben shall furnish to City of Lee's Summit:

- Sample plan documents for review by City of Lee's Summit with its own legal counsel, for creation of customized documentation for the Program to be approved and executed by City of Lee's Summit, including board resolutions, summary plan description (if applicable), plan document and plan amendments, as applicable to the Program;

- Sample administrative forms needed for Taben to perform its duties under this Agreement; and
- Consulting services for and the development of certain communication information and materials, such collateral materials and other notices.

#### **4.10 Recordkeeping**

Taben agrees to maintain for the duration of this Agreement the usual and customary books, records, and documents Taben has prepared or received possession of in the performance of its duties under this Agreement. These books, records, and documents, including electronic versions, are the property of City of Lee's Summit, and City of Lee's Summit has the right to access them during normal business hours at Taben's offices with reasonable prior notice. If this Agreement terminates, Taben may deliver, or at City of Lee's Summit's request, will deliver all such books, records, and documents to City of Lee's Summit, subject to Taben's right to retain copies of any records it deems appropriate. City of Lee's Summit shall be required to pay Taben reasonable charges for duplication or transportation of such records.

#### **4.11 Standard of Care; Erroneous Payments**

Taben shall use reasonable care and due diligence in the performance of its duties under this Agreement. If Taben makes any payment under this Agreement to an ineligible person, or if more than the correct amount is paid, Taben shall make a diligent effort to recover any payment made to or on behalf of an ineligible person or any overpayment. However, Taben will not be liable for such payment, unless Taben would otherwise be liable under another provision of this Agreement.

Taben owes a duty of care only to City of Lee's Summit, which duty is one of reasonable care under the attendant circumstances. Taben is not liable for any mistake of judgment or for any action taken in good faith unless such mistake or action results in a breach of such duty of care.

#### **4.12 Notices to City of Lee's Summit**

Taben shall provide to City of Lee's Summit all notices (including any required opt-out notice) reflective of its privacy policies and practices as required applicable law (including the Gramm-Leach-Bliley Act).

### **Section 5**

#### **Compliance with HIPAA Privacy and Security Rules**

*Applies to All Component Benefit Services, except DCFSA.*

#### **5.1 Compliance with HIPAA Privacy and Security Rules**

Contemporaneously with this Agreement, City of Lee's Summit and Taben have entered into a Business Associate Agreement pursuant to HIPAA and the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH Act).

**Section 6**  
**Compliance with the Affordable Care Act**

**6.1 Compliance with the Affordable Care Act**

Both parties agree to act in good faith to comply with the requirements of a recent federal law entitled the Affordable Care Act (ACA). However, the regulations and other guidance under the ACA are interim, or in some cases, not yet promulgated.

City of Lee's Summit reserves the right to amend the Program documents, retroactively if considered necessary, to comply with the ACA, regulations, and other guidance promulgated thereunder. Taben reserves the right to amend its provided services, if considered necessary, to comply with the ACA, regulations, and other guidance promulgated thereunder.

**Section 7**  
**Payment of Benefits and Funding Responsibility**

*Applies to Health FSA and DCFSA.*

**7.1 Payment of Benefits**

City of Lee's Summit authorizes Taben to pay Program benefits by draft payment or debit on a bank account established and maintained by City of Lee's Summit or will provide access to an account for the payment of Program benefits consistent with any banking agreements. Each day or at such other interval as mutually agreed upon, Taben will notify City of Lee's Summit of the amount needed to pay approved Program benefits and City of Lee's Summit shall pay or transfer into the bank account such amount. City of Lee's Summit shall enter into banking agreements and provide instructions to its bank as are necessary to implement this Section. Taben has sole authority to provide whatever notifications, instructions, or directions necessary to accomplish the payment of approved Program benefits under this Agreement.

**7.2 Funding of Benefits**

All Program benefits shall be paid exclusively from the general assets of City of Lee's Summit. Payment for such benefits, including, but not limited to, all Participant reimbursements under the Program, is the sole responsibility of City of Lee's Summit. City of Lee's Summit agrees to accept liability for, and provide sufficient funds to satisfy, all payments to Participants under the Program, including claims for reimbursement for covered expenses, if such expenses are incurred and the claim is presented for payment during the terms of this Agreement.

City of Lee's Summit further represents and agrees that:

- Neither it nor any of its employees, directors, representatives, fiduciaries, or employee benefits plans (or any entity performing services for City of Lee's Summit or such plans) nor any of its predecessors, successors, or assigns have represented, or will represent to any Program Participant or beneficiary, that a separate account, fund, or trust is being held on behalf of the Program to provide or secure Program benefits; and

- City of Lee's Summit shall advise the Program Participants that all Program benefits shall be paid exclusively from the general assets of City of Lee's Summit.

**7.3 Custodial Account (City of Lee's Summit initial if elected: \_\_\_\_\_)**

**7.4 Debit Card (City of Lee's Summit initial if elected: \_\_\_\_\_)**

This option is contingent upon City of Lee's Summit entering into such agreements with [Debit Card Provider] and taking any other necessary steps to implement this Section.

Taben agrees to:

- Process debit card swipes reported to Taben on behalf of City of Lee's Summit;
- Request receipt notification on all swipes not eligible for electronic adjudication under the current IRS guidelines;
- Report to the debit card provider any account reimbursements that are a result of activities mentioned above; and
- Request data from debit card providers each business day to ensure Participants are properly reimbursed for their expenses.

Any interchange shared between the debit card provider and Taben will be retained wholly by Taben. Any fees charged to Taben by the debit card provider shall be the responsibility of Taben, unless noted in the attached Schedules of this Agreement. Taben currently contracts with [Debit Card Provider] as the debit card provider for the Debit Card. Under this Agreement, Taben reserves the right to change card providers during the year, given at least 90 days' notice to City of Lee's Summit.

**Section 8  
Indemnification**

***Applies to All Component Benefit Services.***

**8.1 Indemnification by City of Lee's Summit**

Upon Taben's adherence to the standard of care set forth in this Agreement, City of Lee's Summit shall indemnify and hold harmless Taben, its officers, directors, and employees from and against any and all loss, liability, damage, claim, expense, attorneys' fees, or other obligations, resulting from, or arising out of, any act, or omission of City of Lee's Summit in connection with the performance of its duties as provided for under the terms of this Agreement. In addition, City of Lee's Summit shall indemnify and hold harmless Taben, its officers, directors, and employees from and against any and all liability, expense, demand, or other obligation, resulting from, or out of any premium charge, tax or similar assessment (federal or state), for which the Program or City of Lee's Summit is or may become liable.

City of Lee's Summit agrees to reimburse Taben for all attorney's fees and costs incurred by Taben as a result of any collection action taken by Taben to recover overdue service charges and/or

unfunded Program benefits required to be paid in accordance with this Agreement or any Schedule hereto.

## **8.2 Indemnification by Taben**

Upon City of Lee's Summit's adherence to the standard of care set forth in this Agreement, Taben shall indemnify and hold it harmless City of Lee's Summit from and against any and all loss, liability, claim, damage, expense, attorneys' fees, or other obligations resulting from, or arising out of, any act, or omission of Taben in connection with the performance of its duties as provided for under the terms of this Agreement.

## **Section 9 Service Charges**

***Applies to All Component Benefit Services.***

### **9.1 Service Fees**

The amounts of the monthly services charges of Taben are described in the applicable Schedules. Taben may change the amount of such service charges by providing at least 60 days' written or electronic notice to City of Lee's Summit. Taben may also change the monthly service charges including the Administration Service Fee as of the date any corresponding change is made in the Program.

### **9.2 Liability for Taxes/Fees**

Any taxes or fees imposed by state or federal authorities on City of Lee's Summit's Program shall be the sole responsibility and liability of City of Lee's Summit. Unless otherwise agreed upon, payment of any such taxes or fees shall remain the sole responsibility of City of Lee's Summit. If mutually agreed to by the parties in writing and if permitted by applicable law, Taben will pay any such applicable tax or fee and shall be reimbursed by City of Lee's Summit.

### **9.3 Billing and Payment of Service Fee**

Taben will determine all service charges under this Agreement and bill City of Lee's Summit monthly. Alternatively, if the parties agree pursuant to the terms of the TabenFlex Authorization Agreement, Taben may deduct payment for monthly service charges from the bank account established and maintained by City of Lee's Summit for purposes of this Agreement. City of Lee's Summit shall make payment to Taben within 10 business days of receipt of notice of the amount due, or such amount will automatically be deducted from the bank account established and maintained by City of Lee's Summit for purposes of this Agreement.

All services charges of Taben under this Agreement shall be billed separately from statements for payment of Program benefits so that separate accounting can be made by City of Lee's Summit of the respective amounts paid for Program benefits and for administrative expenses.

#### **9.4 Set-up and Renewal Fees**

Taben has agreed to waive the one-time set up fee and annual renewal fee.

### **Section 10 General Provisions**

***Applies to All Component Benefit Services.***

#### **10.1 Severability; Headings**

If any term of this Agreement is declared invalid by a court, the invalid term will not affect the validity of any other provision, provided that the basic purposes of this Agreement are achieved through the remaining valid provisions. The headings of sections and subsections contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

#### **10.2 Compliance; Non-Waiver**

Failure by City of Lee's Summit or Taben to insist upon strict performance of any provision of this Agreement will not modify such provision, render it unenforceable, or waive any subsequent breach. No waiver or modification of any of the terms or provisions of this Agreement shall be valid unless in each instance the waiver or modification is accomplished pursuant to the amendment provisions of this Agreement.

#### **10.3 Assignment; Amendment**

Neither City of Lee's Summit nor Taben can assign this Agreement without the other party's written consent. This Agreement may be amended only by written agreement of duly authorized officers of City of Lee's Summit and Taben.

#### **10.4 Audits**

Each party is authorized to perform audits of the records of payment to all Participants and other data specifically related to the performance of the parties under this Agreement upon reasonable prior written notice to the other. Audits shall be performed during normal working hours. Audits may be performed by an agent of either party provided such agent signs an acceptable confidentiality agreement and business associate agreement as required by HIPAA and the HITECH Act. Each party agrees to provide reasonable assistance and information to the auditors. Each party also agrees to provide such additional information and reports as the other party shall reasonably request.

#### **10.5 Non-Disclosure of Proprietary Information**

- **General.** City of Lee's Summit and Taben each acknowledge that in contemplation of entering into this Agreement (and as a result of the contractual relationship created by this Agreement), each party has revealed and disclosed, and shall continue to reveal and



disclose to the other, proprietary and confidential information of such party. City of Lee's Summit and Taben agree that each party shall:

- o Keep such proprietary and confidential information of the other party in strict confidence;
  - o Not disclose proprietary and confidential information of the other party to any third parties or to any of its employees not having a legitimate need to know such information; and
  - o Not use proprietary and confidential information of the other party for any purpose not directly related to and necessary for the performance of its obligations under this Agreement (unless required to do so by a court of competent jurisdiction or a regulatory body having authority to require such disclosure).
- **Confidential Information Defined.** Information revealed or disclosed by a party for any purpose not directly related to and necessary for the performance of such party's obligations under this Agreement shall not be considered confidential information for purposes hereof:
    - o If, when, and to the extent such information is or becomes generally available to the public without the fault or negligence of the party receiving or disclosing the information; or
    - o If the unrestricted use of such information by the party receiving or disclosing the information has been expressly authorized in writing and in advance by an authorized representative of the other party.

For purposes of this Section, confidential information is any information in written, human-readable, machine-readable, or electronically recorded form (and noted as confidential, proprietary, or words of similar significance) and information disclosed orally in connection with this Agreement and identified as confidential, proprietary, or words of similar significance; and programs, policies, practices, procedures, files, records, and correspondence concerning the parties' respective businesses or finances. The terms and conditions of this Section shall survive the termination of this Agreement.

## **10.6 Dispute Resolution; Arbitration**

In the event of a dispute by either party related to this Agreement, the parties agree to first attempt to resolve such dispute by having the parties' Chief Executive Officers (or their designees) meet in person within 60 days of written notice of dispute issued by either party. In the event the dispute is not resolved after reasonable efforts by the Chief Executive Officers within such 60 day period, either party may then proceed to arbitration under this Section. All disputes, controversies, or claims arising out of or relating to the operation or interpretation of this Agreement shall be settled by arbitration before one arbitrator in accordance with the Commercial Rules of the American Arbitration Association. The arbitrator shall be jointly selected

by City of Lee's Summit and Taben. Any award rendered by the arbitrator shall be final and binding upon the parties and judgment upon any such award may be entered in any court having jurisdiction. Arbitration shall take place in Kansas or at a location mutually agreed upon by the parties. The fees and expenses of the arbitrator shall be borne equally by the parties. Each party shall pay its own fees and costs relating to any arbitral proceedings, including experts' and attorneys' fees. The arbitrator shall render his or her determination in a manner consistent with the terms of this Agreement, and the arbitrator shall not be entitled to award punitive or exemplary damages.

## 10.7 Notices and Communications

- **Notices.** All notices provided for in this Agreement shall be sent by either:
  - o Confirmed facsimile;
  - o Guaranteed overnight mail, with tracing capability;
  - o Certified mail; or
  - o First class United States mail, with postage prepaid, addressed to the other party at their respective addresses set forth below or such other addresses as either party may designate in writing to the other from time to time for such purposes.

All notices provided for in this Agreement shall be deemed given or made when received.

- **Addresses.**
  - o City of Lee's Summit's address for notices as described above is:

220 SE Green Street Lee's Summit, MO 64063
  - o Taben's address for notices as described above is:

10875 Benson  
Corporate Woods  
Building 11, Suite #130  
Overland Park, KS 66210  
  
Attn: Flex Department
- **Communications.** Except as otherwise required by HIPAA and the corresponding provisions of this Agreement, City of Lee's Summit agrees that Taben may communicate confidential, protected, privileged, or otherwise sensitive information to City of Lee's Summit through a named contact designated by City of Lee's Summit (Named Contact) and specifically agrees to indemnify and hold Taben, its officers, directors, and employees harmless:
  - o For any such communications directed to City of Lee's Summit through the Named Contact attempted via facsimile, mail, telephone, e-mail, or any other

media, acknowledging the possibility that such communications may be inadvertently misrouted or intercepted; and

- o From any claim for the improper use or disclosure of any PHI by Taben if such information is used or disclosed in a manner consistent with its duties and responsibilities under this Agreement.

### **10.8 Complete Agreement; Governing Law**

This Agreement (including the attached Schedules) is the full Agreement of the parties with respect to the subject matter in this Agreement and supersedes all prior agreements and representations between the parties. This Agreement is executed in multiple counterparts, each of which shall constitute an original, but all of which together comprise a single document. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular may include plural, and vice versa as the context may require. This Agreement shall be construed, enforced, and governed by the laws of the State of MO.

## **Section 11 Termination of Agreement**

*Applies to All Component Benefit Services.*

### **11.1 Termination of Agreement**

- **Automatic.** This Agreement automatically terminates on the earliest of the following:
  - o The effective date of any legislation which makes the Program or this Agreement illegal;
  - o The date City of Lee's Summit or Taben becomes insolvent, bankrupt, or subject to liquidation, receivership, or conservatorship; or
  - o The termination date of the Program. This termination is subject to any agreement between City of Lee's Summit and Taben regarding payment of benefits after the Program is terminated.
- **Optional.** This Agreement may be terminated as of the earliest of the following:
  - o By Taben upon the failure of City of Lee's Summit to pay any service fees within 60 business days after they are due and payable pursuant to this Agreement;
  - o By Taben upon the failure of City of Lee's Summit to perform its obligations, including its obligations as Plan Administrator or Named Fiduciary where applicable, as such terms are defined in ERISA, and in accordance with this Agreement only for ERISA plans. Except as otherwise required by applicable law, prior to terminating the Agreement pursuant to this provision for ERISA

plans, Taben shall provide City of Lee's Summit with notice of City of Lee's Summit's failure and an opportunity to cure such failure within 30 days;

- o By City of Lee's Summit upon the failure of Taben to perform its obligations in accordance with this Agreement. Except as otherwise required by applicable law, prior to terminating the Agreement pursuant to this provision, City of Lee's Summit shall provide Taben with notice of Taben's failure and an opportunity to cure such failure within 60 days;
- o By either City of Lee's Summit or Taben, as of the end of the term of this Agreement, by giving the other party 60 days prior written notice; or
- o By either City of Lee's Summit or Taben upon:
  - (a) A material breach of the other party's duties under this Agreement;
  - (b) Non-material breaches of a recurrent nature, after 60 days prior written notice in the event of a material breach; or
  - (c) 60 days prior written notice in the event of a non-material breach of a recurrent nature, and the right to cure such breach by the breaching party.
- **Limited Continuation After Termination.** If the Program is terminated, City of Lee's Summit and Taben may mutually agree in writing that this Agreement shall continue for the purpose of payment of Program benefits, expenses, or claims incurred prior to the date of Program termination. In addition, City of Lee's Summit and Taben may mutually agree in writing that this Agreement shall continue for the purpose of payment of any claims for which requests for reimbursements have been received by Taben before the date of such termination.

If this Agreement is continued in accordance with this subsection, City of Lee's Summit shall pay a fee equal to one and a half times the monthly premium.

- **Survival of Certain Provisions.** Termination of this Agreement does not terminate the rights or obligations of either party arising out of the period prior to such termination. The indemnity, confidentiality, privacy, and security provisions of this Agreement shall survive its termination.

All parties listed below acknowledge that they have read this Agreement in its entirety and have, to the extent they consider necessary, consulted with their own legal counsel before executing this Agreement. No representations or warranties have been provided to any party to this Agreement. This Agreement is binding upon and shall inure to the benefit of heirs, executors, successors, and assigns of the parties listed below.

To evidence the parties' agreement to this Agreement, City of Lee's Summit and Taben have executed and delivered this Agreement on the date set forth in the preamble.

**City of Lee's Summit, MO**

**The Taben Group**

Sign: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Print: \_\_\_\_\_

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

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

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

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

### Exhibit A – Service Levels

The purpose of this Exhibit A is to provide City of Lee's Summit with the service level standards for Taben. These services levels are not performance guarantees and do not carry with them any duty on the part of Taben, or its business partners to report or make payment to City of Lee's Summit for any service targets not met.

#### Service Levels

| Service  | Definition  | Service Level Target   |
|--|---|--|
| <b>Clean Claims Processing Turnaround Time (TAT)</b> | TAT is measured from the date a claim is received by Taben (either via paper or electronic data interchanges) to the date it is processed for payment, denied, or pended for external information. Clean Claim means all required documentation and/or substantiation has been received by Taben. | <ul style="list-style-type: none"> <li>• Ninety-five (95) percent within five (5) business days as measured annually.</li> </ul>   |
| <b>Claims Processing Accuracy</b>                    | A claim will be determined to be correct based on internal claims processing criteria, as determined by Taben, as well as federal and state determined procedures. A statistically valid internal audit sampling will be utilized.  | <ul style="list-style-type: none"> <li>• Financial Accuracy: ninety-nine (99) percent as measured annually.               <ul style="list-style-type: none"> <li>- Formula shall be: Total value of claims paid less the absolute value of the sum of overpayments and underpayments divided by the total value of claims paid. (Taben will not include auto paid benefits from the use of debit cards)</li> </ul> </li> <li>• Claims Processing (Total) Accuracy: Ninety-seven (97) percent as measured annually.               <ul style="list-style-type: none"> <li>- Formula shall be: Total number of audited claims minus the number of claims processed with error, divided by the total number of audited claims (definition of 'error' includes; coding, procedural, system, and payment)</li> </ul> </li> </ul> |

| Service  | Definition  | Service Level Target   |
|--|---|--|
| <b>Average Speed to Answer (ASA)</b>                                     | The amount of time that elapses between the time a call is received into a customer service queue to the time the phone is answered by a Customer Service Representative (CSR).   | <ul style="list-style-type: none"> <li>• Ninety (90) percent within thirty (30) seconds during normal business hours.</li> </ul>   |
| <b>Call Abandonment Rate</b>   | Percentage of calls that are not answered by Taben.   | <ul style="list-style-type: none"> <li>• Less than five (5) percent. <ul style="list-style-type: none"> <li>- Calculated as the number of calls that are not answered during normal business hours, divided by the number of calls presented.</li> </ul> </li> </ul> |
| <b>E-mail Response Time</b>  | Based on number of e-mails received and handled during standard business hours of operation.  | <ul style="list-style-type: none"> <li>• Ninety-nine percent (99) percent handled within forty-eight (48) hours (business days time frame).</li> </ul>   |
| <b>Complaint and Appeals Processing Time (limited to initial appeal)</b> | Based on DOL requirements.  | <ul style="list-style-type: none"> <li>• Ninety-nine (99) percent handled within DOL required timeframes.</li> </ul>   |
| <b>Billings Statements</b>   | Based on the date mailed  | <ul style="list-style-type: none"> <li>• Ninety-nine (99) percent mailed by the 15<sup>th</sup> of the month.</li> </ul>   |
| <b>Eligibility and Payroll File Processing</b>                           | Based on the time between the date Taben receives an accurate file until the date the system reflects the data.<br><br><b>*Includes business days only.</b>   | <ul style="list-style-type: none"> <li>• Ninety-nine (99) percent within two (2) business days.</li> </ul>   |
| <b>Web Availability</b>  | Website will be available to consumers and employers twenty-four (24) hours per day, three hundred sixty-five (365) days per year, excluding time during the Routine Maintenance Window.<br><br>Routine Maintenance Window for hardware and software maintenance between 8:00 PM and 6:00 AM Central Time on Monday through Sunday and all day on Holidays. | <ul style="list-style-type: none"> <li>• Ninety-nine (99) percent of the time excluding time during the Routine Maintenance Window.</li> </ul>   |

### Glossary

For the purposes of this Agreement, including the attached Schedules, the following words and phrases have the meanings set forth below. Wherever appropriate, the singular shall include the plural and the plural shall include the singular.

**Administration Service Charge** means the collective minimum monthly service charge for the Program's Component Benefits as a whole.

**Agreement** means this Taben Administrative Services Agreement, including all Schedules to this Agreement, amendments, or other attachments incorporated in this Agreement and any future amendments.

**Client** means City of Lee's Summit, MO.

**COBRA** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**Code** means the Internal Revenue Code of 1986, as amended.

**Component Benefit** means a qualified benefit under Code §125(f) that is offered under the City of Lee's Summit, MO Cafeteria Plan, or an option for coverage under an underlying accident or health and welfare plan.

**Data Aggregation** means, regarding PHI created or received by a business associate in its capacity as the business associate of a covered entity, the combining of such PHI by the business associate with the PHI received by the business associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

**Dependent Care Flexible Spending Account (DCFSA)** means the Component Benefit in which a Participant can use pre-tax dollars to pay for the care of the Participant's eligible dependents while the Participant is at work.

**Effective Date** means January 1, 2018.

**Electronic PHI** has the meaning assigned to such term under HIPAA.

**Eligibility Reports** has the meaning described in Section 3.

**ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

**Health Flexible Spending Account (Health FSA)** means the Component Benefit in which a Participant can use pre-tax dollars to pay for certain health expenses not reimbursed under other Programs.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996, as amended.

**Named Fiduciary** means the named fiduciary as defined in ERISA §402(a)(1) and only applies to ERISA plans.

**Participant** means an eligible employee of City of Lee's Summit who is participating in a Component Benefit of the Program described in this Agreement.



**Plan Administrator** means the administrator as defined in ERISA §3(16)(A).

**Premium Only Plan (POP)** means the Component Benefit in which an employee can elect to participate and have their share of certain benefit plan coverage paid on a pre-tax basis.

**Prior Administration** means services arising prior to the Effective Date.

**Prior Reimbursement Requests** means claims submitted prior to the Effective Date.

**Program** means the Component Benefits elected by Client.

**Protected Health Information (PHI)** has the meaning assigned to such term under HIPAA.

**Schedule A  
Premium Only Plan (POP)**

Capitalized terms used in this Schedule, but not defined have the meanings given in the attached Agreement.

City of Lee's Summit has established a Code § 125 Cafeteria Plan to allow eligible employees who make a proper election to pay for their share of certain benefit plan coverage with pre-tax salary reductions. City of Lee's Summit has delegated certain administrative responsibilities with respect to the POP to Taben.

The applicable monthly service charges under the Agreement and this Schedule are as follows:

| <b>Standard Services Charges</b> | <b>Cost</b>        |
|----------------------------------|--------------------|
| PPPM Service Charge              | \$ Included in FSA |

| <b>Additional Service Charges</b> | <b>Cost</b>        |
|-----------------------------------|--------------------|
| Sample Documents and Forms        | \$ Included in FSA |
| Online Enrollment                 | \$ Included in FSA |
| Open Enrollment Meetings          | \$ Included in FSA |
| Open Enrollment Packets (each)    | \$ Included in FSA |

The Administration Service Charge is \$ \_\_\_ N/A \_\_\_.

Any courier or similar charges incurred will be passed through at cost to City of Lee's Summit.

**Services Included**

City of Lee's Summit is responsible for all legal requirements and administrative obligations with regard to the POP, except for the following administrative duties specifically delegated to Taben:

- Taben shall make available (by electronic medium and paper copy) enrollment forms along with instructions.

**City of Lee's Summit, MO**

**The Taben Group**

Sign: \_\_\_\_\_

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

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

**Schedule B**  
**Health Flexible Spending Account (Health FSA)**

Capitalized terms used in this Schedule but not defined have the meanings given in the attached Agreement.

City of Lee's Summit has established a Code § 125 Cafeteria Plan under which a Code § 105 Health FSA is offered. City of Lee's Summit has delegated certain administrative responsibilities with respect to the Health FSA to Taben.

The applicable monthly service charges under the Agreement and this Schedule are as follows:

| <b>Standard Services Charges</b> | <b>Cost</b> |
|----------------------------------|-------------|
| PPPM Service Charge              | \$ 4.00     |

| <b>Additional Service Charges</b>      | <b>Cost</b>              |
|--|--------------------------|
| Run-in Claims Administration           | \$ 1.5 x Monthly Premium |
| Set-Up Fee                             | \$ Waived                |
| Renewal Fee                            | \$ Waived                |
| Printed Enrollment Packets             | \$ 1.00 per packet       |
| Onsite Enrollment Meetings/Support     | \$ Travel Cost           |
| Replacement Debit Cards                | \$ No Charge             |
| Discrimination Testing – Basic Testing | \$ No Charge             |
| Form 5500 Preparation                  | \$ No Charge             |
| Run-out Claims Administration          | \$ 1.5 x Monthly Premium |

The minimum monthly administration fee is \$ 100.00. The Administration Service Charge is a set fee that is the same amount regardless of how many or which Component Benefits are enrolled in by City of Lee's Summit. A Service Charge of \$4.00 Per Participant Per Month is guaranteed through December 31, 2022.

Any courier or similar charges incurred will be passed through at cost to City of Lee's Summit.

**Services Included**

City of Lee's Summit is responsible for all legal requirements and administrative obligations with regard to the Health FSA, except for the following administrative duties specifically delegated to Taben:

- Taben shall make available (by electronic medium and paper copy) enrollment and reimbursement forms along with instructions for filing Participant claims. Upon payment of additional fees, Taben shall make available other Health FSA documents.
- Upon receiving instructions from City of Lee's Summit with regard to a Participant's change in status or other event that permits an election change under IRS regulations, Taben shall make the requested change in the Participant's election as soon as possible.

- Taben shall prepare the information necessary to enable City of Lee's Summit to satisfy its Form 5500 filing obligation with regard to the Health FSA. City of Lee's Summit shall be responsible for reviewing the information provided by Taben to ensure its accuracy, and, unless otherwise agreed by the parties in writing, City of Lee's Summit shall prepare and submit any Form 5500.
- Taben shall assist City of Lee's Summit in preparing the following basic nondiscrimination test for the Health FSA:

***Health FSA – Code 125***

➤ Eligibility Test

- Taben does not automatically perform nondiscrimination testing. Upon written request submitted to Taben, the test identified above will be run. Taben relies solely on information provided by City of Lee's Summit in administering this test. Services will be performed only in accordance with the terms and conditions (including applicable fees) of this Agreement. City of Lee's Summit shall be responsible for any and all other nondiscrimination tests not specifically agreed upon in writing by both Taben and City of Lee's Summit.
  - If City of Lee's Summit requires more extensive nondiscrimination testing, Taben can make that available. The cost will be determined by the level of testing requested.
- Taben shall make initial decisions as set forth in this Agreement with regard to Participant claims and disburse any benefit payments that it determines to be due within 30 business days of the day on which Taben receives the claim. Benefit payments shall be made by ACH or check payable to the Participant or provider. Claims of less than \$ 25 may be carried forward and aggregated with future claims until the total amount is equal to or greater than \$ 25, except that any remaining amount shall be paid after the end of the calendar quarter or Plan Year without regard to the \$ 25 threshold.
- For ERISA plans only, Taben shall notify Participants with regard to any claims that are denied due to inadequate substantiation or data submission and provide an adequate period of time for the Participant to resubmit the claim. Taben shall follow the requirements of ERISA with regard to denial of claims.

**Services Not Included**

- City of Lee's Summit's compliance with COBRA or HIPAA.
- Determining whether City of Lee's Summit's Health FSA documents are in compliance with the Code, ERISA, or any other applicable state, federal, or local statutes and regulations.
- Determining if and when an event has occurred under the IRS permitted election change regulations such that a change in election is permitted under the Health FSA.

- City of Lee's Summit's responsibility for the determination on the second and any final level of appeal.

**City of Lee's Summit, MO**

**The Taben Group**

Sign: \_\_\_\_\_

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

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

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

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

**Schedule C**  
**Dependent Care Flexible Spending Account (DCFSA)**

Capitalized terms used in this Schedule, but not defined have the meanings given in the attached Agreement.

City of Lee's Summit has established a Code § 125 Cafeteria Plan under which a Code § 129 Dependent Care Flexible Spending Account is offered. City of Lee's Summit has delegated certain administrative responsibilities with respect to the DCFSA to Taben.

The applicable monthly services charges under the Agreement and this Schedule are as follows:

| <b>Standard Services Charges</b> | <b>Cost</b> |
|----------------------------------|-------------|
| PPPM Service Charge              | \$ 4.00     |

| <b>Additional Service Charges</b>      | <b>Cost</b>              |
|--|--------------------------|
| Run-in Claims Administration           | \$ 1.5 x Monthly Premium |
| Set Up Fee                             | \$ Waived                |
| Renewal Fee                            | \$ Waived                |
| Printed Enrollment Packets             | \$ 1.00 per packet       |
| Onsite Enrollment Meetings/Support     | \$ Travel Cost           |
| Replacement Debit Cards                | \$ No Charge             |
| Discrimination Testing – Basic Testing | \$ No Charge             |
| Form 5500 Preparation                  | \$ No Charge             |
| Run-out Claims Administration          | \$ 1.5 x Monthly Premium |

The minimum monthly administration fee is \$100.00. The Administration Service Charge is a set fee that is the same amount regardless of how many or which Component Benefits are enrolled in by City of Lee's Summit. A Service Charge of \$4.00 Per Participant Per Month is guaranteed through December 31, 2022.

The maximum PPPM Service Charge for Participants enrolled in both the Health FSA and Dependent Care FSA is the PPPM Service Charge listed above for the applicable plan year.

Any courier or similar charges incurred will be passed through at cost to City of Lee's Summit.

**Services Included**

City of Lee's Summit is responsible for all legal requirements and administrative obligations with regard to the DCFSA, except for the following administrative duties specifically delegated to Taben:

- Taben shall make available (be electronic medium and paper copy) enrollment and reimbursement forms along with instructions for filing Participant claims. Upon payment of additional fees, Taben shall make available other DCFSA documents.

- Upon receiving instructions from City of Lee's Summit with regard to a Participant's change in status or other event that permits an election change under IRS regulations, Taben shall make the requested change in the Participant's election as soon as possible.
- Taben shall assist City of Lee's Summit in preparing the following basic nondiscrimination tests for the DCFSA:

***Dependent Care FSA – Code 129***

- Dependent Care Average Benefits Test
  - Dependent Care Owners Test
- Taben does not automatically perform nondiscrimination testing. Upon written request submitted to Taben, the tests identified above will be run. Taben relies solely on information provided by City of Lee's Summit in administering this testing. Services will be performed only in accordance with the terms and conditions (including applicable fees) of this Agreement. City of Lee's Summit shall be responsible for any and all other nondiscrimination tests not specifically agreed upon in writing by both Taben and City of Lee's Summit.
    - If City of Lee's Summit requires more extensive nondiscrimination testing, Taben can make that available. The cost will be determined by the level of testing requested.
  - Taben shall make initial decisions with regard to Participant claims and disburse any benefit payments that it determines to be due within 30 business days of the day on which Taben receives the claim. Benefit payments shall be made by ACH or check payable to the Participant. Claims of less than \$ 25 may be carried forward and aggregated with future claims until the total amount is equal to or greater than \$ 25, except that any remaining amount shall be paid after the end of the calendar quarter or Plan Year without regard to the \$ 25 threshold.
  - Taben shall notify Participants with regard to any claims that are denied due to inadequate substantiation or data submission and provide an adequate period of time for the Participant to resubmit the claim.

**Services Not Included**

- Determining whether City of Lee's Summit's DCFSA documents are in compliance with the Code or any other applicable state, federal, or local statutes and regulations.
- Determining if and when an event has occurred under the IRS permitted election change regulations such that a change in election is permitted under the DCFSA.

**City of Lee's Summit, MO**

**The Taben Group**

Sign: \_\_\_\_\_

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

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

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



## Employer's Application for Insurance Program

This is an agreement to establish an employee payroll deduction program between the undersigned employer ("you/your") and Trustmark Insurance Company ("Trustmark"). You agree that the payroll deductions will consist of 100% employee funds. Each of your eligible employees is entitled to apply for the insurance coverage(s) you have selected which are issued by Trustmark on a payroll deduction basis. Employee eligibility and coverage specifications are outlined in the Underwriting Offer for this program.

You agree to provide Trustmark representatives with reasonable access to eligible employees on your business premises during regular working hours for the purposes of explaining the plan(s) and enrolling employees.

You agree to honor and administer on a timely basis the written payroll deduction request of each participant. All deductions will be remitted to Trustmark in accordance with a billing schedule to be determined. You will maintain adequate records to ensure that the deductions can be reconciled to the employee, and will notify Trustmark monthly of any change in employee status.

You agree to have Trustmark deliver your employee's certificates of insurance to your home office by electronic mail, and you understand that Trustmark will also send courtesy copies of these certificates of insurance to these employee's residences.

Employer: \_\_\_\_\_ Employer Tax ID No: \_\_\_\_\_  
Address: \_\_\_\_\_  
Employer Representative to Receive Electronic Delivery (name): \_\_\_\_\_  
Representative's Email Address: \_\_\_\_\_

This agreement is to remain in effect for a minimum of 12 months from the effective date of coverage for your employees. After that, either you or Trustmark may terminate this program with 60 days prior written notice to the other party. Following termination, your obligation to collect and remit premium ceases, and payments must be made directly to Trustmark by any insured employees who elect to continue coverage.

Each eligible employee has the right at any time to either (1) elect not to participate in this plan; or (2) if participating, elect to cancel. In the event an insured employee ceases to be employed by you, (s)he has the right to continue insurance subject to the provisions of the policy(ies).

The insurance coverage(s) you have selected for the purpose of insuring your eligible employees may be provided under Group Policies issued to an insurance trust to which you hereby make application to participate (if applicable), and you agree subject to acceptance to become a participating employer in said trust (if applicable).

Accepted and Approved for Employer:

Accepted and Approved for Trustmark:

By: \_\_\_\_\_

By: \_\_\_\_\_

(Printed name)

(Printed name)

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

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

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

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



## **Request for Group Insurance Amendment**

Standard Insurance Company  
900 SW Fifth Avenue  
Portland, OR 97204-1282

Employee Benefits Consultant: Jamie Splittorff  
Employee Benefits Service Representative: Karen Fischer  
Employee Benefits Sales and Service Office: Kansas City

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Employer Name: City of Lee's Summit, Missouri  
Group Number: 608174

As an authorized representative of the Employer, I request that Standard Insurance Company ("The Standard") amend the above Employer's coverage under the Group Policy to make the following change(s):

- Life and AD&D, Class 1 - City Manager: Change the Benefit to 3 times Annual Earnings, rounded to the next higher \$1,000, and maximum amount of \$600,000.
- Additional Life: Add a One Time Open Enrollment, November 6, 2017 through November 22, 2017, for Members currently enrolled or eligible up to the Guarantee Issue of \$100,000.

I request that the amendment become effective on 01/01/2018. I understand that the amendment will not become effective unless approved and issued by The Standard.

I request that the amendment be approved by The Standard subject to The Standard's usual underwriting requirements, including, if applicable, Evidence of Insurability or a Pre-existing Condition provision.

I understand that the amendment, if approved by The Standard, will be issued in the policy language customarily used by The Standard.

I understand that any increase in Insurance for a Member who is not Actively At Work all day on the Member's last regular work day before the scheduled effective date of the amendment will be deferred until the first day after the Member completes one full day of Active Work.

I request that the amendment, if approved and issued by The Standard, become effective by its terms without any further acceptance by the Employer, and that a copy of this Request for Group Insurance Amendment form be attached to and made a part of the amendment.

Sign Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Authorized Representative

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

# HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

One Hartford Plaza  
Hartford, Connecticut 06155



The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries.

## GROUP INSURANCE APPLICATION

Application is hereby made to Hartford Life and Accident Insurance Company ("HLA") based on the information provided below, the group risk specifications, the enrollment data, and available experience data. The application in its entirety, and any required additional information, is subject to Home Office approval before insurance can become effective.

If this application is approved by HLA's Home Office, it will be attached to and made part of the group policy(ies). Insurance will become effective on the requested effective date shown below, unless HLA sends written notice of a different effective date.

If this application is not approved by HLA's Home Office, no insurance is in effect at any time, and any deposit premium HLA has received will be returned.

This application is made with the following deposit premium. The premium amount is estimated, as the amount due for the first month, and will be applied toward the first premium on the proposed group policy(ies):

\$ \_\_\_\_\_

### COVERAGES BEING APPLIED FOR AND REQUESTED EFFECTIVE DATE:

|                                       |                                  |   |   |   |
|---------------------------------------|----------------------------------|---|---|---|
| <input type="checkbox"/> Life         | <input type="checkbox"/> DisFlex | <input type="checkbox"/> Short Term Disability              | <input type="checkbox"/> Long Term Disability | <input type="checkbox"/> Critical Illness |
| <input type="checkbox"/> Accident     |                                  | <input type="checkbox"/> Accidental Death and Dismemberment |   |   |
| <input type="checkbox"/> Other: _____ |                                  | Requested Effective Date: _____                             |   |   |

W-2 Services Option (for Short Term Disability and Long Term Disability coverage only)

Option 1: Withhold state and federal income taxes, and the employee's portion of FICA. Prepare and file W-2 Forms.

Option 2: Withhold federal income taxes, and the employee's portion of FICA. Applicant waives W-2 Forms services.

A detailed description of the W-2 services elected by the applicant pursuant to this application will be sent to the applicant by mail. Such services will be performed in accordance with the above election and established standard procedures.

Is the benefit plan, for which insurance is being requested, subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended?

Yes  No If Yes, state the Plan Number: \_\_\_\_\_

Applicant: \_\_\_\_\_  
Legal Name of Entity

**Facsimile Counterparts:** The applicant and HLA agree that this Group Insurance Application may be executed by the applicant and transmitted via facsimile or other form of electronic transmission such as a scanned PDF document, from the applicant to HLA. Any signature or information contained in such Facsimile Counterparts or other electronic document will be considered by HLA to be true, legal and will constitute one and the same instrument as the original paper Group Insurance Application.

**State notices:** I have read the State Notices beginning on page 2 of this application.

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

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

Contact Name: \_\_\_\_\_

Address: **not applicable**

Occupation/Industry (type): **not applicable**

Years in business: **not applicable**

Employer Tax ID Number: \_\_\_\_\_

Telephone number: **not applicable**

Florida Applicants only: I understand that replacement of existing life insurance  is /  is not involved in this transaction.

|   |   |
|---|---|
| Sales Representative for HLA:   | Regional Office:  |
| Name of Agent/Broker:   |   |
| For Florida Agents only: I understand that replacement of existing life insurance <input type="checkbox"/> is / <input type="checkbox"/> is not involved in this transaction. |   |
| Signature of Agent/Broker:  |   |
| Date Signed:  | For Florida & California Agents Only<br>License/ID Number : |

**STATE NOTICES- for applicants in:**

**All states EXCEPT Alabama, California, Colorado, Florida, Kentucky, Maine, New Jersey, New York, New Mexico, Ohio, Oregon, Pennsylvania, Puerto Rico, Tennessee, Virginia and Washington:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

**Alabama:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**California:** For your protection, California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Colorado:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder, participating employer or claimant for the purpose of defrauding or attempting to defraud the policyholder, participating employer or claimant with regard to a settlement award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**Florida:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**Kentucky:** Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim or an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**Maine, Tennessee, and Washington:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines and denial of insurance benefits.

**Maryland:** Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**New Jersey:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**New Mexico:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be submit to civil fines and criminal penalties.

**New York (Applicable to Health Insurance Only):** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**Ohio:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Oregon:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto that the insurer relied upon is subject to a denial in insurance benefits and may be subject to any civil penalties available.

**Pennsylvania:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material hereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Puerto Rico:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Virginia:** Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated the state law.

#### **GROUP BENEFITS DISCLOSURE NOTICE**

The Hartford compensates both internal and external producers for the sale and service of our products. In most cases, producers are paid a commission, which is fixed or based on a percentage of the premium. In addition, producers may be eligible for the various forms of incentive compensation, including contingent commission and other non-cash awards. Incentive compensation is based upon a variety of factors that may include the level of premium written, retention and growth of premium, overall profitability, or other performance measures. Some of our producers elect not to accept some or all forms of compensation from the Hartford. Please direct specific questions regarding your insurance producer's compensation directly to your insurance producer. For specific questions on The Hartford's internal producers, please contact our Customer Service 800 number (800-523-2233).

# City of Lee's Summit

## 2018 Medical Plan Rates & Employee Contributions

### BCBSKC

| Enrollment Tier                                  | June Enrollment | Employee Contribution | Employer Contribution | Total Monthly Premium Rate |
|--|-----------------|-----------------------|-----------------------|----------------------------|
| <b>Preferred Care Blue Choice \$0 Deductible</b> |                 |                       |                       |                            |
| Employee Only                                    | 131             | \$83.17               | \$707.31              | \$790.48                   |
| Employee + Spouse or Child(ren)                  | 66              | \$483.12              | \$1,245.58            | \$1,728.70                 |
| Family   | 145             | \$560.77              | \$1,445.92            | \$2,006.69                 |
| <b>Total Monthly</b>                             | <b>342</b>      | <b>\$124,093</b>      | <b>\$384,524</b>      | <b>\$508,617</b>           |
| <b>Total Annual</b>                              |                 | <b>\$1,489,117</b>    | <b>\$4,614,288</b>    | <b>\$6,103,406</b>         |
| <b>% Cost Share</b>                              |                 | <b>24%</b>            | <b>76%</b>            |                            |

| Enrollment Tier                             | June Enrollment | Employee Contribution | Employer Contribution | Total Monthly Premium Rate |
|---|-----------------|-----------------------|-----------------------|----------------------------|
| <b>Preferred Care Blue \$500 Deductible</b> |                 |                       |                       |                            |
| Employee Only                               | 153             | \$0.00                | \$707.31              | \$707.31                   |
| Employee + Spouse or Child(ren)             | 65              | \$311.39              | \$1,245.58            | \$1,556.97                 |
| Family                                      | 71              | \$361.48              | \$1,445.92            | \$1,807.40                 |
| <b>Total Monthly</b>                        | <b>289</b>      | <b>\$45,906</b>       | <b>\$291,841</b>      | <b>\$337,747</b>           |
| <b>Total Annual</b>                         |                 | <b>\$550,868</b>      | <b>\$3,502,094</b>    | <b>\$4,052,963</b>         |
| <b>% Cost Share</b>                         |                 | <b>14%</b>            | <b>86%</b>            |                            |

| Enrollment Tier                 | June Enrollment | Employee Contribution | Employer Contribution | Total Monthly Premium Rate |
|---------------------------------|-----------------|-----------------------|-----------------------|----------------------------|
| <b>BlueSaver HDHP Plan</b>      |                 |                       |                       |                            |
| Employee Only                   | 13              | \$0.00                | \$654.38              | \$654.38                   |
| Employee + Spouse or Child(ren) | 3               | \$194.30              | \$1,245.58            | \$1,439.88                 |
| Family                          | 9               | \$225.57              | \$1,445.92            | \$1,671.49                 |
| <b>Total Monthly</b>            | <b>25</b>       | <b>\$2,613</b>        | <b>\$25,257</b>       | <b>\$27,870</b>            |
| <b>Total Annual</b>             |                 | <b>\$31,357</b>       | <b>\$303,083</b>      | <b>\$334,440</b>           |
|                                 |                 | <b>9%</b>             | <b>91%</b>            |                            |

|                      |            |                    |                    |                     |
|----------------------|------------|--------------------|--------------------|---------------------|
| <b>Total Monthly</b> | <b>656</b> | <b>\$172,612</b>   | <b>\$701,622</b>   | <b>\$874,234</b>    |
| <b>Total Annual</b>  |            | <b>\$2,071,342</b> | <b>\$8,419,466</b> | <b>\$10,490,808</b> |
| <b>% Cost Share</b>  |            | <b>20%</b>         | <b>80%</b>         |                     |

Note: City contributes \$52.93 to Employee Only HDHP HSA accounts each month. (\$635.16 annually)

Note: assumes City contribution based on 100% of EE Only & 80% of Family for Base \$500 deductible plan.

# City of Lee's Summit

## 2018 Dental Plan Rates & Employee Contributions

### BCBSKC

| Enrollment Tier      | June Enrollment | Employee Contribution | Employer Contribution | Total Monthly Premium Rate |
|----------------------|-----------------|-----------------------|-----------------------|----------------------------|
| <b>Dental Plan</b>   |                 |                       |                       |                            |
| Employee Only        | 254             | \$0.00                | \$35.17               | \$35.17                    |
| Family               | 404             | \$17.70               | \$70.80               | \$88.50                    |
| <b>Total Monthly</b> | <b>658</b>      | <b>\$7,151</b>        | <b>\$37,536</b>       | <b>\$44,687</b>            |
| <b>Total Annual</b>  |                 | <b>\$85,810</b>       | <b>\$450,437</b>      | <b>\$536,246</b>           |
| <b>% Cost Share</b>  |                 | <b>16%</b>            | <b>84%</b>            |                            |

Note: assumes City contribution of 100% of Employee Only & 80% of Family.

# City of Lee's Summit

## 2018 Vision Plan Rates & Employee Contributions

### VSP Vision

| Enrollment Tier      | May Enrollment | Employee Contribution | Employer Contribution | Total Monthly Premium Rate |
|----------------------|----------------|-----------------------|-----------------------|----------------------------|
| <b>Vision Plan</b>   |                |                       |                       |                            |
| Employee Only        | 276            | \$0.00                | \$6.34                | \$6.34                     |
| Family               | 383            | \$3.01                | \$12.04               | \$15.05                    |
| <b>Total Monthly</b> | <b>659</b>     | <b>\$1,153</b>        | <b>\$6,361</b>        | <b>\$7,514</b>             |
| <b>Total Annual</b>  |                | <b>\$13,834</b>       | <b>\$76,334</b>       | <b>\$90,168</b>            |
| <b>% Cost Share</b>  |                | <b>15%</b>            | <b>85%</b>            |                            |

Note: assumes City contribution of 100% of Employee Only & 80% of Family.



# City of Lee's Summit

## 2018 Monthly Premium & COBRA Rates

| <b>BCBSKC<br/>Preferred Care Blue Choice \$0 Deductible</b> | <b>Employee<br/>Contribution</b> | <b>Employer<br/>Contribution</b> | <b>Total Monthly<br/>Premium Rate</b> | <b>Total Monthly<br/>COBRA Rate</b> |
|---|----------------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Employee Only   | \$83.17                          | \$707.31                         | \$790.48                              | \$806.29                            |
| Employee + Spouse or Child(ren)                             | \$483.12                         | \$1,245.58                       | \$1,728.70                            | \$1,763.27                          |
| Family  | \$560.77                         | \$1,445.92                       | \$2,006.69                            | \$2,046.82                          |

| <b>BCBSKC<br/>Preferred Care Blue \$500 Deductible</b> | <b>Employee<br/>Contribution</b> | <b>Employer<br/>Contribution</b> | <b>Total Monthly<br/>Premium Rate</b> | <b>Total Monthly<br/>COBRA Rate</b> |
|--|----------------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Employee Only  | \$0.00                           | \$707.31                         | \$707.31                              | \$721.46                            |
| Employee + Spouse or Child(ren)                        | \$311.39                         | \$1,245.58                       | \$1,556.97                            | \$1,588.11                          |
| Family   | \$361.48                         | \$1,445.92                       | \$1,807.40                            | \$1,843.55                          |

| <b>BCBSKC<br/>BlueSaver HDHP Plan</b> | <b>Employee<br/>Contribution</b> | <b>Employer<br/>Contribution</b> | <b>Total Monthly<br/>Premium Rate</b> | <b>Total Monthly<br/>COBRA Rate</b> |
|---------------------------------------|----------------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Employee Only                         | \$0.00                           | \$654.38                         | \$654.38                              | \$667.47                            |
| Employee + Spouse or Child(ren)       | \$194.30                         | \$1,245.58                       | \$1,439.88                            | \$1,468.68                          |
| Family                                | \$225.57                         | \$1,445.92                       | \$1,671.49                            | \$1,704.92                          |

| <b>BCBSKC<br/>Dental Plan</b> | <b>Employee<br/>Contribution</b> | <b>Employer<br/>Contribution</b> | <b>Total Monthly<br/>Premium Rate</b> | <b>Total Monthly<br/>COBRA Rate</b> |
|-------------------------------|----------------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Employee Only                 | \$0.00                           | \$35.17                          | \$35.17                               | \$35.87                             |
| Family                        | \$17.70                          | \$70.80                          | \$88.50                               | \$90.27                             |

| <b>VSP<br/>Vision Plan</b> | <b>Employee<br/>Contribution</b> | <b>Employer<br/>Contribution</b> | <b>Total Monthly<br/>Premium Rate</b> | <b>Total Monthly<br/>COBRA Rate</b> |
|----------------------------|----------------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Employee Only              | \$0.00                           | \$6.34                           | \$6.34                                | \$6.47                              |
| Family                     | \$3.01                           | \$12.04                          | \$15.05                               | \$15.35                             |

Fried

# City of Lee's Summit, Missouri

## COBRA/Retiree Services RFP

### Initial Weighted Scoring Results

Maximum Point Total: 100

| Evaluation Criteria                                 | Weighting | COBRAGuard | Discovery | P&A Group | Taben |
|---|-----------|------------|-----------|-----------|-------|
| Capabilities/Services Provided                      | 30%       | 0.0        | 0.0       | 0.0       | 0.0   |
| Ease of Administration (Service Experience/Support) | 30%       | 0.0        | 0.0       | 0.0       | 0.0   |
| Price   | 35%       | 0.0        | 0.0       | 0.0       | 0.0   |
| Multi-Year Rate Guarantees                          | 5%        | 0.0        | 0.0       | 0.0       | 0.0   |
| Weighted Score                                      | 100%      | 0.0        | 0.0       | 0.0       | 0.0   |

| Insert Rating on a 100 Point Scale for Each Category | COBRAGuard | Discovery | P&A Group | Taben |
|--|------------|-----------|-----------|-------|
| Capabilities/Services Provided                       |            | 90        | 90        | 90    |
| Ease of Administration (Service Experience/Support)  |            | 95        | 95        | 95    |
| Price  |            | 95        | 90        | 95    |
| Multi-Year Rate Guarantees                           |            | 100       | 90        | 95    |
|  |            | 380       | 345       | 375   |

Fred

# City of Lee's Summit, Missouri

## FSA Services RFP

### Initial Weighted Scoring Results

Maximum Point Total: 100

| Evaluation Criteria                                 | Weighting   | TASC       | Discovery  | P&A Group  | Taben      |
|---|-------------|------------|------------|------------|------------|
| Capabilities/Services Provided                      | 30%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Ease of Administration (Service Experience/Support) | 30%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Price   | 35%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Multi-Year Rate Guarantees                          | 5%          | 0.0        | 0.0        | 0.0        | 0.0        |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| Insert Rating on a 100 Point Scale for Each Category  | TASC | Discovery | P&A Group | Taben |
|---|------|-----------|-----------|-------|
| Capabilities/Services Provided  |      | 90        | 90        | 90    |
| Ease of Administration (Service Experience/Support)   |      | 95        | 85        | 100   |
| Price   |      | 95        | 90        | 90    |
| Multi-Year Rate Guarantees  |      | 100       | 90        | 95    |
| Note: TASC has indicated that they would be willing to revise rates based on market response. |      | 370       | 355       | 375   |

Susan

## City of Lee's Summit, Missouri COBRA/Retiree Services RFP Initial Weighted Scoring Results

**Maximum Point Total: 100**

| Evaluation Criteria                                 | Weighting   | COBRAGuard | Discovery  | P&A Group  | Taben      |
|---|-------------|------------|------------|------------|------------|
| Capabilities/Services Provided                      | 30%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Ease of Administration (Service Experience/Support) | 30%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Price   | 35%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Multi-Year Rate Guarantees                          | 5%          | 0.0        | 0.0        | 0.0        | 0.0        |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| Insert Rating on a 100 Point Scale for Each Category | COBRAGuard | Discovery | P&A Group | Taben |
|--|------------|-----------|-----------|-------|
| Capabilities/Services Provided                       |            | 90        | 90        | 95    |
| Ease of Administration (Service Experience/Support)  |            | 90        | 85        | 95    |
| Price  |            | 90        | 90        | 95    |
| Multi-Year Rate Guarantees                           |            | 100       | 90        | 95    |

370      345      380

Fred's scores  
380      345      375  
 750      690      755

Susan

## City of Lee's Summit, Missouri FSA Services RFP Initial Weighted Scoring Results

**Maximum Point Total: 100**

| Evaluation Criteria                                 | Weighting   | TASC       | Discovery  | P&A Group  | Taben      |
|---|-------------|------------|------------|------------|------------|
| Capabilities/Services Provided                      | 30%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Ease of Administration (Service Experience/Support) | 30%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Price   | 35%         | 0.0        | 0.0        | 0.0        | 0.0        |
| Multi-Year Rate Guarantees                          | 5%          | 0.0        | 0.0        | 0.0        | 0.0        |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| Insert Rating on a 100 Point Scale for Each Category | TASC | Discovery | P&A Group | Taben |
|--|------|-----------|-----------|-------|
| Capabilities/Services Provided                       |      | 90        | 90        | 95    |
| Ease of Administration (Service Experience/Support)  |      | 95        | 85        | 100   |
| Price  |      | 85        | 90        | 95    |
| Multi-Year Rate Guarantees                           |      | 100       | 90        | 95    |

Note: TASC has indicated that they would be willing to revise rates based on market response.

|                  |            |            |            |
|------------------|------------|------------|------------|
|                  | 370        | 355        | 385        |
| Fred's<br>scores | <u>370</u> | <u>355</u> | <u>375</u> |
|                  | 740        | 710        | 760        |

# 2018 DENTAL MARKETING SCORING MATRIX BASED ON INITIAL RELEASES

Maximum Point Total: 100

| Evaluation Criteria                                 | Weighting   | Delta Dental of MO | Aetna       | BCBSKC      | Cigna       | Guardian    | Humana      | MetLife     | SunLife     | UHC         |
|---|-------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Capabilities/Services Provided                      | 25%         | 25.0               | 22.5        | 23.8        | 23.8        | 22.5        | 23.8        | 22.5        | 22.5        | 22.5        |
| Ease of Administration (Service Experience/Support) | 25%         | 23.8               | 21.3        | 23.8        | 22.5        | 20.0        | 21.3        | 22.5        | 22.5        | 21.3        |
| Price & Multi-Year Rate Guarantees/Increase Limits  | 30%         | 24.0               | 25.5        | 25.5        | 25.5        | 28.5        | 25.5        | 25.5        | 25.5        | 25.5        |
| Network Disruption                                  | 10%         | 10.0               | 7.5         | 9.5         | 9.0         | 8.0         | 7.5         | 9.5         | 8.0         | 6.5         |
| Employee Brand Perception                           | 10%         | 10.0               | 9.0         | 10.0        | 9.0         | 9.0         | 9.0         | 9.0         | 9.0         | 8.5         |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>92.8</b>        | <b>85.8</b> | <b>92.5</b> | <b>89.8</b> | <b>88.0</b> | <b>87.0</b> | <b>89.0</b> | <b>87.5</b> | <b>84.3</b> |

| Insert Rating on a 100 Point Scale for Each Category | Delta Dental of MO | Aetna | BCBSKC | Cigna | Guardian | Humana | MetLife | SunLife | UHC |
|--|--------------------|-------|--------|-------|----------|--------|---------|---------|-----|
| Capabilities/Services Provided                       | 100                | 90    | 95     | 95    | 90       | 95     | 90      | 90      | 90  |
| Ease of Administration (Service Experience/Support)  | 95                 | 85    | 95     | 90    | 80       | 85     | 90      | 90      | 85  |
| Price & Multi-Year Rate Guarantees/Increase Limits   | 80                 | 85    | 85     | 85    | 95       | 85     | 85      | 85      | 85  |
| Network Disruption                                   | 100                | 75    | 95     | 90    | 80       | 75     | 95      | 80      | 65  |
| Employee Brand Perception                            | 100                | 90    | 100    | 90    | 90       | 90     | 90      | 90      | 85  |

Note: Once a funding option is chosen for 1/1/2018, HMA will provide a revised scoring matrix.

# INITIAL FSA ADMINISTRATION DECISION MATRIX

| Evaluation Criteria                                 | Weighting   | Recommended Finalist |             |             | Recommended Finalist |             | Recommended Finalist |             |
|---|-------------|----------------------|-------------|-------------|----------------------|-------------|----------------------|-------------|
|   |             | TASC                 | BASIC       | Discovery   | COBRA Guard          | P&A Group   | PayFlex              | Taben       |
| Capabilities/Services Provided                      | 30%         | 30.0                 | 30.0        | 30.0        | 27.0                 | 30.0        | 27.0                 | 30.0        |
| Ease of Administration (Service Experience/Support) | 30%         | 25.5                 | 25.5        | 27.0        | 25.5                 | 27.0        | 25.5                 | 28.5        |
| Price   | 35%         | 33.3                 | 33.3        | 31.5        | 33.3                 | 33.3        | 28.0                 | 33.3        |
| Multi-Year Rate Guarantees                          | 5%          | 4.8                  | 4.0         | 5.0         | 4.8                  | 4.8         | 4.8                  | 5.0         |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>93.5</b>          | <b>92.8</b> | <b>93.5</b> | <b>90.5</b>          | <b>95.0</b> | <b>85.3</b>          | <b>96.8</b> |

| Insert Rating on a 100 Point Scale for Each Category | TASC | BASIC | Discovery | COBRA Guard | P&A Group | PayFlex | Taben |
|--|------|-------|-----------|-------------|-----------|---------|-------|
| Capabilities/Services Provided                       | 100  | 100   | 100       | 90          | 100       | 90      | 100   |
| Ease of Administration (Service Experience/Support)  | 85   | 85    | 90        | 85          | 90        | 85      | 95    |
| Price  | 95   | 95    | 90        | 95          | 95        | 80      | 95    |
| Multi-Year Rate Guarantees                           | 95   | 80    | 100       | 95          | 95        | 95      | 100   |

Note: TASC has indicated that they would be willing to revise rates based on market response.

# INITIAL COBRA ADMINISTRATION DECISION MATRIX

| Evaluation Criteria                                 | Weighting   | COBRA Guard | BASIC       | Recommended | Recommended | Recommended |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   |             |             |             | Finalist    | Finalist    | Finalist    | Finalist    | Finalist    |
|   |             |             |             | Discovery   | P&A Group   | Payflex     | Taben       | TASC        |
| Capabilities/Services Provided                      | 30%         | 30.0        | 30.0        | 30.0        | 30.0        | 30.0        | 30.0        | 30.0        |
| Ease of Administration (Service Experience/Support) | 30%         | 25.5        | 25.5        | 28.5        | 28.5        | 25.5        | 28.5        | 25.5        |
| Price   | 35%         | 33.3        | 24.5        | 33.3        | 35.0        | 24.5        | 33.3        | 35.0        |
| Multi-Year Rate Guarantees                          | 5%          | 4.8         | 4.0         | 5.0         | 4.8         | 4.8         | 5.0         | 4.0         |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>93.5</b> | <b>84.0</b> | <b>96.8</b> | <b>98.3</b> | <b>84.8</b> | <b>96.8</b> | <b>94.5</b> |

| Insert Rating on a 100 Point Scale for Each Category | COBRA Guard | BASIC | Discovery | P&A Group | Payflex | Taben | TASC |
|--|-------------|-------|-----------|-----------|---------|-------|------|
| Capabilities/Services Provided                       | 100         | 100   | 100       | 100       | 100     | 100   | 100  |
| Ease of Administration (Service Experience/Support)  | 85          | 85    | 95        | 95        | 85      | 95    | 85   |
| Price  | 95          | 70    | 95        | 100       | 70      | 95    | 100  |
| Multi-Year Rate Guarantees                           | 95          | 80    | 100       | 95        | 95      | 100   | 80   |



# INITIAL LIFE/DISABILITY DECISION MATRIX

| Evaluation Criteria                                 | Weighting   | The Standard | OneAmerica  | Voya        | Lincoln     |
|---|-------------|--------------|-------------|-------------|-------------|
| Capabilities/Services Provided                      | 30%         | 28.5         | 28.5        | 28.5        | 28.5        |
| Ease of Administration (Service Experience/Support) | 25%         | 23.8         | 21.3        | 23.8        | 22.5        |
| Price   | 30%         | 28.5         | 28.5        | 28.5        | 28.5        |
| Multi-Year Rate Guarantee                           | 10%         | 10.0         | 9.0         | 10.0        | 10.0        |
| Employee Brand Perception                           | <u>5%</u>   | <u>4.8</u>   | <u>4.5</u>  | <u>4.5</u>  | <u>4.5</u>  |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>95.5</b>  | <b>91.8</b> | <b>95.3</b> | <b>94.0</b> |

| Insert Rating on a 100 Point Scale for Each Category | The Standard | OneAmerica | Voya | Lincoln |
|--|--------------|------------|------|---------|
| Capabilities/Services Provided                       | 95           | 95         | 95   | 95      |
| Ease of Administration (Service Experience/Support)  | 95           | 85         | 95   | 90      |
| Price  | 95           | 95         | 95   | 95      |
| Multi-Year Rate Guarantee                            | 100          | 90         | 100  | 100     |
| Employee Brand Perception                            | 95           | 90         | 90   | 90      |

# 2018 MEDICAL MARKETING SCORING MATRIX BASED ON INITIAL RELEASES

Maximum Point Total: 100

| Evaluation Criteria                                 | Weighting   | BCBSKC      | Aetna       | Cigna       | Humana      | UHC         |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Capabilities/Services Provided                      | 25%         | 22.5        | 21.3        | 22.5        | 22.5        | 21.3        |
| Ease of Administration (Service Experience/Support) | 25%         | 23.8        | 20.0        | 21.3        | 21.3        | 18.8        |
| Price & Multi-Year Rate Guarantees/Increase Limits  | 30%         | 25.5        | 28.5        | 28.5        | 30.0        | 25.5        |
| Network Disruption                                  | 10%         | 10.0        | 9.5         | 9.5         | 9.0         | 9.5         |
| Employee Brand Perception                           | 10%         | 10.0        | 8.5         | 9.0         | 8.5         | 8.0         |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>91.8</b> | <b>87.8</b> | <b>90.8</b> | <b>91.3</b> | <b>83.0</b> |

| Insert Rating on a 100 Point Scale for Each Category | BCBSKC | Aetna | Cigna | Humana | UHC |
|--|--------|-------|-------|--------|-----|
| Capabilities/Services Provided                       | 90     | 85    | 90    | 90     | 85  |
| Ease of Administration (Service Experience/Support)  | 95     | 80    | 85    | 85     | 75  |
| Price & Multi-Year Rate Guarantees/Increase Limits   | 85     | 95    | 95    | 100    | 85  |
| Network Disruption                                   | 100    | 95    | 95    | 90     | 95  |
| Employee Brand Perception                            | 100    | 85    | 90    | 85     | 80  |

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# 2018 VISION MARKETING SCORING MATRIX BASED ON INITIAL RELEASES

Maximum Point Total: 100

| Evaluation Criteria                                 | Weighting   | VSP         | Cigna       | Delta Dental of MO | EyeMed      | MetLife     | Superior Vision | UHC         |
|---|-------------|-------------|-------------|--------------------|-------------|-------------|-----------------|-------------|
| Capabilities/Services Provided                      | 25%         | 25.0        | 23.8        | 20.0               | 23.8        | 25.0        | 22.5            | 22.5        |
| Ease of Administration (Service Experience/Support) | 25%         | 23.8        | 22.5        | 22.5               | 23.8        | 23.8        | 23.8            | 21.3        |
| Price & Multi-Year Rate Guarantees                  | 30%         | 25.5        | 25.5        | 24.0               | 28.5        | 22.5        | 27.0            | 25.5        |
| Network   | 10%         | 10.0        | 9.0         | 9.0                | 9.0         | 10.0        | 9.0             | 9.0         |
| Employee Brand Perception                           | 10%         | 10.0        | 9.0         | 9.0                | 9.0         | 9.0         | 9.0             | 8.5         |
| <b>Weighted Score</b>                               | <b>100%</b> | <b>94.3</b> | <b>89.8</b> | <b>84.5</b>        | <b>94.0</b> | <b>90.3</b> | <b>91.3</b>     | <b>86.8</b> |

| Insert Rating on a 100 Point Scale for Each Category | VSP | Cigna | Delta Dental of MO | EyeMed | MetLife | Superior Vision | UHC |
|--|-----|-------|--------------------|--------|---------|-----------------|-----|
| Capabilities/Services Provided                       | 100 | 95    | 80                 | 95     | 100     | 90              | 90  |
| Ease of Administration (Service Experience/Support)  | 95  | 90    | 90                 | 95     | 95      | 95              | 85  |
| Price & Multi-Year Rate Guarantees                   | 85  | 85    | 80                 | 95     | 75      | 90              | 85  |
| Network  | 100 | 90    | 90                 | 90     | 100     | 90              | 90  |
| Employee Brand Perception                            | 100 | 90    | 90                 | 90     | 90      | 90              | 85  |

Note: Once a funding option is chosen for 1/1/2018, HMA will provide a revised scoring matrix.



## City of Lee's Summit Critical Illness Voluntary Benefit RFP Weighted Scoring Results

**Maximum Point Total: 100**

| Evaluation Criteria                               | Weighting   | Allstate    | Met Life    | Trustmark   | The Hartford | Aflac       |
|---|-------------|-------------|-------------|-------------|--------------|-------------|
| Competitive Product Pricing                       | 25%         | 22.5        | 21.3        | 21.3        | 23.3         | 22.5        |
| Contractual Provision & Benefit Strength          | 25%         | 22.5        | 22.5        | 22.5        | 23.0         | 22.5        |
| Favorable Underwriting Conditions                 | 25%         | 23.8        | 23.8        | 21.3        | 23.3         | 23.8        |
| Ease of Administration & Technology Compatibility | 25%         | 21.3        | 22.5        | 20.0        | 22.5         | 21.3        |
| <b>Weighted Score</b>                             | <b>100%</b> | <b>90.0</b> | <b>90.0</b> | <b>85.0</b> | <b>92.0</b>  | <b>90.0</b> |

| Insert Rating on a 100 Point Scale for Each Category | Weighting | Allstate | Met Life | Trustmark | The Hartford | Aflac |
|--|-----------|----------|----------|-----------|--------------|-------|
| Competitive Product Pricing                          |           | 90       | 85       | 85        | 93           | 90    |
| Contractual Provision & Benefit Strength             |           | 90       | 90       | 90        | 92           | 90    |
| Favorable Underwriting Conditions                    |           | 95       | 95       | 85        | 93           | 95    |
| Ease of Administration & Technology Compatibility    |           | 85       | 90       | 80        | 90           | 85    |

### Criteria Basis

#### Competitive Product Pricing

Our goal is to balance the need to provide meaningful benefits to employees and their families while ensuring pricing is affordable in the context of the overall benefit package. We evaluate pricing on each product individually and in aggregate to help make the best overall carrier recommendation.

#### Contractual Provision & Benefit Strength

Our analysis measures the number of covered benefits as well as the strength of the benefit payment for the claims that we know through experience and industry-wide reported statistics are filed most frequently.

#### Favorable Underwriting Conditions

We take in to consideration all components of the offer such as guarantee issue amounts, annual eligibility for enrollment, and limited or waived participation requirements which are essential to providing frictionless access to benefits for employees and efficient administration of the plans for the employer.

#### Ease of Administration and Technology Compatibility

In addition to providing access to meaningful and competitively priced benefits, we want to ensure that the selected carrier will provide enrollment, payroll deduction, premium remittance, build out options and support that make the implementation process as streamlined as possible based on existing technology, resource capabilities and constraints.

## City of Lee's Summit Accident Voluntary Benefit RFP Weighted Scoring Results

**Maximum Point Total: 100**

| Evaluation Criteria                               | Weighting   | Allstate    | Met Life    | Trustmark   | The Hartford | Aflac       |
|---|-------------|-------------|-------------|-------------|--------------|-------------|
| Competitive Product Pricing                       | 25%         | 22.5        | 21.3        | 21.3        | 23.3         | 22.5        |
| Contractual Provision & Benefit Strength          | 25%         | 22.5        | 22.5        | 22.5        | 23.0         | 22.5        |
| Favorable Underwriting Conditions                 | 25%         | 23.8        | 23.8        | 21.3        | 23.3         | 23.8        |
| Ease of Administration & Technology Compatibility | 25%         | 21.3        | 22.5        | 20.0        | 22.5         | 21.3        |
| <b>Weighted Score</b>                             | <b>100%</b> | <b>90.0</b> | <b>90.0</b> | <b>85.0</b> | <b>92.0</b>  | <b>90.0</b> |

| Insert Rating on a 100 Point Scale for Each Category | Weighting | Allstate | Met Life | Trustmark | The Hartford | Aflac |
|--|-----------|----------|----------|-----------|--------------|-------|
| Competitive Product Pricing                          |           | 90       | 85       | 85        | 93           | 90    |
| Contractual Provision & Benefit Strength             |           | 90       | 90       | 90        | 92           | 90    |
| Favorable Underwriting Conditions                    |           | 95       | 95       | 85        | 93           | 95    |
| Ease of Administration & Technology Compatibility    |           | 85       | 90       | 80        | 90           | 85    |

### Criteria Basis

#### Competitive Product Pricing

Our goal is to balance the need to provide meaningful benefits to employees and their families while ensuring pricing is affordable in the context of the overall benefit package. We evaluate pricing on each product individually and in aggregate to help make the best overall carrier recommendation.

#### Contractual Provision & Benefit Strength

Our analysis measures the number of covered benefits as well as the strength of the benefit payment for the claims that we know through experience and industry-wide reported statistics are filed most frequently.

#### Favorable Underwriting Conditions

We take in to consideration all components of the offer such as guarantee issue amounts, annual eligibility for enrollment, and limited or waived participation requirements which are essential to providing frictionless access to benefits for employees and efficient administration of the plans for the employer.

#### Ease of Administration and Technology Compatibility

In addition to providing access to meaningful and competitively priced benefits, we want to ensure that the selected carrier will provide enrollment, payroll deduction, premium remittance, build out options and support that make the implementation process as streamlined as possible based on existing technology, resource capabilities and constraints.

## City of Lee's Summit Universal Life w/ Long Term Care Voluntary Benefit RFP Weighted Scoring Results

**Maximum Point Total: 100**

| Evaluation Criteria                               | Weighting   | Allstate   | Met Life   | Trustmark    | The Hartford | Aflac      |
|---|-------------|------------|------------|--------------|--------------|------------|
| Competitive Product Pricing                       | 25%         | N/A        | N/A        | 25.0         | N/A          | N/A        |
| Contractual Provision & Benefit Strength          | 25%         | N/A        | N/A        | 25.0         | N/A          | N/A        |
| Favorable Underwriting Conditions                 | 25%         | N/A        | N/A        | 25.0         | N/A          | N/A        |
| Ease of Administration & Technology Compatibility | 25%         | N/A        | N/A        | 25.0         | N/A          | N/A        |
| <b>Weighted Score</b>                             | <b>100%</b> | <b>N/A</b> | <b>N/A</b> | <b>100.0</b> | <b>N/A</b>   | <b>N/A</b> |

| Insert Rating on a 100 Point Scale for Each Category | Weighting | Allstate | Met Life | Trustmark | The Hartford | Aflac |
|--|-----------|----------|----------|-----------|--------------|-------|
| Competitive Product Pricing                          |           | N/A      | N/A      | 100       | N/A          | N/A   |
| Contractual Provision & Benefit Strength             |           | N/A      | N/A      | 100       | N/A          | N/A   |
| Favorable Underwriting Conditions                    |           | N/A      | N/A      | 100       | N/A          | N/A   |
| Ease of Administration & Technology Compatibility    |           | N/A      | N/A      | 100       | N/A          | N/A   |

| Criteria Basis   |
|--|
| <p><b>Competitive Product Pricing</b></p> <p>Our goal is to balance the need to provide meaningful benefits to employees and their families while ensuring pricing is affordable in the context of the overall benefit package. We evaluate pricing on each product individually and in aggregate to help make the best overall carrier recommendation.</p>  |
| <p><b>Contractual Provision &amp; Benefit Strength</b></p> <p>Our analysis measures the number of covered benefits as well as the strength of the benefit payment for the claims that we know through experience and industry-wide reported statistics are filed most frequently. <b>Please note: while Allstate, Met Life, The Hartford and Aflac all offer various forms of life insurance, Trustmark is the only provider listed that provides a permanent life insurance with long term care benefits. Therefore, Trustmark is the sole carrier considered in this category.</b></p> |
| <p><b>Favorable Underwriting Conditions</b></p> <p>We take in to consideration all components of the offer such as guarantee issue amounts, annual eligibility for enrollment, and limited or waived participation requirements which are essential to providing frictionless access to benefits for employees and efficient administration of the plans for the employer.</p>   |
| <p><b>Ease of Administration and Technology Compatibility</b></p> <p>In addition to providing access to meaningful and competitively priced benefits, we want to ensure that the selected carrier will provide enrollment, payroll deduction, premium remittance, build out options and support that make the implementation process as streamlined as possible based on existing technology, resource capabilities and constraints.</p>   |

## Packet Information

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**File #:** TMP-0648, **Version:** 1

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AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COOPERATIVE AGREEMENT FOR RECYCLING SERVICES BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE CITY OF KANSAS CITY, MISSOURI

Issue/Request:

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COOPERATIVE AGREEMENT FOR RECYCLING SERVICES BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE CITY OF KANSAS CITY, MISSOURI

Key Issues:

Under the agreement with the City of Kansas City, the City of Lee's Summit will staff the center and provide roll-off boxes. The City of Kansas City will pull the containers at no charge and keep the recycling revenue.

The term of the agreement shall begin on November 1, 2017, and shall end on October 31, 2019, unless either party provides 30 days written notice. The parties, by written agreement, may renew this agreement for three one-year periods.

Proposed Committee Motion:

I move to recommend to City Council AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COOPERATIVE AGREEMENT FOR RECYCLING SERVICES BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE CITY OF KANSAS CITY, MISSOURI

Background:

The closing of the two recycling centers was tied to the contract with Heartland Environmental Services, LLC, to manage the operations of the Landfill and Resource Recovery Park. Their offer to operate solid waste services in Lee's Summit did not include recycling as part of their offered services. When the recycling centers closed, residents had the option of using trash hauler-provided services for a fee, or using drop-off locations at schools. Later in 2016, the school district closed their public drop off locations. This left residents in single family homes with curbside recycling as their only option, while those living in apartment complexes have fewer options.

Presenter: Jack Feldman, Management Analyst

Recommendation:

Committee Recommendation: [Enter Committee Recommendation text Here]

**BILL NO.**

**ORDINANCE NO.**

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AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT FOR RECYCLING SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE CITY OF KANSAS CITY, MISSOURI AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

WHEREAS, the City of Lee's Summit desires to re-open the North Recycling Center, located at 1951 NE Douglas Road, Lee's Summit, Missouri 64064, to provide residents an opportunity to dispose of various recyclable materials; and,

WHEREAS, the City of Kansas City has offered to co-operate with the City of Lee's Summit in the operation of the North Recycling Center, and specifically has offered to provide services related to the collection of roll-off containers, to provide weight collection reports, and to monitor safety issues; and,

WHEREAS, the City of Lee's Summit desires to co-operate with the City of Kansas City in connection with the operation of the North Recycling Center; and,

WHEREAS, the City of Kansas City and the City of Lee's Summit have negotiated various terms and conditions associated with the co-operation between the parties for the operation of the North Recycling Center and have reduced the same to writing in the Cooperative Agreement for Recycling Services between the City of Lee's Summit, Missouri and the City of Kansas City, Missouri, attached hereto as "Exhibit A" and incorporated herein by reference; and,

WHEREAS, the City of Lee's Summit is desirous of approving and entering into said Exhibit A for purposes of formalizing its intentions regarding the North Recycling Center.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Cooperative Agreement for Recycling Services between the City of Lee's Summit, Missouri and the City of Kansas City, Missouri, generally for the purpose of partnering together for the operation of the North Recycling Center in Lee's Summit, Missouri, attached hereto as "Exhibit A" and incorporated herein by reference be and the same is hereby approved, and the Mayor is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_day of \_\_\_\_\_, 2016.



**BILL NO.**

**ORDINANCE NO.**

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ATTEST:

*Mayor Randall L. Rhoads*

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2016.

ATTEST:

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and Operations *Jackie McCormick Heanue*

**COOPERATIVE AGREEMENT FOR RECYCLING SERVICES  
B E T W E E N T H E C I T Y O F L E E ' S S U M M I T , M I S S O U R I , A N D T H E C I T Y O F K A N S A S  
C I T Y , M I S S O U R I**

This agreement made and entered into this \_\_\_\_\_ by and between the City of Lee's Summit, Missouri and the City of Kansas City, Missouri.

WHEREAS, Lee's Summit owns a recycling center at 1951 NE Douglas, Road, Lee's Summit, Missouri 64064 ("North Recycling Center") that is currently not operating; and

WHEREAS, the opportunity for residents to recycle mutually benefits both Lee's Summit and Kansas City; and

WHEREAS, Lee's Summit and Kansas City desire to partner together to resume operations at the North Recycling Center.

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants and agreements herein contained, and for other good and valuable consideration, the Parties agree as follows:

1. **Purpose of the Agreement.** The purpose of this Agreement is to provide for a cooperative effort between Kansas City and Lee's Summit to enable the resumption of recycling operations at the North Recycling Center.

2. **Definitions.**

- a. *Authorized Materials* shall mean newspaper, corrugated cardboard, telephone books, magazines, junk mail, print media advertisements, chipboard cardboard, catalogs, manila file folders, office paper, brochures, carrier stock, #1 pet plastic with neck, #2 hdpe plastic with neck, aluminum cans, steel food and beverage cans (and specifically excluding any items made entirely or partially of glass).
- b. *Days of Operation* shall mean the three (3) days per week that Lee's Summit provides staffing for the North Recycling Center. Current times and Days of Operation are Tuesday's (9am-6pm), Thursday's (9am-6pm) and Saturday's (8am-4pm). The Center shall be closed on holidays (according to the City of Lee's Summit holiday schedule).
- c. *Roll-off Containers* shall mean dual rail with both cable and hook lift capabilities. Any container must be approved by the Manager of Solid Waste for the City of Kansas City and the Solid Waste Superintendent for the City of Lee's Summit before use under this agreement.

3. **Responsibilities of Lee's Summit.** Lee's Summit shall:

- a. Provide staffing at the North Recycling Center three (3) days per week. These Days of Operation shall be determined at the sole discretion of the City of Lee's Summit; however, Lee's Summit shall communicate any change in the Days of Operation to Kansas City in writing at least 30 days before any such change shall be effective.
- b. Provide seven roll-off containers for the operation of the North Recycling Center. Lee's Summit shall maintain the containers in working order.
- c. Take all reasonably available steps and actions to ensure that only Authorized Materials are deposited in the roll-off containers.
- d. Contact the City of Kansas City when the containers are ready to be pulled.
- e. Be responsible for all signage at the North Recycling Center.

- f. Be responsible for notifying Kansas City about mechanical issues, facility issues, customer service issues, or safety issues as soon as possible.
4. **Responsibilities of Kansas City.** Kansas City shall:
- a. Provide the collection of the roll-off containers from the North Recycling Center at its sole cost. Kansas City shall have no obligation to provide rebates to Lee's Summit for the sale of any pulled recyclables.
  - b. Provide monthly weight reports to the City of Lee's Summit for recycling material collected at the North Recycling Center. Reports shall be due within 14 business days following the end of each month.
  - c. Collect, empty, and return recycling roll-off containers within 36 hours of being contacted by personnel from the City of Lee's Summit.
  - d. Collect containers, wherever practical, on days when the Center is not open. e.g. Monday's, Wednesday's, Friday's, or Sunday's. This is in order to provide the safest environment for collection truck drivers as well as Center patrons.
  - e. Be responsible for notifying Lee's Summit about mechanical issues, facility issues, customer service issues, or safety issues as soon as possible.

5. **Notice.** All notices required by this Agreement shall be in writing sent by regular United States mail, postage prepaid, or commercial overnight courier to the following:

Notice to Kansas City:  
Director of Neighborhood and Housing Services  
414 East 12<sup>th</sup> Street, 4<sup>th</sup> Floor  
Kansas City, Missouri 64106

Notice to Lee's Summit:  
Solid Waste Superintendent  
1971 SE Hamblen Rd.  
Lee's Summit, Missouri 64082

All notices are effective on the date mailed or, if delivered by a courier, upon receipt. Either party may provide the other party a change of address which change shall be effective ten (10) days after delivery.

- 6. **Option to Terminate.** Either Party may terminate this Agreement upon 30 days written notice to the other Party.
- 7. **No Partnership.** It is expressly understood that the parties are not now, nor will they be, engaged in a joint venture, partnership or any other form of business relationship except as expressly set forth herein, and that no party shall be responsible for the conduct, warranties, guarantees, acts, errors, omissions, debts, obligations or undertaking of any kind or nature of the other in performance of this Agreement or of any other activities.
- 8. **Compliance with Laws.** The parties shall comply with all federal, state and local laws, ordinances and regulations applicable to this Agreement.
- 9. **Term.** The parties agree that the term of this Agreement shall begin on November 1,

2017 and, unless sooner otherwise terminated by the Parties, shall end on October 31, 2019. The Parties, by written agreement, may renew this Agreement for three one year periods.

10. **Waiver.** No consent or waiver, express or implied, by any party to this Agreement or of any breach or default by any other party in the performance by such other party of its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such party hereunder. Failure on the part of any party to complain of any act or failure to act of any of the other parties or to declare any of the other parties in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights under this Agreement. The parties reserve the right to waive any term, covenant, or condition of this Agreement; provided, however, such waiver shall be in writing and shall be deemed to constitute a waiver only as to the matter waived and the parties reserve the right to exercise any and all of its rights and remedies under this Agreement irrespective of any waiver granted.
11. **Modification.** This Agreement shall not be amended, modified or canceled without the written consent of the parties to this Agreement.
12. **Headings; Construction of Agreement.** The headings of each section of this Agreement are for reference only. Unless the context of this Agreement clearly requires otherwise, all terms and words used herein, regardless of the number and gender in which used, shall be construed to include any other number, singular or plural, or any other gender, masculine, feminine or neuter, the same as if such words had been fully and properly written in that number or gender.
13. **Conflicts of Interest.** Kansas City and Lee's Summit shall certify that no officer or employee of Kansas City or Lee's Summit has, or will have, a direct or indirect financial or personal interest in this Agreement, and that no officer or employee of Kansas City or Lee's Summit, or member of such officer's or employee's immediate family, either has negotiated, or has or will have an arrangement, concerning employment to perform services on behalf of Kansas City or Lee's Summit in this Agreement.
14. **Representations.** Kansas City and Lee's Summit certify that they have the power and authority to execute and deliver this Agreement, to use any funds contemplated hereby and to perform this Agreement in accordance with its terms.
15. **Severability of Provisions.** Except as specifically provided in this Agreement, all of the provisions of this Agreement shall be severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be unconstitutional or unlawful, the remaining provisions of this Agreement shall be valid unless the court finds that the valid provisions of this Agreement are so essentially and inseparably connected with and so dependent upon the invalid provision(s) that it cannot be presumed that the parties to this Agreement could have included the valid provisions without the invalid provision(s); or unless the court finds that the valid provisions, standing alone, are incapable of being performed in accordance with the intentions of the parties.

16. **Audit.** Kansas City and Lee's Summit shall have the right to audit this Agreement and all books, documents and records relating thereto. Kansas City and Lee's Summit shall maintain all their respective books, documents and records relating to this Agreement during the contract period and for three (3) years after the date of final payment. The books, documents and records shall be made available to the Kansas City and Lee's Summit within ten (10) days after the written request is made. Kansas City and Lee's Summit shall require any contractor hired to perform work related to this Agreement to comply with this provision in connection with services performed.
17. **Assignment.** Neither Kansas City nor Lee's Summit shall sell, assign, transfer, or otherwise convey any of their rights under this Agreement without the prior and expressed written consent of the other party. Each party may, at its sole discretion, refuse to consent to any proposed sale, assignment, transfer, or other conveyance. Any attempted sale, assignment, transfer, or conveyance in violation of this paragraph shall be void and shall relieve the non-consenting party of any further liability under this Agreement, but shall not relieve the violating party of any liability. If a party consents in writing to a sale, assignment, transfer, or conveyance, unless specifically stated to the contrary in the consent, it shall not release or discharge the party receiving consent from any duty or responsibility set forth in the Agreement.
18. **General Indemnification.** Kansas City and Lee's Summit shall require any contractor hired to perform work related to this Agreement to defend, indemnify, and hold harmless the other Party and any of its agencies, officials, officers, and employees from and against all claims, damages, liability, losses, costs, and expenses, including reasonable attorneys' fees, arising out of or resulting from any acts or omissions in connection with the performance under this Agreement, caused in whole or in part by the contractor, its employees, agents, others for whom the contractor is legally liable, regardless of whether or not caused in part by any act or omission of the indemnified party, its agencies, officials, officers, or employees.
19. **Insurance.** Kansas City and Lee's Summit shall require every person or entity with whom it contracts under this Agreement to procure and maintain, in effect throughout the duration of this Agreement, insurance coverage not less than the types and amounts specified below. Kansas City and Lee's Summit shall further require, and shall ensure that, the other Party is named as an additional insured and shall provide to the other Party a certificate of insurance, or its equivalent, demonstrating the same.
- i. Commercial General Liability Insurance: with limits of \$2,000,000 per occurrence and \$2,000,000 aggregate, written on an "occurrence" basis. The policy shall be written or endorsed to include the following provisions:
    1. Severability of Interests Coverage applying to Additional Insureds
  - ii. Commercial General Liability Insurance: with limits of \$2,000,000 per occurrence and \$2,000,000 aggregate, written on an "occurrence" basis. The policy shall be written or endorsed to include the following provisions:
    1. Severability of Interests Coverage applying to Additional Insureds
  - iii. Contractual Liability:

1. Per Project Aggregate Liability Limit or, where not available, the aggregate limit shall be \$2,000,000.
2. No Contractual Liability Limitation Endorsement
3. Additional Insured Endorsement, ISO form CG2010, current edition, or its equivalent.

iv. Workers' Compensation Insurance: as required by statute, including Employers Liability with limits of:

1. Workers' Compensation: Statutory
2. Employers' Liability with limits of:
  - a. \$100,000 each accident
  - b. 500,000 disease –policy limit
  - c. \$100,000 disease each employee

v. Commercial Automobile Liability Insurance: with a limit of \$2,000,000 per occurrence, covering owned, hired, and non owned automobiles. Coverage provided shall be on an "any auto" basis and written on an "occurrence" basis. This insurance will be written on a Commercial Business Auto form, or acceptable equivalent, and will protect against claims arising out of the operation of motor vehicles, as to acts done in connection with the Project by Kansas City's or Lee's Summit's contractor.

vi. If applicable, Professional Liability Insurance with limits per claim and annual aggregate of \$ 2,000,000.

a. Contractual Liability:

1. Per Project Aggregate Liability Limit or, where not available, the aggregate limit shall be \$2,000,000.
2. No Contractual Liability Limitation Endorsement
3. Additional Insured Endorsement, ISO form CG2010, current edition, or its equivalent.

vii. Workers' Compensation Insurance: as required by statute, including Employers Liability with limits of:

1. Workers' Compensation: Statutory
2. Employers' Liability with limits of:
  - a. \$100,000 each accident
  - b. 500,000 disease –policy limit
  - c. \$100,000 disease each employee

viii. Commercial Automobile Liability Insurance: with a limit of \$2,000,000 per occurrence, covering owned, hired, and non owned automobiles. Coverage provided shall be on an "any auto" basis and written on an "occurrence" basis. This insurance will be written on a Commercial Business Auto form, or acceptable equivalent, and will protect against claims arising out of the operation of motor vehicles, as to acts done in connection with the Project by Kansas City's or Lee Summit's contractor.

ix. If applicable, Professional Liability Insurance with limits per claim and annual aggregate of \$ 2,000,000.

Regardless of any approval by the other Party, it is the responsibility of Kansas City and Lee's Summit to ensure the required insurance coverage is maintained in force at all times. The failure to ensure that the proper insurance is maintained in effect will not relieve Kansas City or Lee's

Summit of any contractual obligation or responsibility. In the event Kansas City or Lee's Summit fails to ensure that the required insurance is maintained in effect, the other Party may order that the obligations under this Agreement immediately stop and, upon ten (10) days' notice and an opportunity to cure, may pursue its remedies for breach of this Agreement as provided for herein and by law.

20. **Future appropriations.** Nothing herein shall constitute, nor be deemed to constitute, an obligation of future appropriations by any party.

21. **Default and Remedies.** If a party shall be in default or breach of any provision of this Agreement, the other party may terminate this Agreement, suspend its performance and invoke any other legal or equitable remedy after giving the other party thirty (30) days written notice and opportunity to correct such default or breach. All rights and remedies granted to each party herein and any other rights and remedies which either party may have at law and in equity are hereby declared to be cumulative and not exclusive, and the fact that either party may have exercised any remedy without terminating this Agreement shall not impair that party's rights thereafter to terminate or to exercise any other remedy herein granted or to which that party may be otherwise entitled.

**IN WITNESS WHEREOF**, the parties hereto have caused this Cooperative Agreement to be executed by their respective officers thereunto lawfully authorized and with their corporate seals affixed the day and year first above written.

**CITY OF KANSAS CITY, MISSOURI**

By \_\_\_\_\_  
John A. Woods  
Title Director of Neighborhood and Housing Services

Approved as to Form:

By \_\_\_\_\_  
Katherine Chandler  
Title Assistant City Attorney

**LEE'S SUMMIT, MISSOURI**

By: \_\_\_\_\_  
Title: Mayor Randall L. Rhoads

**Approved as to form:**

By: \_\_\_\_\_

Nancy Yendes,

Title: Chief Council of Infrastructure and Planning



**BILL NO.**

**ORDINANCE NO.**

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AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT FOR RECYCLING SERVICES BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE CITY OF KANSAS CITY, MISSOURI AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

WHEREAS, the City of Lee's Summit desires to re-open the North Recycling Center, located at 1951 NE Douglas Road, Lee's Summit, Missouri 64064, to provide residents an opportunity to dispose of various recyclable materials; and,

WHEREAS, the City of Kansas City has offered to co-operate with the City of Lee's Summit in the operation of the North Recycling Center, and specifically has offered to provide services related to the collection of roll-off containers, to provide weight collection reports, and to monitor safety issues; and,

WHEREAS, the City of Lee's Summit desires to co-operate with the City of Kansas City in connection with the operation of the North Recycling Center; and,

WHEREAS, the City of Kansas City and the City of Lee's Summit have negotiated various terms and conditions associated with the co-operation between the parties for the operation of the North Recycling Center and have reduced the same to writing in the Cooperative Agreement for Recycling Services between the City of Lee's Summit, Missouri and the City of Kansas City, Missouri, attached hereto as "Exhibit A" and incorporated herein by reference; and,

WHEREAS, the City of Lee's Summit is desirous of approving and entering into said Exhibit A for purposes of formalizing its intentions regarding the North Recycling Center.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Cooperative Agreement for Recycling Services between the City of Lee's Summit, Missouri and the City of Kansas City, Missouri, generally for the purpose of partnering together for the operation of the North Recycling Center in Lee's Summit, Missouri, attached hereto as "Exhibit A" and incorporated herein by reference be and the same is hereby approved, and the Mayor is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_day of \_\_\_\_\_, 2016.

**BILL NO.**

**ORDINANCE NO.**

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ATTEST:

*Mayor Randall L. Rhoads*

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2016.

ATTEST:

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and Operations *Jackie McCormick Heanue*