



Finance

Purchasing Division
305 Chestnut Street, 5th Floor
Post Office Box 1810
Wilmington, NC 28402-1810

910 341-7830
910 341-7842 fax
wilmingtonnc.gov
Dial 711 TTY/Voice

May 15, 2017

RE: Request for Proposal – Medical Claims Audit Services - RFP Number S1-0517-2

Dear Sir or Madam:

This Request for Proposal will provide your firm with sufficient information to enable you to prepare and submit a proposal for audit services relative to medical and prescription drug claims administered by Blue Cross and Blue Shield of North Carolina on behalf of City employees.

Potential respondents should email audrey.foster@wilmingtonnc.gov to acknowledge receipt of the RFP and to inform the City of its intent to respond. Provide the name, title, address, telephone and email address of the contact person. Addenda will be posted to the City website at www.wilmingtonnc.gov.

Award of the contract will be to the lowest responsible bidder. Consideration will be given to the bidder's experience, capacity and capability to perform the required services, references and responses to the questions in the Bid section. Award may be made to a bidder other than the low bidder if it is in the best interest of the City.

Firms must be registered with the North Carolina Secretary of State or hold a Certificate of Authority to do business in the State of North Carolina.

Questions may be submitted via email to Allison Collins, allison.collins@wilmingtonnc.gov. The deadline for submitting questions regarding this RFP is May 24, 2017 by 3:00 p.m.

Your proposal must include all information requested on the proposal sheets in order to be considered. Five (5) hardcopies, including one unbound, of the proposal and one flash drive copy must be submitted in a sealed envelope and received by the Purchasing Manager, P. O. Box 1810, 305 Chestnut Street, 5th Floor, Wilmington, NC 28402 no later than 3:00 p.m., June 5, 2017 in order for it to be considered for award.

Questions concerning the contract terms and conditions should be addressed to my office. I hope to receive your offer for this work.

Sincerely,

Daryle L. Parker
Purchasing Manager

cc: Allison Collins, City Auditor

GENERAL SPECIFICATIONS & INSTRUCTIONS TO BIDDERS

1. Marking of Bid Envelopes

Paper copies of bids must be contained in a sealed envelope, plainly marked, showing the bid name, bid number, date, time for closing of bids and the bidder's name.

2. Late Bids Not Considered

Bids received after the stipulated bid opening date and time will not be considered.

3. Compliance with Specifications

Your bid must be in strict compliance with the specifications and offer the same or equal equipment. Exceptions are to be listed separately in a letter which will become a part of your proposal, otherwise it is fully understood that the services offered is exactly as specified. The City of Wilmington reserves the right to allow or disallow minor deviations from the specifications in order to purchase what is best for the City from a standpoint of quality, price and service to be rendered.

4. Bid Price Corrections

All prices and notations shall be written in ink or typed. Changes or corrections made on the bid form must be initialed by the individual signing the bid. No corrections will be permitted once bids have been opened.

5. Withdrawal of Bids

Bids may be withdrawn at any time prior to the time specified for the bid opening upon written or personal request of the bidder. No bid may be withdrawn for a period of ninety (90) days after the scheduled bid opening time and date. Negligence on the part of the bidder shall not constitute a right to withdraw the bid subsequent to such bid opening.

6. Alternate Bids

Bids submitted as alternate which do not meet or exceed the minimum specifications shall be rejected except that minor deviations may be acceptable. The City shall be the sole judge of what is considered a minor deviation.

7. Rejection of Bids

The City reserves the right to reject any and all bids.

8. Award

(a) Award shall be made to the lowest responsible bidder taking into consideration quality, performance, and time of delivery.

(b) A committee will review the proposals and select the firm whose offer represents the best value to the City in terms of cost and quality. After the most qualified firm is determined by the City, the staff may enter into negotiations to better define the final scope of work. If for any reason, the City and the selected firm cannot finalize an agreement, the City will enter into negotiations with the firm that provides the next best value.

(c) The City reserves the right to award this contract in the manner which the City determines to be in its best interest.

9. Addendums

The City of Wilmington shall not be responsible for any oral instructions made by its employees or officers of the City in regards to the bidding instructions, drawings, specifications or contract documents. Any changes to the specifications will be in the form of an Addendum which will be mailed to all bidders who are listed with the Purchasing Division as having received the invitation or any other bidder who requests an Addendum.

10. Responsibility for Compliance with Legal Requirements

The bidder's products, service and facilities shall be in full compliance with any and all applicable state, federal, local, environmental and safety laws, regulations, ordinances and standards or any standards adopted by nationally recognized testing facilities regardless of whether or not they are referred to in this invitation.

11. Taxes

The City of Wilmington is exempt from and will not pay federal taxes. An exemption certificate will be furnished upon request. North Carolina and local sales tax shall be shown as a separate item. Sales tax will not be a consideration in the award.

12. Terms and Conditions

(a) Payment will be made within 30 days after receipt of an approved invoice.

(b) Any company submitting a "No Bid" in response to a RFP invitation should clearly mark the outside of the envelope.

(c) Terms and Conditions attached to the proposal by the bidder and made a condition of purchase may render the bid non-responsive and may be rejected by the City of Wilmington.

(d) Terms and Conditions included herein are an integral part of the RFP document and shall prevail unless changes or attachments are agreed to and initialed by the City of Wilmington prior to the bid opening.

13. Validity of Bids

Bids shall remain open and valid for a period of ninety (90) days from the due date specified in the RFP.

STATE OF NORTH CAROLINA

PROFESSIONAL SERVICES AGREEMENT

COUNTY OF NEW HANOVER

THIS AGREEMENT (hereinafter the "Agreement") is made and entered into this ____ day of _____, 20____, by and between the City of Wilmington, a North Carolina municipal corporation, hereinafter referred to as the "CITY", and _____, hereinafter referred to as the "CONSULTANT".

W I T N E S S E T H

WHEREAS, the CITY desires to retain and engage the CONSULTANT to perform certain professional services hereinafter described, and further that the parties hereto desire to reduce the terms of this Agreement to writing:

NOW THEREFORE, for and in consideration of the mutual promises to each other, as hereinafter set forth, the parties hereto do mutually agree as follows:

1. Term of Agreement.

(a) The initial term of this contract shall be for the period of July 1, 2017 through June 30, 2018 unless sooner terminated as provided herein.

(b) This contract may be extended for four (4) additional years in one year increments with the mutual consent and agreement in writing of both parties.

2. Consultant's Services. The CONSULTANT hereby agrees to perform, in a manner satisfactory to the CITY, professional and timely services as set forth in Exhibit "A" attached hereto and incorporated herein by this reference. The parties hereto acknowledge that the terms outlined in Exhibit "A" shall be valid and enforceable to the extent they are not inconsistent with the provisions as set forth herein, and to the extent that they are inconsistent, the provisions as set forth in this Agreement shall control. The parties hereto further agree that the terms, conditions and requirements as set forth in any Request for Proposal ("RFP") put forth by CITY and responded to by CONSULTANT shall be binding upon the parties to the extent that they do not conflict with the provisions as set forth herein, said RFP, if applicable, being attached hereto as Exhibit "B" and incorporated herein by this reference.

3. Scope of Services

(a) CONSULTANT will provide professional audit services including the review and analysis on 100% of claims processed by Blue Cross and Blue Shield of North Carolina, hereinafter referred to as "BCBSNC", for the most recent 24 month period from date of award. This will include all claims paid as well as zero paid claims. The purpose of the audit is to detect billing errors, discrepancies, and ineligible medical charges.

(b) CONSULTANT shall not take any action to recover any amounts from employees of CITY

unless authorized to do so by the CITY. CONSULTANT will inform CITY of any recoverable amounts from CITY's employees. It is at the CITY's sole discretion to pursue recovery against employees.

(c) During the period of this contract, the CONSULTANT and the CITY may negotiate and agree in writing to provide additional services not herein described, but that are commonly provided by high quality professional auditors, which may enhance the audit process and improve the results.

4. Compensation for Service This contract will use the contingency fee method for remunerating the CONTRACTOR. The CITY agrees to pay CONSULTANT a percentage of monies which the CITY receives that are recovered as a result of the CONSULTANT's services under this Contract in accordance with the following:

(a) Recoveries are defined to include, but not be limited to: offsets by BCBSNC; retroactive adjustments by BCBSNC; administrative fee adjustments; premium rate adjustments; interest on lost money; recoveries on CONSULTANT's commissions if BCBSNC is responsible for reimbursing CITY for their costs in the audit; punitive damages, any adjustments of COBRA rates; administrative fees; reimbursements by third parties to the CITY; or any other type reimbursement or recovery resulting from the audit and/or work of CONSULTANT.

(b) Payments shall be made to CONSULTANT by CITY on a monthly basis and will include remuneration for items received as credits to the CITY account from BCBSNC since the last monthly payment.

(c) Recoveries under this Contract include recoveries which result directly or indirectly from the work of CONSULTANT at any time during the term of this contract or within twelve (12) months after the term of the contract.

(d) CONSULTANT will perform the services required by this contract for a percentage of the monies recovered according to the following percentages:

(i) Medical Claims: Percentage of monies recovered = _____ %

(ii) Pharmaceutical Claims: Percentage of monies recovered = _____ %

5. Contractor Travel

(a) CITY agrees to reimburse CONSULTANT employees for reasonable travel expenses pursuant to the existing travel policy for CITY employees. CONSULTANT employees must exercise the same degree of prudence in incurring expenses as required by CITY employees.

(b) CONSULTANT travel requests must be approved prior to actual travel by the designated CITY official. Requests should briefly describe and justify the need for the travel and include an estimate of the transportation, lodging, meals, and any other incidental expenses.

(c) CONSULTANT shall submit travel claims to the CITY documenting actual expenses with sufficient details to enable a review and assure compliance with the CITY travel policy as soon as practicable after the completion of travel. Payments shall be made by the CITY in accordance with existing travel policy for CITY employees. A copy of the City Travel Policy will be provided at time of award.

6. Time for Performance

(a) CONSULTANT will begin providing the services identified herein within twenty (20) calendar days after receiving authorization to proceed from the City.

(b) The actual time-table for performance of this contract will be negotiated and established by mutual consent and agreement of the two parties in writing before the contract is awarded.

7. Termination. CITY shall have the right to terminate this Agreement at any time and without cause upon thirty (30) days written notice to the other party.

8. Records. The CITY has the right to audit all records pertaining to this Agreement both during its performance and after its completion. Further, upon termination of this Agreement, the CONSULTANT shall deliver to the CITY all records, notes, memorandum, data, documents or any other materials produced by CONSULTANT in connection with services rendered pursuant to this Agreement. If compensation for expenses shall be provided to CONSULTANT, the CONSULTANT shall maintain all expense charge documents for a period of three (3) years following the completion of this agreement and said documents shall only be forwarded to the CITY upon request.

9. Ownership of Documents. The CONSULTANT agrees that all materials and documents developed pursuant to this Agreement shall be the exclusive property of the CITY, and the CONSULTANT shall retain no property or copyright interest therein. Further, upon termination of this Agreement, the CONSULTANT shall deliver to the CITY all records, notes, memorandum, data, documents or any other materials received or obtained from the CITY in connection with services rendered pursuant to this Agreement.

10. Independent Consultant. This Agreement does not create an employee/employer relationship between the parties. It is the intention of the parties that the CONSULTANT will be an independent consultant and not the CITY's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the federal Internal Revenue Code, the provisions of the North Carolina revenue and taxation laws, the North Carolina Wage and Hour Act, the North Carolina Workers' Compensation Act, and the provisions of the North Carolina Employment Security Law. The CONSULTANT will retain sole and absolute discretion in the judgment of the manner and means of carrying out the CONSULTANT's activities and responsibilities hereunder. The CONSULTANT agrees that he/she/it is a separate and independent enterprise from the CITY; and that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the services

described herein. This Agreement shall not be construed as creating any joint employment relationship between the CONSULTANT and the CITY, and the CITY will not be liable for any obligation incurred by the CONSULTANT, including but not limited to unpaid minimum wages and/or overtime premiums.

11. Release and Indemnity. To the fullest extent permitted by law, CONSULTANT shall release, indemnify, keep and save harmless the CITY, its agents, officials and employees, from any and all responsibility or liability for any and all damage or injury of any kind or nature whatever (including death resulting therefrom) to all persons, whether agents, officials or employees of the CITY or third persons, and to all property proximately caused by, directly or indirectly, the performance or nonperformance by CONSULTANT (or by any person acting for CONSULTANT or for whom CONSULTANT is or is alleged to be in any way responsible), whether such claim may be based in whole or in part upon contract, tort (including alleged active or passive negligence or participation in the wrong), or upon any alleged breach of any duty or obligation on the part of CONSULTANT, its agents, officials and employees or otherwise. The provisions of this Section shall include any claims for equitable relief or for damages (compensatory or punitive) against the CITY, its agents, officials, and employees including alleged injury to the business of any claimant and shall include any and all losses, damages, injuries, settlements, judgments, decrees, awards, fines, penalties, claims, costs and expenses. Expenses as used herein shall include without limitation the costs incurred by the CITY, its agents, officials and employees, in connection with investigating any claim or defending any action, and shall also include reasonable attorneys' fees by reason of the assertion of any such claim against the CITY, its agents, officials or employees. CONSULTANT expressly understands and agrees that any performance bond or insurance protection required by this agreement, or otherwise provided by the CONSULTANT, shall in no way limit CONSULTANT's responsibility to release, indemnify, keep and save harmless and defend the CITY as herein provided. The intention of the parties is to apply and construe broadly in favor of the CITY the foregoing provisions subject to the limitations, if any, set forth in N.C.G.S. 22B-1.

12. Representatives of the Parties. Sterling B. Cheatham, City Manager, is designated as the CITY's contract administrator for this Agreement. The contract administrator shall be responsible for monitoring the CONSULTANT's performance, coordinating the CONSULTANT's activities, approving all administrative requests by the CONSULTANT and approving all payments to the CONSULTANT pursuant to this Agreement. Further, any notice required to the CITY under this Agreement shall be sufficient if mailed to the CITY by certified mail as indicated below:

Sterling B. Cheatham, City Manager
City of Wilmington
P.O. Box 1810
Wilmington, NC 28402

_____ shall be the CONSULTANT's representative for this Agreement.
Any notice required to the CONSULTANT under this Agreement shall be sufficient if mailed to the CONSULTANT by certified mail as indicated below:

13. Other Laws and Regulations. CONSULTANT will comply with any and all applicable federal, state and local standards, regulations, laws, statutes and ordinances including those regarding toxic, hazardous and solid wastes and any pollutants; public and private nuisances; health or safety; and zoning, subdivision or other land use controls. CONSULTANT will take all reasonably necessary, proper or required safety, preventative and remedial measures in accordance with any and all relations and directives from the North Carolina Department of Human Resources, the United States Environmental Protection Agency, the North Carolina Department of Environmental Management, Health Departments, and any other federal, state or local agency having jurisdiction, to insure the prompt prevention or cessation (now or in the future) of violations of either the applicable provisions of such standards, regulations, laws, statutes, and ordinances or any permits or conditions issued thereunder. CONSULTANT specifically acknowledges and agrees that CONSULTANT, and any subconsultants it uses, has complied with and shall continue to comply with the provisions of the federal E-Verify program in compliance with Article 2 of Chapter 64 of the North Carolina General Statutes. CONSULTANT shall maintain adequate safeguards with respect to sensitive customer information in conformance with and pursuant to 16 C.F.R. §681.1 and in accordance with N.C. Gen. Stat. §132-1.10 and §75-65.

14. Insurance Requirements.

A. Commercial General Liability

1. CONSULTANT shall maintain Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability insurance with a total limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location or the general aggregate shall be twice the required limit.
2. CGL insurance shall be written on Insurance Services Office (ISO) "occurrence" form CG 00 01 covering Commercial General Liability or its equivalent and shall cover the liability arising from premises, operations, independent CONSULTANTS, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
3. The City of Wilmington, its officers, officials, agents, and employees are to be covered as additional insureds under the CGL by endorsement CG 20 10 or CG 20 33 **AND** CG 20 37 or an endorsement providing equivalent coverage as respects to liability arising out of activities performed by or on behalf of the CONSULTANT; products and completed operations of the CONSULTANT; premises owned, leased or used by the CONSULTANT; and under the commercial umbrella, if any. The coverage shall contain no special limitations on the scope of protection afforded to the City of Wilmington, its officers, officials, agents, and employees.

4. There shall be no endorsement or modification of the CGL or Umbrella Liability limiting the scope of coverage for liability arising from explosion, collapse, underground property damage, or damage to the named insured's work, when those exposures exist.
5. The CONSULTANT's Commercial General Liability insurance shall be primary as respects the City of Wilmington, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by the City of Wilmington, its officers, officials, and employees shall be excess of and not contribute with the CONSULTANT's insurance.
6. The insurer shall agree to waive all rights of subrogation against the City of Wilmington, its officers, officials, agents and employees for losses arising from work performed by the CONSULTANT for the City of Wilmington.

B. Workers' Compensation and Employer's Liability

1. CONSULTANT shall maintain Workers' Compensation as required by the general statutes of the State of North Carolina and Employer's Liability Insurance.
2. The Employer's Liability, and if necessary, Commercial Umbrella Liability insurance shall not be less than \$500,000 each accident for bodily injury by accident, \$500,000 each employee for bodily injury by disease, and \$500,000 policy limit.
3. The insurer shall agree to waive all rights of subrogation against the City of Wilmington, its officers, officials, agents and employees for losses arising from work performed by the CONSULTANT for the City of Wilmington.
4. The U.S. Longshore and Harborworkers Compensation Act endorsement shall be attached to the policy when the services will be on or in close proximity to navigable waterways.
5. The Maritime Coverage endorsement (WC 00 02 01) shall be attached to the policy when the contracted services involve the use of watercraft.

NOTE: Additional requirements needed if you have a borrowed servant, offshore platforms or federal act situations. (Federal Acts such as the Defense Base Act, Migrant and Seasonal Agricultural Worker Protection Act, and the Federal Coal Mine Health and Safety Act, etc.)

C. Business Auto Liability

1. CONSULTANT shall maintain Business Auto Liability and, if necessary, Commercial Umbrella Liability insurance with a limit of not less than \$1,000,000 each accident.
2. Such insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos.
3. Business Auto coverage shall be written on ISO form CA 00 01, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01.
4. Pollution liability coverage equivalent to that provided under the ISO pollution liability-broadened coverage for covered autos endorsement (CA 99 48) shall be provided, and the Motor Carrier Act endorsement (MCS 90) shall be attached when those exposures exist.
5. CONSULTANT waives all rights against the City of Wilmington, its officers, officials, agents and employees for recovery of damages to the extent these damage are covered by

the business auto liability or commercial umbrella liability insurance obtained by CONSULTANT pursuant to Section 11.C.1 of this agreement.

6. The CONSULTANT's Business Auto Liability insurance shall be primary as respects the City of Wilmington, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by the City of Wilmington, its officers, officials, and employees shall be excess of and not contribute with the CONSULTANT's insurance.

D. Professional Liability Insurance

1. CONSULTANT shall maintain in force for the duration of this contract professional liability or errors and omissions liability insurance appropriate to the CONSULTANT's profession. Coverage as required in this paragraph shall apply to liability for a professional error, act, or omission arising out of the scope of the CONSULTANT's services as defined in this contract. Coverage shall be written subject to limits of not less than \$1,000,000 per claim.
2. If coverage required in paragraph 1 above is written on a claims-made basis, the CONSULTANT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of 2 (two) years beginning from the time that work under the contract is complete.

E. Deductibles and Self-Insured Retentions

1. The CONSULTANT shall be solely responsible for the payment of all deductibles to which such policies are subject, whether or not the City of Wilmington is an insured under the policy.

F. Miscellaneous Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. Each insurance policy required by this contract shall be endorsed to state that coverage shall not canceled by either party except after 30 days prior written notice has been given to the City of Wilmington, PO Box 1810, Wilmington, NC 28402-1810.
2. If CONSULTANT's liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

G. Acceptability of Insurers

Insurance is to be placed with insurers licensed to do business in the State of North Carolina with an A.M. Best's rating of no less than A VII unless specific approval has been granted by the City of Wilmington.

H. Evidence of Insurance

1. The CONSULTANT shall furnish the City of Wilmington with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements prior to commencing the work, and

thereafter upon renewal or replacement of each certified coverage until all operations under this contract are deemed complete.

2. Evidence of additional insured status shall be noted on the certificate of insurance as per requirements in Section 11.
3. With respect to insurance maintained after final payment in compliance with requirements, an additional certificate(s) evidencing such coverage shall be provided to the City of Wilmington with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the period for which such insurance must be maintained.

I. Sub Consultants

CONSULTANT shall include all sub consultants as insureds under its policies or shall furnish separate certificates for each sub consultant. All coverage for sub consultants shall be subject to all of the requirements stated herein. Commercial General Liability coverage shall include independent CONSULTANT's coverage, and the CONSULTANT shall be responsible for assuring that all sub consultants are properly insured.

J. Conditions

1. The insurance required for this contract must be on forms acceptable to the City of Wilmington.
 2. The CONSULTANT shall provide that the insurance contributing to satisfaction of insurance requirements in Section 11. Minimum Scope and Insurance Requirements shall not be canceled, terminated or modified by the CONSULTANT without prior written approval of the City of Wilmington.
 3. The CONSULTANT shall promptly notify the Safety & Risk Manager at (910) 341-5864 of any accidents arising in the course of operations under the contract causing bodily injury or property damage.
 4. The City of Wilmington reserves the right to obtain complete, certified copies of all required insurance policies, at any time.
 5. Failure of the City of Wilmington to demand a certificate of insurance or other evidence of full compliance with these insurance requirements or failure of the City of Wilmington to identify a deficiency from evidence that is provided shall not be construed as a waiver of CONSULTANT's obligation to maintain such insurance.
 6. By requiring insurance herein, the City of Wilmington does not represent that coverage and limits will necessarily be adequate to protect the CONSULTANT and such coverage and limits shall not be deemed as a limitation of CONSULTANT's liability under the indemnities granted to the City of Wilmington in this contract.
 7. The City of Wilmington shall have the right, but not the obligation of prohibiting CONSULTANT or any sub consultant from entering the project site or withhold payment until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by the City of Wilmington.
15. No Presumption. None of the Parties shall be considered the drafter of this Agreement

or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof. This Agreement was drafted with substantial input by all Parties and their counsel, and no reliance was placed on any representations other than those contained herein.

16. Entire Agreement and Amendment. This Agreement, including any Exhibits attached, which are incorporated herein and made a part hereof, constitutes the entire contract between the parties, and no warranties, inducements, considerations, promises or other inferences shall be implied or impressed upon this Agreement that are not set forth herein. This Agreement shall not be altered or amended except in writing signed by all Parties.

17. No Assignment. No party shall sell or assign any interest in or obligation under this Agreement without the prior express written consent of all the parties.

18. Conflict of Interest. No paid employee of the CITY shall have a personal or financial interest, direct or indirect, as a contracting party or otherwise, in the performance of this Agreement.

19. Non-Waiver of Rights. It is agreed that the CITY's failure to insist upon the strict performance of any provision of this Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this Agreement.

20. Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

21. Reference. Use of the masculine includes feminine and neuter, singular includes plural; and captions and headings are inserted for convenience of reference and do not define, describe, extend or limit the scope of intent of this Agreement.

22. Interpretation/Governing Law. All of the terms and conditions contained herein shall be interpreted in accordance with the laws of the State of North Carolina without regard to any conflicts of law principles and subject to the exclusive jurisdiction of federal or state courts within the State of North Carolina. In the event of a conflict between the various terms and conditions contained herein or between these terms and other applicable provisions, then the more particular shall prevail over the general and the more stringent or higher standard shall prevail over the less stringent or lower standard. The place of this Agreement, its situs and forum, shall be Wilmington, New Hanover County, North Carolina, and in said County and State shall all matters, whether sounding in contract or tort relating to the validity, construction, interpretation or enforcement of this Agreement be determined.

23. Saving Clause. If any section, subsection, paragraph, sentence, clause, phrase or portion of this Agreement is for any reason held invalid, unlawful, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the

remaining portions hereof.

24. Time. Time is of the essence in this Agreement and each and all of its provisions.

25. Immunity Not Waived. This Agreement is governmental in nature, for the benefit of the public. CONSULTANT acknowledges that City reserves all immunities, defenses, rights or actions arising out of City's sovereign status under applicable law. No waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of City's entry into this Agreement.

26. Non-Appropriation. In the event no CITY funds or insufficient CITY funds are appropriated or otherwise available by any means whatsoever in any fiscal year for any payment due under this Agreement, then the CITY will immediately notify CONSULTANT of such occurrence and this Agreement shall create no further obligation of the CITY as to such fiscal year and shall be null and void, except as to the portions of payments for which funds shall have been appropriated and budgeted. In such event, this Agreement shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to the CITY of any kind whatsoever.

27. Authority to Act/IDA Certification. Each of the persons executing this Agreement on behalf of CONSULTANT does hereby covenant, warrant and represent that the CONSULTANT is a duly organized and validly existing legal entity authorized to transact business within the State of North Carolina, that the CONSULTANT has full right and authority to enter into this Agreement, and that each and all persons signing on behalf of the CONSULTANT were authorized to do so. The undersigned certifies that CONSULTANT is not listed on the Final Divestment List created by the N.C. State Treasurer pursuant to Chapter 147 (the Iran Divestment Act) of the North Carolina General Statutes. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 147, CONSULTANT shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

28. Non-Discrimination. CONSULTANT will take affirmative action not to discriminate against any employee or applicant for employment or otherwise illegally deny any person participation in or the benefits of the program which is the subject of this agreement because of race, creed, color, sex, age, disability or national origin. To the extent applicable, CONSULTANT will comply with all provisions of Executive Order No. 11246 the Civil Rights Act of 1964, (P.L. 88-352) and 1968 (P.L. 90-284), and all applicable federal, state and local laws, ordinances, rules, regulations, orders, instructions, designations and other directives promulgated to prohibit discrimination. Violation of this provision, after notice, shall be a material breach of this agreement and may result, at CITY's option, in a termination or suspension of this agreement in whole or in part.

29. Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

30. Minority Business Enterprise (MBE)

The CITY desires that minority business enterprises have the maximum opportunity to participate in the performance of this contract and will:

1. Promote affirmatively (where feasible) in accordance with North Carolina General Statute 143-129, together with all other applicable laws, statutes and constitutional provisions) the procurement of goods, services in connection with construction projects for minority owned business enterprises.
2. Insure that competitive and equitable bidding opportunities are followed to afford minority business enterprises participation. Strive to obtain contract and subcontract awards to minority business enterprises.
3. Identify and communicate to the minority business enterprises community procedures and contract requirements necessary for procurement of goods and services for construction projects and subcontracts.
4. Provide technical assistance as needed.
5. Promulgate and enforce contractual requirements that the general CONSULTANT or all construction projects shall exercise all necessary and reasonable steps to insure that minority business enterprises participate in the work required in such construction contracts.

The CONSULTANT shall insure that minority business enterprises have the maximum opportunity to compete for and perform portions of the work included in this contract and shall not discriminate on the basis of race, color, national origin or sex. The CONSULTANT shall include this special provision, Minority Business Enterprise (MBE), in all subcontracts for this contract. Failure on the part of the CONSULTANT to carry out the requirements set forth in this special provision may constitute a breach of contract and after proper notification may result in termination of the contract or other appropriate remedy.

A minority business enterprise is defined as a business, with at least fifty (51%) percent owned and controlled by minority group members. The minority ownership must exercise actual day-to-day management. Minority group members may consist of Black Americans (an individual of the Black race of African origin), Hispanic Americans (an individual of a Spanish speaking culture and origin at parentage), Asian Americans (an individual of a culture, origin or parentage traceable to the areas of the Far East, Southeast Asia, the Indian subcontinent and the Pacific Islands), Indian Americans (an individual who is an enrolled member of a Federally recognized Indian tribe, or recognized by the tribe as being an Indian, as evidenced by a certification of a tribal leader), American Aleuts or any recognized minority group approved by the CITY.

A Woman Business Enterprise is a business with at least fifty (51%) percent owned and controlled by women who exercise actual day-to-day management.

The CONSULTANT shall exercise all necessary and reasonable steps to insure that Minority Business Enterprises and Woman Business Enterprises participate in the work required in this contract. The CONSULTANT agrees by executing this contract that he will exercise all necessary and reasonable steps to insure that this special provision contained herein on Minority Business Enterprise is complied with.

IN WITNESS WHEREOF, the CITY and the CONSULTANT have each executed this Agreement in duplicate originals, one of which shall be retained by each of the parties.

CITY OF WILMINGTON

By: _____
Sterling B. Cheatham, City Manager

Witness:

Daryle L. Parker, Purchasing Manager

Approved as to Form:

City Attorney

FINANCE OFFICER'S CERTIFICATION STATEMENT

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.

This ____ day of _____, 20____.

Jennifer R. Maready, Finance Director

Project Number: _____ (if applicable)

Account Number: _____

Amount of Contract: _____

Requisition/PO Number: _____

Federal ID Number: 56-6000239

CONSULTANT

By: _____

WITNESS:

Secretary, Assist. Secretary, Trust Officer

(CORPORATE SEAL)

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public, certify that the corporation's Secretary, Assist. Secretary or Trust Officer, Mr./Mrs./Ms. _____ personally came before me this day and acknowledged that he (she) is the _____ of _____, a Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, Vice President, or Assist. Vice President, Mr./Mrs./Ms. _____, sealed with its Corporate Seal, and attested by himself (herself) as its Secretary, Assist. Secretary or Trust Officer.

WITNESS my hand and official seal this the _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

(NOTARY SEAL)

PROPOSAL
MEDICAL CLAIMS AUDIT SERVICES
RFP NUMBER – S1-0517-2

1. Proposal. Attach a narrative referencing this item [Proposal Item #1] which describes your proposal. This narrative must be in sufficient detail to demonstrate your understanding of the complexities of this project. It should include, at a minimum, an executive summary, the scope of the audit services, the approach you will take to perform the required services, your timetable, various examples of your audit findings, sample reports and summaries you intend to provide, Travel estimates, any additional benefits the results of your process may provide, and any incentives you may offer.
2. Offer. Percentage of Recoveries for Claims Audit Service. My company will perform the services required by this Request for Proposal for a percentage of the monies recovered:

- (a) Medical Claims: Offer percentage = _____ %
- (b) Pharmaceutical/Prescription Drug Claims: Offer percentage = _____ %

3. Bidder's Company Information

Company Name: _____

Your Name: _____

Your Signature: _____

Date: _____

Your Title: _____

Address: _____

City, State, Zip: _____

Telephone: _____

E-mail: _____

Fax: _____

4. Please indicate type of business organization

Corporation: _____

Partnership: _____

Limited Liability Co.: _____

Proprietorship: _____

5. Contact for Contract Administration:

Name: _____

Telephone: _____

Address: _____

E-mail: _____

6. If legal name is different from above, please show in full: _____

7. In what state is your company organized? _____

8. Employer or Taxpayer I.D. No. _____

9. Subcontracting Will you subcontract all or part of this work?

Yes _____ No _____

If yes, attach a list of subcontractors which you plan to use in providing this service and reference this item number. The list will include the specific portion of work to be subcontracted, the percentage of the work to be subcontracted, and the contact information for the subcontractor.

10. References. List details for five medical records audit service jobs similar in size and scope that you have delivered on-time within the last 24 months. Include the name of the company, the address/location, the contact/reference information, and the services provided:

NAME

LOCATION

CONTACT INFO

SERVICE

a. _____

b. _____

c. _____

d. _____

e. _____

PROPOSERS CERTIFICATION FORM

I have carefully examined the Request for Proposal, and any other documents accompanying this Request for Proposal.

I hereby propose to furnish the services specified in the Request for Proposal. I agree that my proposal will remain firm a period of up to 90 days in order to allow the City of Wilmington adequate time to evaluate the proposals.

I certify that all information contained in this proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the firm as its act and deed and that the firm is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a proposal for the same product or service; no officer employee or agent of the City of Wilmington or any other proposer is interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

NAME OF FIRM

BY:

SIGNATURE

Sworn to and subscribed before me
this ____ day of _____, 2017

NAME & TITLE, TYPED OR PRINTED

Notary Public

MAILING ADDRESS

State of _____

My Commission Expires: _____

CITY, STATE, ZIP CODE

(____)_____
TELEPHONE NUMBER

(Notary Seal)

(____)_____
FAX NUMBER

EMAIL

TECHNICAL SPECIFICATIONS
Medical Claims Audit Services
Request for Proposal No: S1-0517-2

1. General Scope of Services

CONSULTANT will provide professional audit services including the review and analysis on 100% of claims processed by Blue Cross and Blue Shield of North Carolina, hereinafter referred to as “BCBSNC”, for the most recent 24 month period from date of award. This will include all claims paid as well as zero paid claims. The purpose of the audit is to detect billing errors, discrepancies, and ineligible medical charges.

2. Type of Claims. CONSULTANT will be required to audit:

- (a) Medical Claims
- (b) Pharmaceutical/Prescription Drug Claims

3. Medical Claim Audit Requirements. At a minimum, the CONSULTANT will perform the following services on medical claims.

- (a) CONSULTANT will contact Administrator to review audit process and data needs.
- (b) CONSULTANT will electronically compare 100% of CITY enrollment records versus 100% of paid claims within the most recent 24 months period.
- (c) CONSULTANT will review all pertinent plan design documents.
- (d) CONSULTANT will electronically audit 100% of the medical claims paid by Administrator within the most recent 24 months period.
- (e) CONSULTANT will then review the potential errors and print out the entire patient histories for each error.
- (f) CONSULTANT will then judgmentally select a “validation sample” of medical claims that will provide the necessary information to support other issues within each error category of the electronic audit.
- (g) CONSULTANT will then perform an on-site audit of those judgmentally selected claims at Administrator’s claims payment locations. Each on-site audited claim will be logged onto a worksheet detailing the reason for which CONSULTANT considers the claim to be paid in error.
- (h) Administrator will be provided copies of all worksheets in order for them to reply to CONSULTANT’s findings. Administrator will then return their responses back to CONSULTANT within a reasonable amount of time and will be published verbatim in the Final Report.
- (i) If, after the onsite audit and review of Administrator’s responses, CONSULTANT feels an error has been made or an issue requires disclosure to City of Wilmington, CONSULTANT will re-examine the category reports to determine if related claims (typically those claims that are for the same patient and/or same services as the onsite claim) are to be included in the Final Report.

(j) CONSULTANT will prepare and deliver the Final Report using detailed spreadsheets, narrative findings, and recommendations based on the electronic analysis, on-site audit reviews, and Administrator' responses.

(k) CONSULTANT will support the City's resolution of all claims paid in error by BCBSNC, including corrective action and overpayment recovery. CONSULTANT will provide guidance to City of Wilmington as to the advantages and consequences of corrective actions, recovery actions, and the potential impact on plan participants.

(l) CONSULTANT will communicate with the City's Internal Audit Division on an on-going basis, and at least monthly to discuss concerns, findings, etc.

(m) During the period of this contract, the CONSULTANT and the CITY may negotiate and agree in writing to provide additional services not herein described, but that are commonly provided by high quality professional auditors, which may enhance the audit process and improve the results.

4. Pharmaceutical/Prescription Drug Claims Audit Requirements. At a minimum, the CONSULTANT will perform the following services on pharmaceutical claims.

(a) Contact BCBSNC to review audit process and data needs.

(b) Electronically compare 100% of the City's enrollment records versus 100% of paid claims for the audit period.

(c) Electronically audit 100% of all prescription drug claims paid by BCBSNC / Med Co during the audit period.

(d) Audit all claims to determine if copayments were correctly applied.

(e) During the period of this contract, the CONSULTANT and the CITY may negotiate and agree in writing to provide services not herein described, but are commonly provided by high quality professional auditors, which may enhance the audit process and improve the results.

5. Access to Information

(a) CITY will provide CONSULTANT with sufficient paid claims data, in a format determined by both parties, at reasonable times and locations in order for CONSULTANT to perform the service described in this Contract.

(b) For paid claims data not in the possession of the CITY, CITY shall use its best efforts to assist CONSULTANT in obtaining paid claims data from BCBSNC and/or other organizations that possess paid claims data. Upon the request of CONSULTANT, CITY will provide written authorization which allows CONSULTANT to obtain paid claims data from BCBSNC and/or other organizations who may possess paid claims data.

(c) CITY authorizes CONSULTANT to collect information necessary to determine if Covered individuals are eligible for coverage under any other medical benefit plan or primary insurance program.

(d) CITY agrees to provide all reimbursement/settlement documents from BCBSNC or other third parties to CONSULTANT during the contract period and for up to twelve (12) months following the

contract period if requested by CONSULTANT and if the request includes a reasonable explanation and justification for the requested information.

6. Reporting

(a) CONSULTANT will submit a draft of audit findings to BCBSNC in writing as well as the CITY before a final audit report is presented to the CITY. This draft will provide the basis for discussions between BCBSNC and the CONSULTANT to resolve disagreements and summarize the audit findings.

(b) CONSULTANT will submit reports and invoices of all activities performed under this Contract. CONSULTANT will certify that copies of reports and invoices submitted to CITY are true, accurate and complete and will provide to CITY, upon request, all claims reviewed.

7. Time for Performance

(a) CONSULTANT will begin providing the services identified herein within twenty (20) calendar days after receiving authorization to proceed from the City.

(b) The actual time-table for performance of this contract will be negotiated and established by mutual consent and agreement of the two parties in writing before the contract is awarded.

8. Remuneration This contract will use the contingency fee method for remunerating the CONSULTANT. The CITY agrees to pay CONSULTANT a percentage of monies which the CITY receives that are recovered as a result of the CONSULTANT's services under this Contract in accordance with the following:

(a) Recoveries are defined to include, but not be limited to: offsets by BCBSNC; retroactive adjustments by BCBSNC; administrative fee adjustments; premium rate adjustments; interest on lost money; recoveries on CONSULTANT's commissions if BCBSNC is responsible for reimbursing CITY for their costs in the audit; punitive damages, any adjustments of COBRA rates; administrative fees; reimbursements by third parties to the CITY; or any other type reimbursement or recovery resulting from the audit and/or work of CONSULTANT.

(b) Payments shall be made to CONSULTANT by CITY on a monthly basis and will include remuneration for items received as credits to the CITY account from BCBSNC since the last monthly payment.

(c) Recoveries under this Contract include recoveries which result directly or indirectly from the work of CONSULTANT at any time during the term of this contract or within twelve (12) months after the term of the contract.