



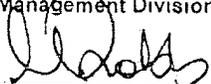
CONTRACT AMENDMENT

Solicitation No. P10-0053 Page 1 of 1
 Description: Short-Term Disability Employee Benefits
 Amendment No. Four (4) Date: May 15, 2014

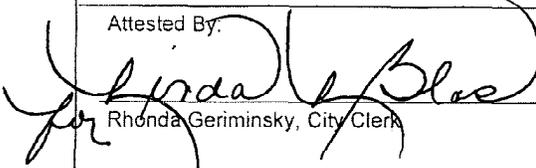
Materials Management
 Procurement
 9875 N. 85th Ave., 2nd Fl.
 Peoria, AZ 85345
 Telephone: (623) 773-7115
 Fax: (623) 773-7118
 Buyer: Lisa Houg, CPPB

In accordance with the Contract Special Terms and Conditions, **Contract Extension**, the above referenced contract shall expire on June 30, 2014. The contract is being extended and the new contract term is: **July 1, 2014 – June 30, 2015.**

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

	5/15/14	Mark G. Robb, Group Sales Representative	SunLife Financial
Signature	Date	Typed Name and Title	Company Name
6263 N. Scottsdale Road, Ste. 220	Scottsdale	AZ	85250
Address	City	State	Zip Code

Attested By:


 Rhonda Geriminsky, City Clerk

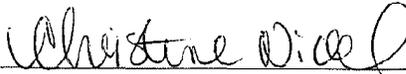


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 City of Peoria, Arizona

CC Number

 LCON04410D
 Contract Number

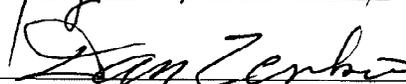

 Director: Julie Ayers, Human Resources Director


 Department Rep: Christine Nickel, Benefits & Compensation Administrator

Approved as to Form:

 Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed:

May 29, 2014, at Peoria, Arizona

 Dan Zenko, Materials Manager



CONTRACT AMENDMENT

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, AZ 85345

Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Lisa Houg

Solicitation No. P10-0053 Page 1 of 1
Description: Short-Term Disability Employee Benefits
Amendment No. Three (3) Date: 4/16/2013

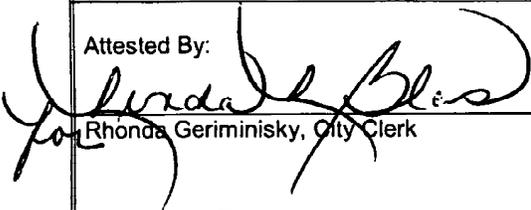
In accordance with the Contract Special Terms and Conditions, Contract Extension, the above referenced contract shall expire on June 30, 2013.

The contract is being extended and the new contract term is July 1, 2013 to June 30, 2014. The rates remain the same for the new contract term.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

	4/18/13	Jim Rieble, Sales Representative	SunLife Financial
Signature	Date	Typed Name and Title	Company Name
6263 N. Scottsdale Road, Ste. 220	Scottsdale	AZ	85250
Address	City	State	Zip Code

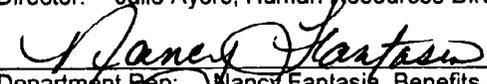
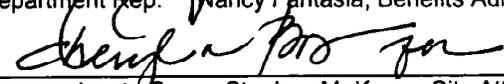
Attested By:


Rhonda Geriminisky, City Clerk



CC Number

LCON04410C
Contract Number

	Director: Julie Ayers, Human Resources Director
	Department Rep: Nancy Fantasia, Benefits Administrator
	Approved as to Form: Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed

April 30, 2013 at Peoria, Arizona


Dan Zenko, Materials Management Supervisor

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(Rev 01/05/09)

Official File

L CON 04410C



CONTRACT AMENDMENT

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Lisa Houg

Solicitation No. P10-0053 Page 1 of 3
Description: Short-Term Disability Employee Benefits
Amendment No. Two (2) Date: 3/28/2012

In accordance with the Contract Special Terms and Conditions, Contract Extension, the above referenced contract shall expire on June 30, 2012. The new Contract Term is July 1, 2012 to June 30, 2013.

As agreed by both parties, the increase in the rate from \$0.080 to \$0.110 is effective for the renewal period as per the attached letter dated February 16, 2012.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

	3/28/12	Jim Rieble, Sales Representative	SunLife Financial
Signature	Date	Typed Name and Title	Company Name
6263 N. Scottsdale Road, Ste. 220	Scottsdale	AZ	85250
Address	City	State	Zip Code

Attested By:

Wanda Nelson, City Clerk

	Director	Claudia Lujan, Interim HR Director
	Department Rep	Nancy Fantasia, Benefits Administrator



CC Number
LCON04410B
Contract Number

Approved as to Form: Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed

May 9, 2012 at Peoria, Arizona

Dan Zenko, Materials Management Supervisor

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Sun Life Assurance Company of Canada
Suite 220
6263 North Scottsdale Road
Scottsdale, AZ 85250
Tel: 480-945-0078
Fax: 480-946-0940

February 16, 2012

Hays Companies of Arizona
2575 E. Camelback Road
Phoenix, AZ 85016

Re: Group Policy: City of Peoria - 213104
Group Office: Phoenix

Thank you for helping us provide City of Peoria with solid products and outstanding service over the past year. We are pleased to present the enclosed renewal notification for City of Peoria for the policy year ending June 30, 2012.

The enclosed rates are based on the current distribution of employees by age, gender and insurance amount. These rates also reflect our current rating practices.

At Sun Life Assurance Company of Canada, we are proud to offer customers our Four Marks of Value—a combination of strength and ability unique in our industry:

- **Our Financial Strength**—We receive top ratings from independent rating agencies.
- **Our Ability to Make Things Easy**—Customers enjoy our local service, robust e-services, and outstanding customer and claims service...guaranteed!
- **Our Claims Expertise**—Our expert analysts, innovative technology and universal claims promise give employers and employees peace of mind.
- **Our Solid Product Features**—We offer everything a company needs to run a successful Life, Disability, Dental, or Stop-Loss plan.

It is our understanding, as the Agent of Record for City of Peoria, that you will communicate this information to your customer immediately. It has been our pleasure to serve City of Peoria, and we look forward to continuing our relationship with you and your customer in the coming year. If you want to learn more about the value we provide our customers, or receive additional information about products and services that may benefit City of Peoria, please call me at 480-945-0078.

Sincerely,

Jim Rieble
Sales Representative

Underwriter: Nathan Beatrice

SLPC 15793

Sun Life Assurance Company of Canada
is a member of the Sun Life Financial group of companies.

www.sunlife-usa.com

L . CON . 04 # 1 0 B

**Renewal Notification For
City of Peoria
Group Number – 213104
Effective 07/01/2012**

Benefit	Short Term Disability
Eligible Employees	792
Volume	\$536,105
Rate Basis	per \$10 benefit
Current Rate	\$0.080
Current Annual Premium	\$51,466
Renewal Rate	\$0.110
Estimated Renewal Premium	\$70,766
Guarantee	24 months

Comments:

- The Short Term Disability rate is being increased based on the experience of the group.

Underwriter: Nathan Beatrice

SLPC15793

Sun Life Assurance Company of Canada
is a member of the Sun Life Financial group of companies.

www.sunlife-usa.com

L CON 044108



CONTRACT AMENDMENT

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Solicitation No. P10-0053 Page 1 of 1
Description: Short-Term Disability Employee Benefits
Amendment No. One (1) Date: May 18, 2011

Buyer: Lisa Houg

In accordance with the Contract Special Terms and Conditions, Contract Extension, the above referenced contract shall expire on June 30, 2011.

The new Contract Term is July 1, 2011 to June 30, 2012. The rates remain the same for the new contract term.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

[Signature]
Signature

6/13/2011
Date

RONEN COHEN
Typed Name and Title

SunLife Financial
Company Name

6263 N. Scottsdale Road, Ste. 220
Address

Scottsdale
City

AZ 85250
State Zip Code

Attested By:

[Signature]
Wanda Nelson, City Clerk

[Signature]
Director: Wynette Reed, Human Resources Director

[Signature]
Department Rep: Nancy Fantasia, Benefits Administrator

[Signature]
Approved as to Form: Stephen M. Kemp, City Attorney



CC Number
LCON04410A
Contract Number

The above referenced Contract Amendment is hereby Executed
[Signature] June 28, 2011, at Peoria, Arizona

City Seal
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(Rev 01/05/09)

Official File

[Signature]
Materials Manager
[Signature]

LCON 04410A

ORIGINAL



City of Peoria, Arizona Notice of Request for Proposal



Request for Proposal No: **P10-0053** Proposal Due Date: **February 25, 2010**
 Materials and/or Services: **Basic Life/AD&D, Voluntary Life and Short Term Disability Employee Benefits** Proposal Time: **5:00 P.M. AZ Time**
 Contact: **Lisa Houg, CPPB**
 Project No: Location: **City of Peoria, Materials Management** Phone: **(623) 773-7115**
 Mailing Address: **9875 N. 85th Avenue, 2nd Floor, Peoria, AZ 85345**

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. **Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.** All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the *entire* Request for Proposal Package.

OFFER

To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

For clarification of this offer contact:

Name: Katie Stephens Telephone: 480-945-0078 Fax: 480-946-0940
Sun Life Financial [Signature]
 Company Name Authorized Signature for Offer
6263 N. Scottsdale Rd. Ste 200 Katie Stephens
 Address Printed Name
Scottsdale, AZ 85250 Group Sales Representative
 City State Zip Code Title

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by: [Signature]
 Mary Jo Waddell, City Clerk

City of Peoria, Arizona. Effective Date: 4/24/10

Approved as to form: [Signature]
 Stephen M. Kemp, City Attorney

cc: BC 04 2010

Contract Awarded Date April 23, 2010

Contract Number: LC05 04410

[Signature]
 Carl Swenson, City Manager

Official File: _____





REQUEST FOR PROPOSAL

INSTRUCTIONS TO OFFEROR

Materials Management

Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560

Phone: (623) 773-7115

Fax: (623) 773-7118

1. PREPARATION OF PROPOSAL:

- a. All proposals shall be on the forms provided in this *Request For Proposal* package. It is permissible to copy these forms if required. Telegraphic (facsimile) or mailgram proposals will not be considered.
- b. The Offer and Contract Award document (COP Form 203) shall be submitted with an original ink signature by a person authorized to sign the offer.
- c. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the Vendor Offer.
- d. If price is a consideration and in case of error in the extension of prices in the proposal, the unit price shall govern. No proposal shall be altered, amended, or withdrawn after the specified proposal due date and time.
- e. Periods of time, stated as a number of days, shall be calendar days.
- f. It is the responsibility of all Offerors to examine the entire *Request For Proposal* package and seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a bid. Negligence in preparing a Proposal confers no right of withdrawal after proposal due date and time.

2. **INQUIRIES:** Any question related to the *Request For Proposal* shall be directed to the Buyer whose name appears on the front. The Offeror shall not contact or ask questions of the department for which the requirement is being procured. Questions should be submitted in writing when time permits. The Buyer may require any and all questions be submitted in writing at the Buyer's sole discretion. Any correspondence related to a *Request For Proposal* should refer to the appropriate *Request For Proposal* number, page, and paragraph number. However, the Offeror shall not place the *Request For Proposal* number on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official *Request For Proposal* due date and time.

3. **PROSPECTIVE OFFERORS CONFERENCE:** A prospective offerors conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this document. The purpose of this conference will be to clarify the contents of this *Request For Proposal* in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this *Request For Proposal* or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine if any action is necessary and may issue a written amendment to the *Request for Proposal*. Oral statements or instructions will not constitute an amendment to this *Request for Proposal*.

4. **LATE PROPOSALS:** Late Proposals will not be considered, except as provided by the City of Peoria Procurement Code. A vendor submitting a late proposal shall be so notified.

5. **WITHDRAWAL OF PROPOSAL:** At any time prior to the specified proposal due date and time, a Vendor (or designated representative) may withdraw the proposal. Telegraphic (facsimile) or mailgram proposal withdrawals will not be considered.

6. **AMENDMENT OF PROPOSAL:** Receipt of a Solicitation Amendment (COP Form 207) shall be acknowledged by signing and returning the document prior to the specified proposal due date and time.

7. **PAYMENT:** The City will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. Any proposal that requires payment in less than thirty (30) calendar days shall not be considered.

8. **NEW:** All items shall be new, unless otherwise stated in the specifications.

9. **DISCOUNTS:** Payment discount periods will be computed from the date of receipt of material/service or correct invoice, whichever is later, to the date Buyer's payment is mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment discounts of thirty (30) calendar days or more will be deducted from the proposal price in determining the low bid. However, the Buyer shall be entitled to take advantage of any payment discount offered by the Vendor provided payment is made within the discount period.

10. **TAXES:** The City of Peoria is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item.

11. **VENDOR REGISTRATION:** After the award of a contract, the successful Vendor shall have a completed Vendor Registration Form (COP Form 200) on file with the City of Peoria Materials Management Division.

12. AWARD OF CONTRACT:

a. Unless the Offeror states otherwise, or unless provided within this *Request For Proposal*, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City.

b. Notwithstanding any other provision of this *Request For Proposal*, The City expressly reserves the right to:

- (1) Waive any immaterial defect or informality; or
- (2) Reject any or all proposals, or portions thereof, or
- (3) Reissue a *Request For Proposal*.

c. A response to a *Request For Proposal* is an offer to contract with the City based upon the terms, conditions and specifications contained in the City's *Request For Proposal* and the written amendments thereto, if any. Proposals do not become contracts unless and until they are accepted by the City Council. A contract is formed when written notice of award(s) is provided to the successful Offeror(s). The contract has its inception in the award document, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the procurement contract are contained in the *Request For Proposal*; unless modified by a Solicitation Amendment (COP Form 207) or a Contract Amendment (COP Form 217).



STANDARD TERMS AND CONDITIONS

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

THE FOLLOWING TERMS AND CONDITIONS ARE AN EXPLICIT PART OF THE SOLICITATION AND ANY RESULTANT CONTRACT.

1. **CERTIFICATION:** By signature in the Offer section of the Offer and Contract Award page (COP Form 203), the Vendor certifies:
 - a. The submission of the offer did not involve collusion or other anti-competitive practices.
 - b. The Vendor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.
 - c. The Vendor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred.
2. **GRATUITIES:** The City may, by written notice to the Contractor, cancel this contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event this contract is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity. Paying the expense of normal business meals which are generally made available to all eligible city government customers shall not be prohibited by this paragraph.
3. **APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees).

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter, "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who



STANDARD TERMS AND CONDITIONS

Materials Management Procurement

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Peoria, Arizona 85345-6560
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provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

4. **LEGAL REMEDIES:** All claims and controversies shall be subject to resolution according to the terms of the City of Peoria Procurement Code.
5. **CONTRACT:** The contract between the City and the Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, and any amendments thereto, and (2) the offer submitted by the Vendor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the provisions and requirements in the Solicitation shall govern. However, the City reserves the right to clarify, in writing, any contractual terms with the concurrence of the Contractor, and such written contract shall govern in case of conflict with the applicable requirements stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.
6. **CONTRACT AMENDMENTS:** This contract may be modified only by a written Contract Amendment (COP Form 217) signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.
7. **CONTRACT APPLICABILITY:** The Offeror shall substantially conform to the terms, conditions, specifications and other requirements found within the text of this specific Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the City, are not applicable to this Solicitation or any resultant contract.
8. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in 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.
9. **SEVERABILITY:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.
10. **RELATIONSHIP TO PARTIES:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Contractor should make arrangements to directly pay such expenses, if any.



STANDARD TERMS AND CONDITIONS

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

11. **INTERPRETATION-PAROL EVIDENCE:** This contract represents the entire agreement of the Parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this contract are hereby revoked and superseded by this contract. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this contract. This contract may not be changed, modified or rescinded except as provided for herein, absent a written agreement signed by both Parties. Any attempt at oral modification of this contract shall be void and of no effect.
12. **NO DELEGATION OR ASSIGNMENT:** Contractor shall not delegate any duty under this Contract, and no right or interest in this Contract shall be assigned by Contractor to any successor entity or third party, including but not limited to an affiliated successor or purchaser of Contractor or its assets, without prior written permission of the City. The City, at its option, may cancel this Contract in the event Contractor undertakes a delegation or assignment without first obtaining the City's written approval. Contractor agrees and acknowledges that it would not be unreasonable for the City to decline to approve a delegation or assignment that results in a material change to the services provided under this Contract or an increased cost to the City.
13. **SUBCONTRACTS:** No subcontract shall be entered into by the contractor with any other party to furnish any of the material, service or construction specified herein without the advance written approval of the City. The prime contractor shall itemize all sub-contractors which shall be utilized on the project. Any substitution of sub-contractors by the prime contractor shall be approved by the City and any cost savings will be reduced from the prime contractor's bid amount. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract and if the Subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not Subcontractors are used.
14. **RIGHTS AND REMEDIES:** No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the City to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the City's acceptance of and payment for materials or services, shall not release the Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.
15. **INDEMNIFICATION:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting there from, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.



STANDARD TERMS AND CONDITIONS

Materials Management Procurement

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Peoria, Arizona 85345-6560
Phone: (623) 773-7115
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16. **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the goods and services used to fulfill the Contract.

17. **FORCE MAJEURE:** Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; acts of terror, hate crimes affecting public order; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; events or obstacles resulting from a governmental authority's response to the foregoing; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.

Force majeure shall not include the following occurrences:

- a. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.
- b. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition.

Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *Certified-Return Receipt* and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.

18. **RIGHT TO ASSURANCE:** Whenever one party to this contract in good faith has reason to question the other party's intent to perform he may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

19. **RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City. This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 3 above.

20. **RIGHT TO INSPECT PLANT:** The City may, at reasonable times, inspect the part of the plant or place of business of a Contractor or Subcontractor which is related to the performance of any contract as awarded or to be awarded.

21. **WARRANTIES:** Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Contractor's response, the City is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/service specified and any inspection incidental thereto by the City shall not alter or affect



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the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in the solicitation.

22. **INSPECTION:** All material and/or services are subject to final inspection and acceptance by the City. Materials and/or services failing to conform to the specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. The City may elect to do any or all:

- a. Waive the non-conformance.
- b. Stop the work immediately.
- c. Bring material into compliance.

This shall be accomplished by a written determination for the City.

23. **TITLE AND RISK OF LOSS:** The title and risk of loss of material and/or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

24. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.

25. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment of lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.

26. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.

27. **LIENS:** All materials, service or construction shall be free of all liens, and if the City requests, a formal release of all liens shall be delivered to the City.

28. **LICENSES:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

29. **PATENTS AND COPYRIGHTS:** All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.

30. **PREPARATION OF SPECIFICATIONS BY PERSONS OTHER THAN CITY PERSONNEL:** All specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the City's needs. No person preparing specifications shall receive any direct or indirect benefit from the utilization of specifications, other than fees paid for the preparation of specifications.

31. **COST OF BID/PROPOSAL PREPARATION:** The City shall not reimburse the cost of developing presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.

32. **PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the City



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during the course of an audit conducted in accordance with Paragraph 19 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 3 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction.

33. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the City.
34. **DELIVERY ORDERS:** The City shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the Offer and Contract Award (COP Form 203).
35. **FUNDING:** Any contract entered into by the City of Peoria is subject to funding availability. Fiscal years for the City of Peoria are July 1 to June 30. The City Council approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.
36. **PAYMENT:** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or services and correct invoice.



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1. **Purpose:** Pursuant to provisions of the City Procurement Code, the City of Peoria, Materials Management Division intends to establish a contract for Basic Life/AD&D, Voluntary Life and Short Term Disability Employee Benefits.
2. **Authority:** This Solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City Materials Manager in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract and the City Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
3. **Offer Acceptance Period:** In order to allow for an adequate evaluation, the City requires an offer in response to this Solicitation to be valid and irrevocable for ninety (90) days after the opening time and date.
4. **Eligible Agencies:** Any contract resulting from this Solicitation shall be for the exclusive use of the City of Peoria.
5. **Contract Type:** Fixed Price Term
6. **Term of Contract:** The term of any resultant contract shall commence on July 1, 2010 and shall continue for a period of one (1) year thereafter, unless terminated, cancelled or extended as otherwise provided herein.
7. **Contract Extension:** By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months.
8. **Affirmative Action Report:** It is the policy of the City of Peoria that suppliers of goods or services to the City adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, and promote regardless of race, color, religion, gender, national origin, age or disability. The City of Peoria encourages diverse suppliers to respond to solicitations for products or services.
9. **Proposal Format:** Proposals shall be submitted in one (1) original and four (4) copies on the forms and in the format as contained in the Request for Proposal. Proposals shall be on 8 1/2" & 11" paper with the text on one side only. All submittal information must contain data for only the local office(s) which will be performing the work. The proposals should be submitted in the maximum length requirements as specified in the proposal.
10. **Evaluation:** In accordance with the City of Peoria Procurement Code, awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.
 - a. Response to Questionnaire.
 - b. Cost/Rate Guarantees.
 - c. Conformance to Request for Proposal.
11. **Discussions:** In accordance with the City of Peoria Procurement Code, after the initial receipt of proposals, discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award.
12. **Proposal Opening:** Proposals shall be submitted at the time and place designated in the request for proposals. All information contained in the proposals shall be deemed as exempt from public disclosure based on the City's need to avoid disclosure of contents prejudicial to competing offerors during the process of negotiation. The proposals shall not be open for public inspection until after contract award. After contract award, the successful proposal and the evaluation documentation shall be open for public inspection.
13. **Investigation of Conditions:** The Contractor warrants and agrees familiarity of the work that is required, is satisfied as to the conditions under which is performed and enters into this contract based upon the Contractor's own investigation.



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14. **Multiple Awards:** In order to assure that any ensuing contracts will allow the City to fulfill current and future requirements, the City reserves the right to award contracts to multiple companies. The actual utilization of any contract will be at the sole discretion of the City. The fact that the City may make multiple awards should be taken into consideration by each potential contractor.

15. **Insurance Requirements:** The Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, or approved unlicensed in the State of Arizona with policies and forms satisfactory to the City.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the City.

The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retention and the City, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

The insurance policies, except Workers' Compensation and Professional Liability, required by this Contract, shall name the City, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

16. **Required Insurance Coverage:**

a. Commercial General Liability

Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011207 or any replacements thereof. The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.



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The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20370704, and shall include coverage for Contractor's operations and products and completed operations.

Any Contractor subletting any part of the work, services or operations awarded to the Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

b. Automobile Liability

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00010306, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

c. Workers' Compensation

The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the Contractor.

d. Professional Liability

The Contractor retained by the City to provide the work or service required by this Contract will maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by the Contractor, or any person employed by the Contractor, with a limit of not less than \$1,000,000 each claim.

17. **Certificates of Insurance:** Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, or formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policy(ies) required by this contract is(are) written on a "Aclaims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. A \$25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.



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18. **Cancellation and Expiration Notice:** Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the City.

19. **Independent Contractor:**

a. General

- i. The Contractor acknowledges that all services provided under this Agreement are being provided by him as an independent contractor, not as an employee or agent of the City Manager or the City of Peoria.
- ii. Both parties agree that this Agreement is nonexclusive and that Contractor is not prohibited from entering into other contracts nor prohibited from practicing his profession elsewhere.

b. Liability

- i. The City of Peoria shall not be liable for any acts of Contractor outside the scope of authority granted under this Agreement or as the result of Contractor's acts, errors, misconduct, negligence, omissions and intentional acts.
- ii. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting there from, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

c. Other Benefits

The Contractor is an independent contractor; therefore, the City Manager will not provide the Contractor with health insurance, life insurance, workmen's compensation, sick leave, vacation leave, or any other fringe benefits. Further, Contractor acknowledges that he is exempt from coverage of the Comprehensive Benefit and Retirement Act (COBRA). Any such fringe benefits shall be the sole responsibility of Contractor.

20. **Key Personnel:** It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions.

- a. The Contractor agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the City.
- b. If key personnel are not available for work under this contract for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately



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notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

21. **Confidential Information:**

- a. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the Materials Supervisor of this fact shall accompany the submission and the information shall be identified.
- b. The information identified by the person as confidential shall not be disclosed until the Materials Supervisor makes a written determination.
- c. The Materials Supervisor shall review the statement and information and shall determine in writing whether the information shall be withheld.
- d. If the Materials Supervisor determines to disclose the information, the Materials Supervisor shall inform the bidder in writing of such determination.

22. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City or from others in carrying out its functions under the contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of contractor as needed for the performance of duties under the contract.

23. **Identity Theft Prevention:** The Contractor shall establish and maintain Identity Theft policies, procedures and controls for the purpose of assuring that "personal identifying information," as defined by A.R.S. § 13-2001(10), as amended, contained in its records or obtained from the City or from others in carrying out its responsibilities under the Contract, is protected at all times and shall not be used by or disclosed to unauthorized persons. Persons requesting such information should be referred to the City. Contractor also agrees that any "personal identifying information" shall not be disclosed other than to employees or officers of Contractor as needed for the performance of duties under the Contract. Contractor agrees to maintain reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft. Contractor is required under this contract to review the City of Peoria's Identity Theft Program and to report to the Program Administrator any Red Flags as defined within that program. At a minimum, the contractor will have the following Identity Theft procedures in place:

- a. Solicit and retain only the "personal identifying information" minimally necessary for business purposes related to performance of the Contract.
- b. Ensure that any website used in the performance of the contract is secure. If a website that is not secure is to be used, the City shall be notified in advance before any information is posted. The City reserves the right to restrict the use of any non-secure websites under this contract.
- c. Ensure complete and secure destruction of any and all paper documents and computer files at the end of the contracts retention requirements.
- d. Ensure that office computers are password protected and that computer screens lock after a set period of time.
- e. Ensure that offices and workspaces containing customer information are secure.
- f. Ensure that computer virus protection is up to date

24. **Licenses:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor.



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25. **Cancellation:** The City reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any obligation, term or condition of the contract. The City will issue written notice to the contractor for acting or failing to act as in any of the following:

- a. The contractor provides material that does not meet the specifications of the contract;
- b. The contractor fails to adequately perform the services set forth in the specifications of the contract;
- c. The contractor fails to complete the work required or to furnish the materials required within the time stipulated in the contract;
- d. The contractor fails to make progress in the performance of the contract and/or gives the City reason to believe that the contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the contractor to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies:

- a. Cancel any contract;
- b. Reserve all rights or claims to damage for breach of any covenants of the contract;
- c. Perform any test or analysis on materials for compliance with the specifications of the contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the contractor;
- d. In case of default, the City reserves the right to purchase materials, or to complete the required work in accordance with the City Procurement Code. The City may recover any actual excess costs from the contractor by:
 - i. Deduction from an unpaid balance;
 - ii. Any combination of the above or any other remedies as provided by law.

26. **Prohibited Lobbying Activities:** The Offeror, his/her agent or representative shall not contact, orally or in any written form any City elected official or any City employee other than the Materials Management Division, the procuring department, City Manager, Deputy City Manager or City Attorney's office (for legal issues only) regarding the contents of this solicitation or the solicitation process commencing from receipt of a copy of this request for proposals and ending upon submission of a staff report for placement on a City Council agenda. The Materials Manager shall disqualify an Offeror's proposal for violation of this provision. This provision shall not prohibit an Offeror from petitioning an elected official after submission of a staff report for placement on a City Council agenda or engaging in any other protected first amendment activity after submission of a staff report for placement on a City Council agenda.



QUESTIONNAIRE

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I. BACKGROUND

The City of Peoria, Arizona is soliciting proposals for the following employee benefit plans:

- Basic Life/AD&D
- Voluntary Life/Dependent Life
- Short Term Disability

The City offers the following: Basic Life/AD&D through SunLife, Voluntary Life through MetLife, and Short Term Disability through Standard. The City's plan year is July 1 through June 30. The anticipated effective date of any new coverage will be July 1, 2010. Basic employee life is paid by the City, with employees having the ability to purchase employee voluntary life, spouse, and eligible dependent child coverage. For purposes of the proposal, assume the City will pay the cost of the Short Term Disability coverage.

The following provides a summary of the categories of employees and dependents eligible for benefits:

- Eligible employees include full-time or part-time employees and must work a minimum of twenty (20) hours per week.
- Employees who meet the eligibility criteria will be covered the first day of employment.
- Eligible employees also include all City Council and three (3) Charter Officers (City Manager, City Attorney, City Judge).
- Eligible dependents include an employee's spouse under a legally valid, existing marriage.
- Dependents also include dependent children who will be eligible for coverage until his/her nineteenth (19th) birthday unless the child is continuously attending an accredited institution as a full-time student then may be eligible for coverage until his/her twenty-fifth (25th) birthday.
- Eligible dependents also include a child who is continuously incapable of self-sustaining employment because of a mental or physical handicap and who is chiefly dependent upon the employee for support may be eligible for coverage beyond the limiting age if the child has been covered under prior credible coverage up to the day they reach the limiting age.
- The City does not currently cover domestic partners, but may request this coverage in the future.

II. SCOPE OF SERVICES

1. Initial rate quotes, administrative costs, and contract terms must be guaranteed at minimum effective July 1, 2010 through June 30, 2011.
2. The initial contract term shall be awarded for one year, with opportunity for four (4) renewable terms.
3. The Offeror shall provide claims experience for actives by employee, dependent, tier and plan design at a minimum every six (6) months.
4. The Offeror may be required to provide enrollment by employee dependent, age, tier, actives, and plan design every six (6) months.



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5. The Offeror shall provide final renewal rates, costs, and underwriting projections to the City at least 180 days prior to the contract anniversary date.
6. The Offeror must agree to provide coverage on a "no loss" basis for all participants enrolled in the current plan.
7. No commissions are payable to anyone on the proposed benefits requested. All products are to be quoted "net of commissions". To the extent a carrier filing with the State of Arizona does not allow them to quote "net of commission", the commissions shall be payable to the City's designated employee benefit consultant. At the current time our designated consultant is The Segal Company.
8. The Offeror must agree to be responsible for any programming fees associated with electronic eligibility exchange between the City and the Offeror for purposes of additions, terminations, open enrollment selections and regular life event changes.
9. The Offeror must agree to include all administrative costs (i.e. postage for regular Claims EOB, Customer/Member Service letters or special mailings) in their proposed fees. The City will distribute the Summary Plan Descriptions at new employee orientation to new hires.
10. The Offeror will list any administrative fees and premium tax separately from the premiums proposed, if applicable.
11. The Offeror will comply with all HIPAA Privacy Rule Regulations.
12. The Offeror will provide all Summary Plan Descriptions, Summary Benefit Booklets, and other customized communications at no additional charge.
13. The Offeror will provide any professional service representatives the City requires to understand, analyze, and/or plan for any plan changes including but not limited to general account servicing, underwriting-actuarial, clinical, and/or operational support.
14. The Offeror will provide reconciliation reporting for any discrepancy in eligibility reporting that surfaces as a result of regular reporting intervals.
15. The Offeror will provide member-specific data for enrollment and claims as required by the client.
16. The Offeror will provide access to data and on-site review should the City choose to Audit the claim and eligibility files maintained by the Offeror.
17. The Offeror agrees that if awarded, the City may at any time request change in key personnel assigned to service the client account. In addition, should there be a change in key assigned personnel, the City will be immediately notified and replacement personnel will be replaced with personnel of substantially equal ability and qualifications as established at the time of the award.
18. The Offeror will agree to maintain all pertinent claim records for up to seven (7) years including claim records, individual case review and notes, and any member inquiry records as prudent business practice and provisions dictate.



QUESTIONNAIRE

Solicitation Number: P10-0053

Materials Management
Procurement
9875 N. 85th Ave., 2nd Fl.
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

BASIC LIFE/AD&D AND VOLUNTARY LIFE

SunLife Insurance Company provides the City's current employee basic life/AD&D and dependent life coverage. All eligible employees receive basic life/AD&D coverage paid by the City, as follows:

- Class 1 City Attorney – 2.5x the eligible employee's basic annual earnings to a maximum of \$500,000.
- Class 2 Mid-Management, Department Heads and Charter Officers – 2x earnings rounded to the next higher multiple of \$1,000 to a maximum of \$500,000.
- Class 3 PSC and CCL Employees – 2x earnings rounded to the next higher multiple of \$1,000 to a maximum of \$500,000.
- Class 4 All other eligible employees (excluding PSC and CCL) – 1x annual basic earnings to a maximum of \$500,000.
- Dep Life Spouse - \$1,000; Child - \$1,000 (all employees are charged for dependent life).

MetLife provides the City's current Voluntary Life/AD&D coverage. Guarantee issue for employee is \$130,000, spouse is \$20,000 and dependent children are \$10,000. Guarantee issue is only applicable to new hires that elect coverage within 30 days of their start date. The City currently provides an annual open enrollment period where employees can elect or make changes to their voluntary life coverage. Evidence of insurability is required and subject to approval by the carrier. The above provisions will also apply for an eligible family status change.

Under the current employee voluntary life/AD&D plan, an employee may elect up to \$525,000 in increments of \$10,000. The spouse coverage maximum is \$150,000 in increments of \$10,000. Dependent children may have a maximum benefit of \$10,000 in \$2,000 increments. The spouse and child coverage cannot exceed 50% of the employee voluntary life coverage amount. Currently, the City has two different carriers so the \$525,000 does not apply for Basic and Voluntary Life.

Life and AD&D coverage reduces to 65% at age 65 and to 50% at age 70. Spouse coverage terminates at age 70.



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GENERAL INFORMATION (ALL OFFERORS)

QUESTIONS	RESPONSE															
1. Are the rates or fees quoted in your proposal firm and will they not be recalculated based on actual enrollment?	Yes, unless enrollment changes by more than 25%.															
2. a. Are your quoted rates guaranteed for a minimum of 12 months?	Yes.															
b. If so, are you willing to guarantee rates for more than 12 months?	Basic Life and Voluntary Life are guaranteed for 3 years. STD is guaranteed for 2 years.															
3. Do you agree to give the City at least 180 days advance written notice of any change in fees/premium?	Yes.															
4. Your proposal is to be submitted net of commissions. Is your quotation consistent with this request?	Yes.															
5. Identify those individuals who would be responsible for the day-to-day service contact with the City.	Margarita Streicher – Senior Account Manager in the Phoenix Group Office															
6. Do you have a Contract and/or Business Associate Agreement that will require City signature?	The master application for any new line of coverage will require the City's signature. Renewing the inforce line of coverage will not require a signature.															
7. What are the most recent ratings for your company by the following:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Rating</th> <th style="width: 20%; text-align: center;">Date</th> </tr> </thead> <tbody> <tr> <td>Standard and Poors</td> <td style="text-align: center;">AA</td> <td style="text-align: center;">5/09</td> </tr> <tr> <td>Fitch</td> <td style="text-align: center;">N/A</td> <td></td> </tr> <tr> <td>A.M. Best</td> <td style="text-align: center;">A+</td> <td style="text-align: center;">5/09</td> </tr> <tr> <td>Moody's</td> <td style="text-align: center;">Aa3</td> <td style="text-align: center;">5/09</td> </tr> </tbody> </table>		Rating	Date	Standard and Poors	AA	5/09	Fitch	N/A		A.M. Best	A+	5/09	Moody's	Aa3	5/09
	Rating	Date														
Standard and Poors	AA	5/09														
Fitch	N/A															
A.M. Best	A+	5/09														
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GENERAL INFORMATION (ALL OFFERORS)

QUESTIONS	RESPONSE
8. If you were provided any individually identifiable health information (IIHI) by the City in order to price this proposal, do you understand that you are prohibited from using the IIHI for any purpose other than as required by law and further, agree to promptly destroy such data if you are NOT the successful Offeror?	Yes.
9. Enclose a copy of claims and appeals text you would like the City to consider adding to their Plan Document/SPD to outline the process for claims filing/payment and appeals with your organization.	Please see the appeals section of the included sample Life and STD contracts.
10. Indicate if you are able to include domestic partners as an eligible dependent? If so, indicate which benefits you would be able to offer and if there will be additional costs associated with those benefits.	We can offer Voluntary Dependent Life coverage to domestic partners. There is no rate impact associated with this offering.



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SHORT-TERM DISABILITY

QUESTIONS	RESPONSE
1. If your company's contract includes integration with any other benefit, outline those contract provisions.	The amount the employee is eligible for under Unemployment Compensation Law or Compulsory Benefit Act or Law; any labor management trustee, union or employee benefit plans that are funded in whole or in part by the employer; any disability income benefits the employee is eligible for under other group insurance or any governmental retirement system as a result of the employee's job with the employer; the amount the employee receives from any accumulated sick leave, and any formal salary continuation paid to the employee by the employer which causes the net weekly benefit plus other income benefits to exceed 100% of the employee's pre-disability earnings.
2. a. If your short-term disability contract contains exclusion for alcoholism, psychiatric treatment or drug abuse, outline the specific exclusions that apply.	We do not exclude these conditions.
b. Are there any other medical exclusions?	No.
3. a. How often will you verify the disability status of a claimant?	Once a claim has been submitted, we review all STD claims within 5 business days and will approve, deny or request additional information for the claim. Disabilities with long expected durations are reviewed by a Certified Rehabilitation Counselor, who screens claimants for rehabilitation potential. If identified, our early intervention Rehabilitation counselor will create a customized return to work plan for the claimant, based on his or her unique situation.



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SHORT-TERM DISABILITY

QUESTIONS	RESPONSE
b. How do you verify if an individual qualifies for disability payments?	Once a complete claim packet has been received, we begin the claim evaluation. A claim examiner reviews each claim to ensure eligibility, accuracy and content. If additional medical or vocational expertise is needed, according to our protocols, the claim examiner will consult with one of our medical, psychiatric or rehabilitation specialists for clarification.
c. How often do you ask for medical records?	The Attending Physician Statement is needed at the onset of the claim for adjudication. Depending on the disability and projected duration, we may or may not ask for updated medical information. Most short duration claims do not require a lot of back and forth between the claims office and the Physician.
4. Do you agree to provide the same coverage for currently insured individuals without requiring evidence of insurability?	Yes.
5. Does your policy have any restrictions for pre-existing conditions?	No.
6. Are there actively-at-work provisions in your policy?	Yes, however no employee will lose coverage as long as they were covered by the prior carrier and are not currently out on disability.
7. How often are benefit payments made? Weekly, Semi-Monthly?	Weekly.
8. Do you have the ability to provide claim administration for a self-insured program? If yes, provide details on how this would work.	Yes. The proposed rates include adjudication of claims and check cutting. The claim submission would work the same way as a fully insured contract. If check cutting is part of the sold benefit, we would invoice the City on a monthly basis for reimbursement of the claims we paid.



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SHORT-TERM DISABILITY

QUESTIONS	RESPONSE
9. a. Provide details of how monthly billing will be generated. Will the City be required to self-bill or payroll report?	The preferred method of billing for a group of this size is self-admin.
b. Provide a copy of the claims application process.	See attached Short Term Disability claim form.

HIPAA QUESTIONS	RESPONSE
<i>Short-Term Disability Only</i>	Short Term Disability is not subject to HIPAA Law.
10. Indicate the name of the staff member(s) you have assigned as responsible for assuring your organization's HIPAA EDI, Privacy and Security compliance.	N/A
11. Indicate any vendors to whom you will subcontract all or part of HIPAA EDI, Privacy or Security compliance, including system vendors, consultants, and clearinghouses, etc.	N/A
12. Indicate which of the HIPAA EDI transactions listed below you will be performing as part of the services you offer?	N/A
a. Eligibility and coverage verification 270/271 or NCPDP for PBMs	
b. Enrollment and disenrollment 834	
c. Premium Payment 820	
13. Is your organization accredited for any HIPAA services (e.g., via Claredi)?	N/A



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HIPAA QUESTIONS	RESPONSE
<i>Short-Term Disability Only</i>	Short Term Disability is not subject to HIPAA Law.
14. a. Are there any HIPAA transactions between this Client and your organization that you will require to be conducted using HIPAA EDI format and content?	N/A
b. If your answer to the above question is yes, which transactions?	
c. If this Client currently does not have the transactions you require in a HIPAA EDI ready format, how will you assist this Client?	
15. Are you aware of any complaints that have been filed against your organization regarding HIPAA EDI or Privacy with the Centers for Medicare and Medicaid (CMS)?	N/A
16. Indicate the name and title of your firm's Privacy Officer.	N/A
17. a. If you are offering fully insured benefits, is your organization going to create and distribute the required HIPAA Privacy "Notice of Privacy Practice" to plan participants as required by law?	N/A
b. If you are offering fully insured benefits, do the plan documents you distribute to plan participants include the required HIPAA Privacy text including a discussion of the uses and disclosures of protected health info?	
18. Have you performed or had an outside agency perform a Security Risk Assessment of your organization in the past 6 months to assess your current	N/A



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HIPAA QUESTIONS	RESPONSE
<i>Short-Term Disability Only</i>	Short Term Disability is not subject to HIPAA Law.
system and/or determine how it compares with the final HIPAA Security regulation with respect to administrative, physical and technical procedures, services, controls or safeguards?	
19. List the 5 most important steps your firm has/is taking in order to comply with the final HIPAA Security regulations.	N/A
20. If this Client wants to transmit or receive electronic protected health information (ePHI), with your organization (such as may be part of an e-mail correspondence or eligibility inquiry), what protocol or methods will be required?	N/A
21. Are you willing to sign a contract with this Client that indicates your firm will pay fines the Client may be assessed as a result of your firm's noncompliance with HIPAA EDI, Privacy and Security regulations?	N/A
22. Outline the key steps you have taken to implement contract revisions that address HIPAA EDI, Privacy and Security regulation responsibilities of covered entities, business associates and trading partners with the various clients and firms with whom your firm interacts.	N/A
23. If you anticipate a contract amendment or newly executed contract will be needed to address HIPAA compliance responsibilities, please attach a copy and highlight the text that addresses HIPAA.	N/A
24. From what company has your firm purchased additional liability insurance in	N/A



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HIPAA QUESTIONS	RESPONSE
<i>Short-Term Disability Only</i>	Short Term Disability is not subject to HIPAA Law.
anticipation of HIPAA compliance responsibilities?	
25. How do you remain current on the latest HIPAA developments/changes?	N/A



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SHORT-TERM DISABILITY

The City is requesting a Fully Insured Benefit Proposal and a Self Insured Benefit Proposal. Currently Police (PPOA) and Fire (PFFA) are not covered under the City's Short-Term Disability plan. This is an employer paid benefit and the City is requesting a separate quote on Police and a separate quote on Fire along with a separate quote for All Other Employees. Charter Officers are not eligible for Short-Term Disability coverage and are excluded from this portion.

Listed below are the benefits that the City is requesting. *Please provide the maximum weekly benefit possible.

Short Term Disability Benefits (Proposed)				
Elimination Period	30 days	30 days	60 days	60 days
Benefit Amount	60%	66%	60%	66%
Benefit Period	26 weeks	26 weeks	26 weeks	26 weeks
Maximum Weekly Benefit	\$2,000*	\$2,000*	\$2,000*	\$2,000*

Employees must use all available accrued leave prior to receiving a benefit amount. In the event an employee has more than 26 weeks of accrued leave, no short term disability benefits would be payable. The employee's sick leave can accrue up to a maximum of 1040 hours and vacation leave can accrue up to a maximum of 320 hours.

The City is requesting a separate Short-Term Disability proposal for Sworn Police (PPOA) and a separate Short-Term Disability proposal for Fire (PFFA). *Please provide the maximum weekly benefit possible.

STD Benefits for Police (PPOA) & Fire (PFFA) (Proposed)				
Elimination Period	30 days	30 days	60 days	60 days
Benefit Amount	60%	66%	60%	66%
Benefit Period	26 weeks	26 weeks	26 weeks	26 weeks
Maximum Weekly Benefit	\$2,000*	\$2,000*	\$2,000*	\$2,000*

STD Average Lives and Rate Table		
Year	Lives	Rate
2006	739	.233
2007	723	.233
2008	889	.233
2009	932	.16



PRICE SHEET

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SHORT-TERM DISABILITY (STD) (without Police-PPOA & Fire-PFFA)

Monthly Rate – FULLY INSURED				
	30 DAYS @ 60%	30 DAYS @ 66%	60 DAYS @ 60%	60 DAYS @ 66%
Per \$10 of Weekly Benefit	\$.08	\$.084	\$.048	\$.052
Total Monthly Premium	\$4,880	\$5,124	\$2,928	\$3,172
Total Annual Premium	\$58,560	\$61,488	\$35,136	\$38,064
Rate Guarantee	2 years			
FY2012	Rate hold			
FY2013	TBD			
FY2014	TBD			
FY2015	TBD			

Assumptions: Covered Monthly Payroll: \$609,996 (893 Lives), Monthly Payment - \$9,759.

Monthly Rate – SELF INSURED				
	30 DAYS @ 60%	30 DAYS @ 66%	60 DAYS @ 60%	60 DAYS @ 66%
Per \$10 of Weekly Benefit	\$1.03 PEPM	\$1.03 PEPM	\$0.88 PEPM	\$0.88 PEPM
Total Monthly Premium	\$930	\$930	\$795	\$795
Total Annual Premium	\$11,160	\$11,160	\$9,540	\$9,540
Rate Guarantee	2 years (rate basis is per employee per month)			
FY2012	Rate hold (premium based on 903 employees)			
FY2013	TBD			
FY2014	TBD			
FY2015	TBD			



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SHORT-TERM DISABILITY (STD) – POLICE (PPOA)

Monthly Rate – FULLY INSURED POLICE (PPOA)				
	30 DAYS @ 60%	30 DAYS @ 66%	60 DAYS @ 60%	60 DAYS @ 66%
Per \$10 of Weekly Benefit	\$.08	\$.084	\$.048	\$.052
Total Monthly Premium	\$873	\$1,023	\$524	\$634
Total Annual Premium	\$10,476	\$12,276	\$6,288	\$7608
Rate Guarantee	2 years (60% volume is \$109,101)			
FY2012	Rate hold (66% volume is \$121,830)			
FY2013	TBD (This is the additional premium for adding the police to the current plan. This can't be sold stand alone)			
FY2014	TBD			
FY2015	TBD			

Monthly Rate – SELF INSURED POLICE (PPOA)				
	30 DAYS @ 60%	30 DAYS @ 66%	60 DAYS @ 60%	60 DAYS @ 66%
Per \$10 of Weekly Benefit	\$1.03 PEPM	\$1.03 PEPM	\$0.88 PEPM	\$0.88 PEPM
Total Monthly Premium	\$146	\$146	\$125	\$125
Total Annual Premium	\$1,752	\$1,752	\$1,500	\$1,500
Rate Guarantee	2 years (rate basis is per employee per month)			
FY2012	Rate hold (premium based on 142 employees)			
FY2013	TBD			
FY2014	TBD			
FY2015	TBD			



PRICE SHEET

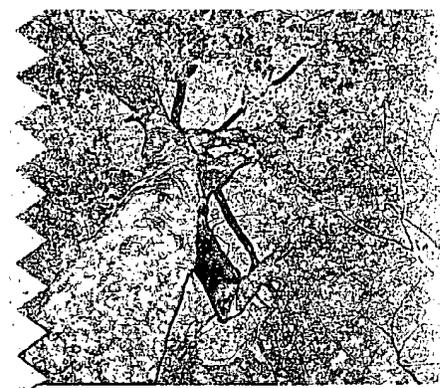
Solicitation Number: P10-0053

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SHORT-TERM DISABILITY (STD) – FIRE (PFFA)

Monthly Rate – FULLY INSURED FIRE (PFFA)				
	30 DAYS @ 60%	30 DAYS @ 66%	60 DAYS @ 60%	60 DAYS @ 66%
Per \$10 of Weekly Benefit	\$.08	\$.084	\$.048	\$.052
Total Monthly Premium	\$783	\$918	\$470	\$568
Total Annual Premium	\$9,396	\$11,016	\$5,640	\$6,816
Rate Guarantee	2 years (60% volume is \$97,875)			
FY2012	Rate hold (66% volume is \$109,293)			
FY2013	TBD (This is the additional premium for adding the fire to the current plan. This can't be sold stand alone)			
FY2014	TBD			
FY2015	TBD			

Monthly Rate – SELF INSURED FIRE (PFFA)				
	30 DAYS @ 60%	30 DAYS @ 66%	60 DAYS @ 60%	60 DAYS @ 66%
Per \$10 of Weekly Benefit	\$1.03 PEPM	\$1.03 PEPM	\$0.88 PEPM	\$0.88 PEPM
Total Monthly Premium	\$134	\$134	\$114	\$114
Total Annual Premium	\$1,608	\$1,608	\$1,368	\$1,368
Rate Guarantee	2 years (rate basis is per employee per month)			
FY2012	Rate hold (premium based on 130 employees)			
FY2013	TBD			
FY2014	TBD			
FY2015	TBD			

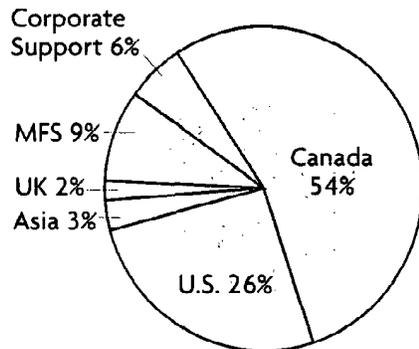


Strength in Numbers

2008 Year-End Results

Here are some of Sun Life Financial's outstanding financial highlights.

2008 Revenue Diversification is Widespread



Sun Life Assurance Company of Canada is rated by these ratings agencies for financial strength:

Standard & Poor's	AA ⁺	(Very Strong)	(Third of 20 rating levels)
Moody's	Aa3 ¹	(Excellent)	(Fourth of 21 rating levels)
A.M. Best	A+ ²	(Superior)	(Second of 16 rating levels)

Sun Life Insurance and Annuity Company of New York is rated by these ratings agencies for financial strength:

Standard & Poor's	AA ⁺	(Very Strong)	(Third of 20 rating levels)
A.M. Best	A+ ²	(Superior)	(Second of 16 rating levels)

Sun Life and Health Insurance Company (U.S.) is rated by these ratings agencies for financial strength:

A.M. Best	A ²	(Excellent)	(Third of 16 rating levels)
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¹ Rating also applies to counterparty credit

² Outlook negative

³ Outlook stable

Financial information is current as of December 31, 2008. Revenue diversification chart excludes pre-tax gains on CI Financial. Ratings are current as of May 1, 2009. Worldwide financial results have been converted from Canadian dollars to U.S. dollars using a \$1.22 to \$1.00 rate.

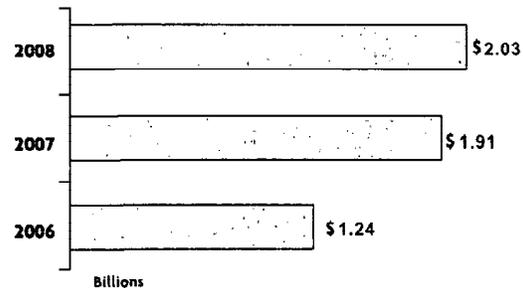
Total Assets Under Management

\$313.3 billion

Strong Shareholder Equity

\$14.2 billion

Formidable Block of US Group Insurance



Outstanding Rankings

3rd largest insurance carrier in North America, based on market capitalization (\$10.4 billion)³

Fortune Global 500 -18th among life/health stock insurers⁴

Forbes Global 2000 ---159th overall⁵

³ Bloomberg data, as of April 1, 2009.

⁴ www.fortune.com, 2008 edition.

⁵ www.forbes.com, 2008 edition.

We understand that our success is a direct result of our customers' satisfaction. Without it, our financial strength would not be nearly as impressive. For more information, contact your local Sun Life Financial Group Sales Representative.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states, except New York, under Policy Form Series 93P-LH, 98P-ADD, 02P-STD TDB Policy-2006, 02-SL, 07-SL, and 01C-LH-PT. In New York, group insurance policies are underwritten by Sun Life Insurance and Annuity Company of New York (New York, NY) under Policy Form Series 93P-LH-NY, 06P-NYDBL, 02P-NYSTD, 98P-ADD-NY, 02-NYSL, 07-NYSL, and 01NYC-LH-PT. Group insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Wellesley Hills, MA) in all states under Policy Forms Series GP-A and GP-D (or appropriate state edition). Product offerings may not be available in all states and may vary depending on state laws and regulations.

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XGR/474
SLPC 20358 5/09 (exp. 5/11)





Group Life Service Guarantee

The best in group life service—guaranteed

Most group life insurance carriers talk about great service. But how many guarantee it?

Sun Life Financial is pleased to offer a Life Service Guarantee that covers the speed and accuracy of our claims processing, as well as how quickly we respond to our customers' phone calls. In addition, we also include an overall satisfaction guarantee to ensure our customers are 100% satisfied with our service.

Here's how it works: If we do not meet the following service standards while the Life contract is in effect, we will provide a payment—calculated as a percentage of the policyholder's annual premium, up to 3%—as described below*. You could say we believe in our service so much, we're willing to put money on the line. Here's what we promise:

Service Standard Payment	Percentage of Total
Claim Service We guarantee that 100% of claims will be processed within 10 business days providing we receive complete claim documentation. If we require additional information to process a claim, we will send a request within 5 business days. Claims processing will be 100% accurate.	33%
Customer Service We will respond to all telephone calls and inquiries from claimants and policyholders to our claims professionals, National Customer Care Managers and local Account Managers – who serve as the key contact for each of our policyholders – within one business day.	33%
Overall Satisfaction Guarantee Sun Life Financial is committed to service. During the difficult time when a claim is filed, our experienced claims examiners treat claimants and employers with empathy and respect at all times. If, for any reason, a policyholder is not satisfied with any service not covered in the Claim Service or Customer Service sections of this guarantee, we will provide a payment under this section.	33%

At Sun Life Financial, we don't just talk about service. We deliver it—with a money-back guarantee. For more information, please contact your Sun Life Financial Representative.

* Any payment will be paid, by check, at the end of a policyholder's policy year. To obtain a payment, a policyholder must request it in writing. Sun Life Financial will determine whether a payment is made. Sun Life Financial's maximum liability under this guarantee is limited to the lesser of 3% of a policyholder's annual Life premium or \$5,000. The maximum payment for breach of the service standard is one-third of the maximum liability, or \$1,667 each for Claim Service, Customer Service or Overall Satisfaction Guarantee. Applies only to group products underwritten by Sun Life Assurance Company of Canada and Sun Life Insurance and Annuity Company of New York.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states except New York. In New York, group insurance policies are underwritten by Sun Life Insurance and Annuity Company of New York (New York, NY). Group insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.)* (Wellesley Hills, MA) in all states. Product offerings may not be available in all states and may vary depending on state laws and regulations.

* Formerly known as Genworth Life and Health Insurance Company.

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XGR/1551
SLPC 17635 12/07 (exp. 12/09)





STD Service Guarantee

The best in STD service—guaranteed!

Most disability carriers talk about great service. But how many guarantee it?

Sun Life Financial is pleased to offer a STD Service Guarantee that covers the speed and accuracy of our claims processing, as well as how quickly we respond to our customers' phone calls. In addition, we also include an overall satisfaction guarantee to ensure our customers are 100% satisfied with our service.

Here's how it works: If we do not meet the following service standards while the STD contract is in effect, we will provide a payment—calculated as a percentage of the policyholder's premium up to 3%— as described below*. You could say we believe in our service so much, we're willing to put money on the line. Here's what we promise:

Service Standard Payment	Percentage of Total
Claim Service We will make claim decisions or request additional information for all new claims within 5 business days. In addition, our claims processing will be 100% accurate at least 98% of the time when making claim determinations in accordance with the provisions of the underlying plan document.	33%
Customer Service We will respond to all telephone calls and inquiries from claimants and policyholders to our claims professionals, Relationship Managers and local Account Managers – who serve as the key contact for each of our policyholders – within one business day.	33%
Overall Satisfaction Guarantee Sun Life Financial is committed to service. For example, every new STD policyholder is assigned a dedicated claims examiner. We offer robust online claims status capabilities to customers and claimants. If, for any reason, a policyholder is not satisfied with any service not covered in the Claim Service or Customer Service sections of this agreement, we will provide a payment under this section.	33%

At Sun Life Financial, we don't just talk about service. We deliver it—with a money-back guarantee. For more information, please contact your Sun Life Financial Representative

* Any payment will be paid, by check, at the end of a policyholder's policy year. To obtain a payment, a policyholder must request it in writing. Sun Life Financial will determine whether a payment is made. Sun Life Financial's maximum liability under this guarantee is limited to the lesser of 3% of a policyholder's annual STD premium or \$5,000. The maximum payment for breach of the service standard is one-third of the maximum liability, or \$1,667 each for Claim Service, Customer Service or Overall Satisfaction Guarantee. Applies only to group products underwritten by Sun Life Assurance Company of Canada and Sun Life Insurance and Annuity Company of New York.

The group insurance policies described in this advertisement provide disability income insurance only. They do NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states except New York. In New York, group insurance policies are underwritten by Sun Life Insurance and Annuity Company of New York (New York, NY). Group insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.)* (Wellesley Hills, MA) in all states. Product offerings may not be available in all states and may vary depending on state laws and regulations.

*Formerly known as Genworth Life and Health Insurance Company.

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SUN LIFE ASSURANCE COMPANY OF CANADA

Policyholder: SAMPLE STD POLICY
Policy Number: POLICY NUMBER
Policy Effective Date: EFFECTIVE DATE
Policy Anniversary: POLICY ANNIVERSARY

This Policy is delivered in ANY STATE and is subject to the laws of that jurisdiction. Premiums are due and payable monthly on the first day of each month. Policy anniversaries will be annual beginning on POLICY ANNIVERSARY.

Sun Life Assurance Company of Canada (Sun Life) agrees to pay the benefits in accordance with all provisions provided by this Policy for Short Term Disability Insurance. This Policy is issued in consideration of the Application of the Policyholder, a copy of which is attached, and continued payment of premiums by the Policyholder. The following pages including any Riders, Endorsements or Amendments are a part of this Policy.

For the purpose of effective dates and termination dates under this Policy, all days begin at 12:00 midnight and end at 11:59:59 pm.

Signed at Sun Life's U.S. Headquarters, One Sun Life Executive Park, Wellesley Hills, MA 02481.

READ YOUR POLICY CAREFULLY

Group Term Insurance Policy

Non-Participating

NOTE: This is a sample contract. It does not show actual benefits. Some provisions may vary by state.

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SAMPLE

**Section I
Schedule of Benefits**

ELIGIBLE CLASSES

All Full-Time Employees scheduled to work at least 40 hours per week

WAITING PERIOD

90 days

SHORT TERM DISABILITY INCOME INSURANCE

CLASSIFICATION

All Employees

a. The **Benefit Percentage** is: 60% of Total Weekly Earnings.

b. The **Maximum Weekly Benefit** is: \$1,000.

Elimination Period

None - for Injury, if Total Disability occurs within 72 hours after an accident

7 days - for Sickness and Total Disability that begins later than 72 hours after an accident

Maximum Benefit Period

26 Weeks

**Section I
Schedule of Benefits**

CONTRIBUTIONS

Employees will not contribute to the cost of their Short Term Disability Insurance.

INITIAL MONTHLY PREMIUM RATES

Short Term Disability Insurance

Refer to Attachment A

The initial monthly premium rates are guaranteed until RATE GUARANTEE PERIOD, unless otherwise specified in Section VIII, Premiums. See Section VIII, Premiums for more information.

SAMPLE

Section II Definitions

In this section Sun Life defines some basic terms needed to understand this Policy. All male terms include the female term, unless stated otherwise.

For purposes of this Policy:

Actively at Work means that an Employee performs all the regular duties of his job for a full work day scheduled by the Employer at the Employer's normal place of business or a site where the Employer's business requires the Employee to travel.

An Employee is considered Actively at Work on any day that is not his regular scheduled work day (e.g. vacation or holiday), provided the Employee was Actively at Work on his immediately preceding scheduled work day and the Employee:

- is not hospital confined; or
- is not disabled due to an injury or sickness.

An Employee is considered Actively at Work if he usually performs the regular duties of his job at his home, provided the Employee can perform all the regular duties of his job for a full work day and could do so at the Employer's normal place of business if required to do so, and the Employee:

- is not hospital confined; or
- is not disabled due to an injury or sickness.

Application means the document pertaining to the plan of insurance applied for by the Policyholder. This document is attached to this Policy.

Certificate means a written booklet prepared by Sun Life which includes any Riders, Endorsements or Amendments, containing a summary of:

1. the insurance benefits an Employee is entitled to;
2. to whom the benefits are payable; and
3. any limitations, exclusions or requirements that may apply.

Eligibility Date means the date or dates an Employee in an Eligible Class becomes eligible for insurance under this Policy. Classes eligible for insurance are shown in Section I, Schedule of Benefits.

Employee means a person who is employed by the Employer, scheduled to work at least the number of hours shown in Section I, Schedule of Benefits, and paid regular earnings.

Employer means SAMPLE STD POLICY and includes any Subsidiary or Affiliated company named in the Application.

Evidence of Insurability means a statement or proof of an Employee's medical history upon which acceptance for insurance will be determined by Sun Life. The Employee must agree to submit to a paramedical examination and/or provide copies of medical records, if requested by Sun Life. Sun Life will pay the cost of any paramedical examination ordered by Sun Life for the purpose of providing Evidence of Insurability.

Grace Period means the 31 days following a premium due date.

Hospital or Institution means a facility licensed to provide full-time medical care and treatment under the direction of a full-time staff of licensed physicians.

Section II Definitions

Injury means bodily impairment resulting directly from an accident and independently of all other causes. Any Injury must occur and any disability must begin while the Employee is insured under this Policy.

Non-Contributory Insurance means insurance for which the premium is paid entirely by the Employer.

Physician means an individual who is operating within the scope of his license and is either:

1. licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
2. legally qualified as a medical practitioner and required to be recognized, under this Policy for insurance purposes, according to the insurance regulations of the governing jurisdiction.

The Physician cannot be the Employee, his spouse or the parents, brothers, sisters or children of the Employee or his spouse.

Policyholder means the entity to whom the Policy is issued.

Pregnancy means childbirth, miscarriage, abortion or any disease resulting from or aggravated by the pregnancy.

Retirement Plan means a program which provides retirement benefits to Employees and is not funded wholly by Employee contributions. The term will not include a 401(k) plan, a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a nonqualified plan of deferred compensation.

Employer's Retirement Plan will include any Retirement Plan:

1. which is part of any federal, state, county, municipal or association retirement system; and
2. the Employee is eligible for as a result of employment with the Employer.

Sickness means illness, disease or pregnancy. Any disability, because of Sickness, must begin while the Employee is insured under this Policy.

U.S. Headquarters means Sun Life Assurance Company of Canada, Wellesley Hills, MA 02481.

Waiting Period means the length of time immediately before an Employee's Eligibility Date during which he must be employed in an Eligible Class. Any period of time prior to the Policy Effective Date the Employee was Actively at Work for the Employer will count towards completion of the Waiting Period. The Waiting Period is shown in Section I, Schedule of Benefits.

Section II Definitions

The following Definitions are applicable to Short Term Disability Insurance

Drug and Alcohol Illness means an illness which results from the abuse of alcohol, drugs or derivatives.

Elimination Period means a period of continuous days of Total Disability for which no STD Benefit is payable. The Elimination Period is shown in Section I, Schedule of Benefits and begins on the first day of Total Disability.

Gross Weekly Benefit means the Employee's Weekly Benefit before any reduction of Other Income Benefits as described in Section IV, Short Term Disability Income Benefits.

Maximum Weekly Benefit means the largest amount payable weekly to an Employee under this Policy. The Maximum Weekly Benefit is shown in Section I, Schedule of Benefits.

Mental Illness means mental, nervous, psychological, emotional diseases, or behavioral disorders of any type.

Net Weekly Benefit means the amount payable after reducing the Employee's Gross Weekly Benefit by any benefits the Employee receives or is eligible to receive from sources listed as Other Income Benefits shown in Section IV, Short Term Disability Income Benefits.

STD means Short Term Disability.

Total Disability or Totally Disabled means the Employee, because of Injury or Sickness, is unable to perform all of the material and substantial duties of his own occupation and is not engaged in any occupation for wage or profit.

The loss of a professional or occupational license or the inability to obtain or qualify for a license for any reason does not, in itself, constitute Total Disability.

To qualify for benefits, the Employee must satisfy the Elimination Period with the required number of days of Total Disability.

Total Weekly Earnings means the Employee's basic weekly earnings as reported by the Employer immediately prior to the first date Total Disability begins. Total Weekly Earnings does not include commissions, bonuses, overtime pay or any other extra compensation.

Section III
Eligibility and Effective Dates

A. Eligible Classes

The class(es) eligible for insurance are shown in Section I, Schedule of Benefits.

B. Eligibility Date

An Employee in an Eligible Class will be eligible for insurance on the latest of the following dates:

1. EFFECTIVE DATE; or
2. the day after the Employee completes the Waiting Period.

If a former Employee is rehired by the Employer within 6 months of his termination date, all past periods of employment during which the Employee was Actively at Work with the Employer will count towards completion of the Waiting Period. The Employee's Eligibility Date will be the later of the date he is rehired or the day after completion of the Waiting Period.

If a former Employee is rehired by the Employer 6 months or later after his termination date, the Employee's Eligibility Date will be the day after he completes a new Waiting Period.

C. Effective Date of Insurance

An Employee, will be insured, subject to the Delayed Effective Date of Insurance, on his Eligibility Date.

Delayed Effective Date of Insurance

The Effective Date of any initial, increased or additional insurance will be delayed for an Employee if he is not Actively at Work. The initial, increased or additional insurance will become effective on the date the Employee returns to an Actively at Work status.

Refusal of Coverage

If an eligible Employee declines his insurance, or terminates his insurance in writing while continuing to be eligible, the Employee will become insured after he applies for insurance and Evidence of Insurability is approved by Sun Life.

Changes in Insurance

Changes in an Employee's amount of insurance due to a:

- change in an Employee's salary;

will take effect immediately upon the date of change. However, any increase in insurance will be subject to the Delayed Effective Date of Insurance provision.

**Section IV
Benefit Provisions**

Short Term Disability Income Benefits

If Sun Life receives Notice and Proof of Claim that an Employee is Totally Disabled, a Net Weekly Benefit will be payable, subject to the Limitations and Exclusions.

To be eligible to receive a Net Weekly Benefit, the Employee must:

1. satisfy the Elimination Period with the required days of Total Disability; and
2. provide proof of continued Total Disability; and
3. have regular and continuing care by a Physician who provides appropriate treatment by means of examination and testing in accordance with the disabling condition; and
4. not be engaged in any occupation or employment for wage or profit.

Proof of Total Disability must be given to Sun Life upon request and at the Employee's expense.

A Net Weekly Benefit will:

1. be payable at the end of each week for that week;
2. include reductions described as Other Income Benefits;
3. be paid on a pro-rata basis. An amount equal to 1/7 of the Net Weekly Benefit is payable for each day of Total Disability that is less than a full week.

Total Disability Benefit

If an Employee is Totally Disabled, the Net Weekly Benefit will be calculated based on the Total Disability Benefit formula. An Employee qualifies for this benefit if, after completion of the Elimination Period, the Employee, because of Injury or Sickness, is unable to perform all of the material and substantial duties of his own occupation and is not engaged in any occupation for wage or profit.

To determine the Total Disability Benefit:

1. Take the lesser of:
 - a. the Employee's Total Weekly Earnings multiplied by the Benefit Percentage (shown in Section I, Schedule of Benefits); or
 - b. the Maximum Weekly Benefit (shown in Section I, Schedule of Benefits); then
2. Subtract Other Income Benefits from the amount determined in Step 1.

**Section IV
Benefit Provisions**

Short Term Disability Income Benefits

Other Income Benefits

Other Income Benefits are those benefits provided or available to an Employee while a Short Term Disability Benefit is payable. These Other Income Benefits, other than retirement benefits, must be provided as a result of the same Total Disability payable under this Policy. Other Income Benefits include:

1. The amount the Employee is eligible for under:
 - a. Unemployment Compensation Law; or
 - b. Compulsory Benefit Act or Law; or
 - c. any other act or law of like intent.
2. Any labor management trustee, union or employee benefit plans that are funded in whole or in part by the Employer.
3. Any disability income benefits the Employee is eligible for under:
 - a. any other group insurance plan of the Employer;
 - b. any governmental retirement system as a result of the Employee's job with his Employer.
4. The amount the Employee receives from any accumulated sick leave.
5. Any formal salary continuation paid to the Employee by his Employer which causes the Net Weekly Benefit, plus Other Income Benefits and any salary continuation to exceed 100% of the Employee's Total Weekly Earnings. The amount in excess of 100% of the Employee's Total Weekly Earnings will be used as a reduction.

Other Income Benefits will include any amount described above which would have been available to the Employee had he applied for that benefit.

Lump Sum Payment

If an Employee receives a lump sum payment for any Other Income Benefits, Sun Life will prorate the lump sum on a weekly basis over the time period specified for the lump sum payment. If no time period is stated, the lump sum payment will be prorated on a weekly basis over the Employee's expected lifetime as determined by Sun Life.

Adjustment of Benefits

The Employee must notify Sun Life of the amount of Other Income Benefits when it is approved or adjusted (other than cost of living increases). Sun Life will make an adjustment to the Net Weekly Benefit payment when Sun Life receives written notice of the amount of the Other Income Benefit. Written Notice must be sent within 31 days after receipt of the Other Income Benefit award.

If after Sun Life makes an adjustment to the Net Weekly Benefit the Employee has been underpaid, Sun Life will make a lump sum refund of the amount that has been underpaid to the Employee.

If after Sun Life makes an adjustment to the Net Weekly Benefit the Employee has been overpaid, the Employee must reimburse Sun Life the amount of the overpayment within 31 days of the award. Sun Life has the option to reduce or eliminate future STD benefit payments instead of requiring reimbursement in a lump sum.

**Section IV
Benefit Provisions**

Short Term Disability Income Benefits

Cost of Living Freeze

After the first deduction for each of the Other Income Benefits, Sun Life will not reduce the STD benefit payments due to cost of living increases an Employee receives from any of the sources described as Other Income Benefits.

Termination of Short Term Disability Benefits

Total Disability Benefits will cease on the earliest of:

1. the date the Employee is no longer Totally Disabled;
2. the date the Employee dies;
3. the end of the Maximum Benefit Period;
4. the date the Employee fails to provide proof of continuing Total Disability as requested; or
5. the date Sun Life determines the Employee is able to perform all of the material and substantial duties of his own occupation, even if the Employee chooses not to work.

Successive Periods

Successive periods of Total Disability after a Net Weekly Benefit was payable will be considered a single period if the Employee, in the time between the successive periods, was Actively at Work for less than:

1. two consecutive weeks, if due to the same or related causes;
2. one day, if due to an entirely unrelated cause.

The Employee will not have to complete a new Elimination Period. The STD benefit will continue to be calculated based on the Employee's Total Weekly Earnings in effect at the time the initial period of Total Disability began. The STD benefit will be payable, in total, for no longer than the Maximum Benefit Period at the time of the initial period of Total Disability.

This successive periods provision will cease to apply on the earliest of the following dates:

1. the date the Employee becomes eligible for benefits under any other group STD policy; or
2. the date this Policy is terminated.

Limitations

No STD benefit will be payable for any Total Disability during any of the following periods:

1. any period the Employee is not under the regular and continuing care of a Physician providing appropriate treatment by means of examination and testing in accordance with the disabling condition.
2. any period the Employee fails to submit to any medical examination requested by Sun Life.
3. any period the Employee engages in any occupation or employment for wage or profit.
4. any period of Total Disability due to Mental Illness, unless the Employee is under the continuing care of a specialist in psychiatric care.

**Section IV
Benefit Provisions**

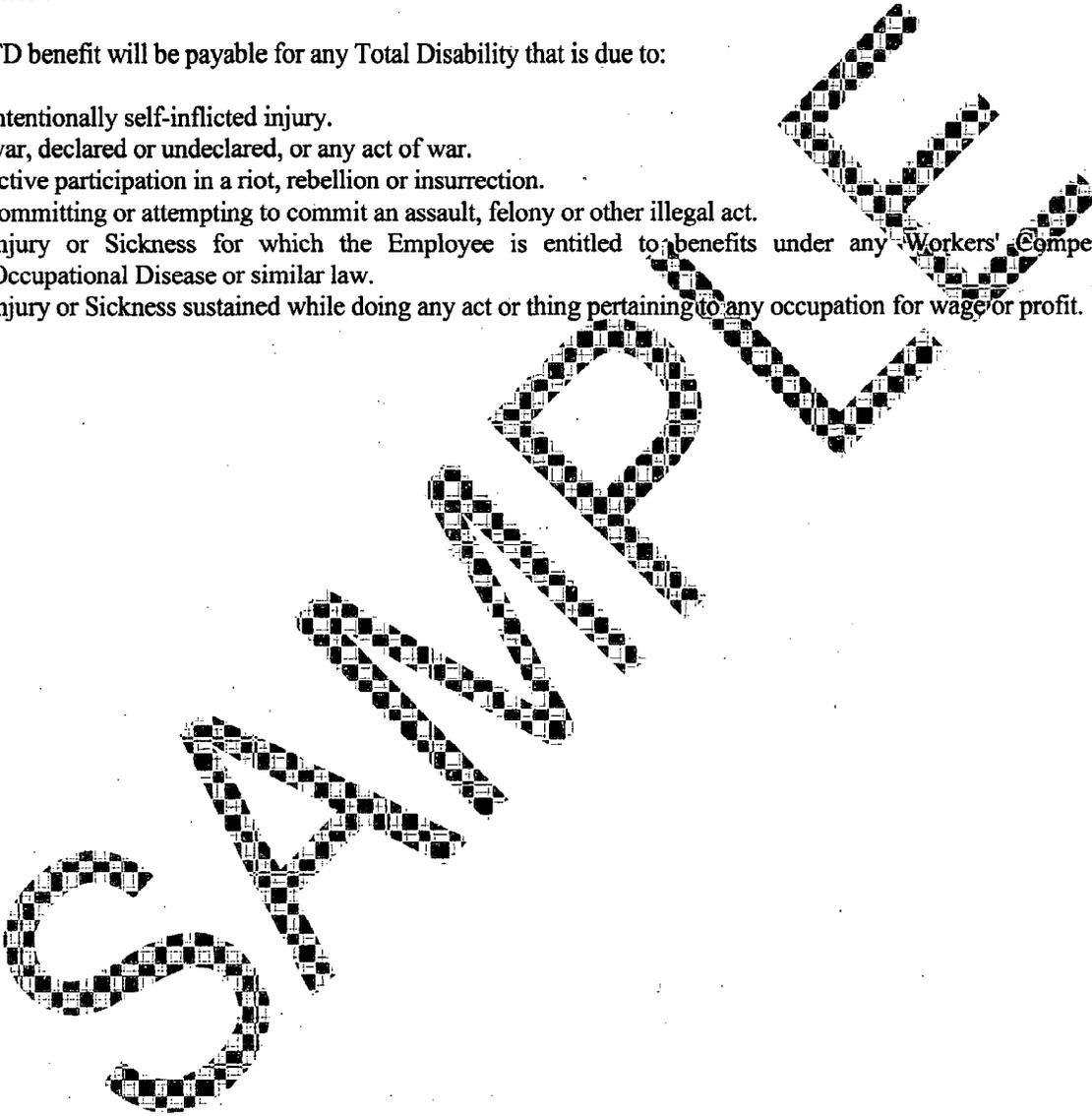
Short Term Disability Income Benefits

5. any period of Total Disability due to Drug and Alcohol Illness, unless the Employee is actively supervised by a Physician or Rehabilitation Counselor and is receiving continuing treatment from a rehabilitation center or a designated institution approved by Sun Life.

Exclusions

No STD benefit will be payable for any Total Disability that is due to:

1. intentionally self-inflicted injury.
2. war, declared or undeclared, or any act of war.
3. active participation in a riot, rebellion or insurrection.
4. committing or attempting to commit an assault, felony or other illegal act.
5. Injury or Sickness for which the Employee is entitled to benefits under any Workers' Compensation, Occupational Disease or similar law.
6. Injury or Sickness sustained while doing any act or thing pertaining to any occupation for wage or profit.



Section V
Termination Provisions

Termination of Employee's Insurance

An Employee will cease to be insured on the earliest of the following dates:

1. the date this Policy terminates.
2. the date the Employee is no longer in an Eligible Class.
3. the date the Employee's Class is no longer included for insurance.
4. the last day for which any required premium has been paid.
5. the date the Employee retires.
6. the date employment terminates. Ceasing to be Actively at Work will be deemed termination of employment, except:
 - a. insurance will be continued for an Employee absent due to a disability during the Elimination Period.
 - b. the Policyholder may continue the insurance by paying the required premiums, subject to the following:
 - i. insurance may be continued for up to 1 month after the Employee has been temporarily laid off or been given an approved leave of absence.
 - ii. insurance may be continued for up to 3 months of the Employee's paid vacation.

The Policyholder in all of the above situations must act so as not to discriminate unfairly among Employees in similar situations.

7. the date the Employee requests, in writing, to have his insurance terminated.
8. the date the Employee ceases to be Actively at Work due to a labor dispute, including any strike, work slowdown, or lockout.
9. the date the Employee enters active duty in any armed service during a time of war (declared or undeclared).

While this Policy is in force, the Policyholder may continue an Employee's coverage pursuant to the Family and Medical Leave Act of 1993, as amended or continue coverage pursuant to a state required continuation period (if any).

While this Policy is in force, the Policyholder may continue an Employee's coverage pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA).

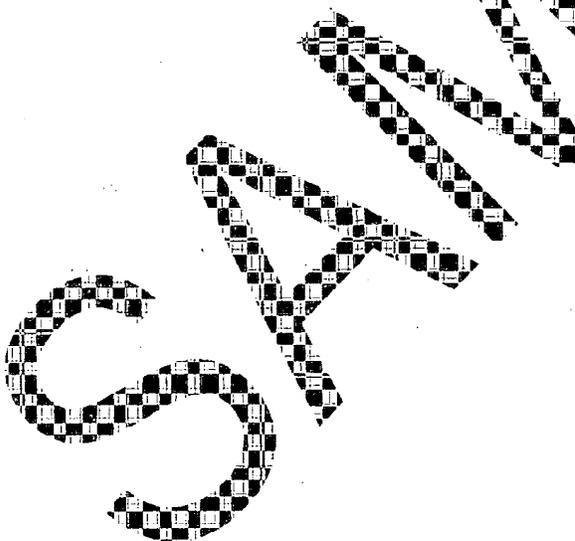
Section V
Termination Provisions

Termination of Policy

This Policy will terminate for any of the following reasons:

1. If the Policyholder fails to pay any premium within the Grace Period, this Policy will terminate on the last day of the Grace Period.
2. The Policyholder may terminate this Policy by advance written notice delivered to Sun Life at least 31 days prior to the termination date. This Policy will not terminate during any period for which premium has been paid. The Policyholder will be liable to Sun Life for all premiums due and unpaid for the full period this Policy is in force.
3. Sun Life may terminate this Policy on any premium due date by giving written notice to the Policyholder at least 31 days in advance if:
 - a. the number of insured Employees is less than 25; or
 - b. less than 100% of the Employees eligible are insured; or
 - c. the Policyholder fails to:
 - i. furnish promptly any information Sun Life may reasonably require; or
 - ii. perform any other obligations pertaining to this Policy.
4. Sun Life may terminate this Policy on any Policy Anniversary by giving written notice to the Policyholder at least 60 days in advance.

Termination of this Policy may take effect on an earlier date when both the Policyholder and Sun Life agree.



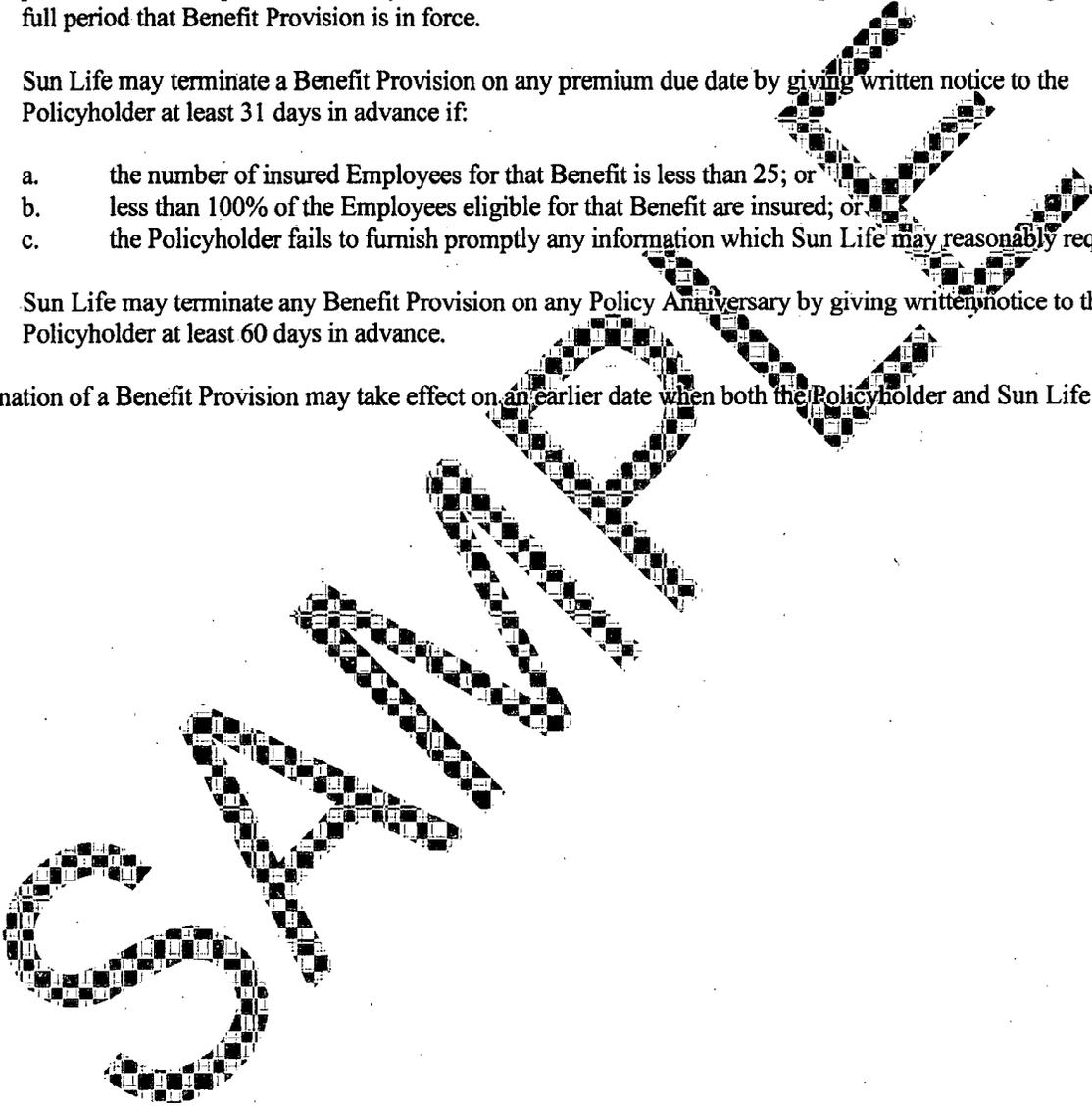
Section V
Termination Provisions

Termination of Benefit Provision

A Benefit Provision will terminate for any of the following reasons:

1. The Policyholder may terminate a Benefit Provision by advance written notice delivered to Sun Life at least 31 days prior to the termination date. The Benefit Provision will not terminate during any period for which premium has been paid. The Policyholder will be liable to Sun Life for all premiums due and unpaid for the full period that Benefit Provision is in force.
2. Sun Life may terminate a Benefit Provision on any premium due date by giving written notice to the Policyholder at least 31 days in advance if:
 - a. the number of insured Employees for that Benefit is less than 25; or
 - b. less than 100% of the Employees eligible for that Benefit are insured; or
 - c. the Policyholder fails to furnish promptly any information which Sun Life may reasonably require.
3. Sun Life may terminate any Benefit Provision on any Policy Anniversary by giving written notice to the Policyholder at least 60 days in advance.

Termination of a Benefit Provision may take effect on an earlier date when both the Policyholder and Sun Life agree.



**Section VI
General Policy Provisions**

A. Statements

All statements made in any Application are considered representations and not warranties. No representation by:

1. the Policyholder in applying for this Policy will render it void unless the representation is contained in the Application; or
2. any Employee in applying for insurance under this Policy will be used to reduce or deny a claim unless a copy of the Employee's written application for insurance is or has been given to the Employee or the Employee's beneficiary, if any.

B. Entire Contract - Policy Changes

1. This Policy is the entire contract. It consists of:
 - a. all of the pages of the Policy;
 - b. the attached Application of the Policyholder;
 - c. each Employee's written application for insurance (Employee retains his own copy).
2. This Policy may be changed in whole or in part. Only an officer of Sun Life may approve a change. The approval must be in writing and endorsed on or attached to this Policy.
3. Any other person, including an agent, may not change this Policy or waive any part of it.

C. Employee's Certificate

Sun Life will provide a Certificate to the Policyholder for delivery to each Employee. The Certificate is intended to provide a brief explanation of the Policy benefits, but it does not form a part of this Policy. If the terms of a Certificate and this Policy differ, this Policy will govern.

**Section VI
General Policy Provisions**

D. Furnishing of Information - Access To Records

1. The Employer will furnish at regular intervals to Sun Life:
 - a. information relative to individuals:
 - i. who qualify to become insured;
 - ii. whose amounts of insurance change; and/or
 - iii. whose insurance terminates.
 - b. any other information about this Policy that may be reasonably required.

The records which, in the opinion of Sun Life, are material to the insurance, will be opened for inspection by Sun Life at any reasonable time.

2. Clerical error or omission will not:
 - a. deprive an individual of insurance;
 - b. affect an individual's amount of insurance; or
 - c. effect or continue an individual's insurance which otherwise would not be in force.

The Policyholder's or Employer's failure to report notice or proof of claim in a timely manner shall not constitute clerical error.

E. Misstatement of Facts

If relevant facts about any individual were not accurate:

1. an equitable adjustment of premium will be made; and
2. the true facts will be used to determine if and in what amount insurance is valid under this Policy.

If the amount of the benefit is dependent upon an individual's age, (as shown in Section I, Schedule of Benefits), the benefit will be the amount an individual would have been entitled to if his correct age was known.

If an adjustment results in a refund of premium, the refund will not exceed a period of more than 12 months.

F. Examination

Sun Life, at its own expense, has the right to have any person, whose Injury or Sickness is the basis of a claim:

1. examined by a Physician, other health professional or vocational expert of its choice; and/or
2. interviewed by an authorized Sun Life representative.

This right may be used as often as reasonably required.

G. Legal Proceedings

No legal action may start:

1. until 60 days after Proof of Claim has been given; nor
2. more than 3 years after the time Proof of Claim is required.

**Section VI
General Policy Provisions**

H. Workers' Compensation

This Policy is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

I. Agency

For all purposes of this Policy, the Policyholder acts on its own behalf or as an agent of the Employee. Under no circumstances will the Policyholder be deemed an agent of Sun Life.

J. Incontestability

Policyholder

The validity of this Policy shall not be contested, except for non-payment of premium, after it has been in force for two years from the Policy Effective Date.

Individual

No statement made by an individual, relating to his insurability for an initial, increased or additional amount of insurance, will be used in contesting the validity of that insurance, after such initial, increased or additional amount of insurance has been in force for a period of two years during the individual's lifetime.

This statement must be contained in a form signed by that individual.

**Section VII
Claim Provisions**

A. Notice and Proof of Claim

Sun Life must receive Notice and Proof of Claim prior to any payment under this Policy.

1. Notice of Claim

for Short Term Disability - written notice of claim must be given to Sun Life no later than 30 days after the Employee ceases to be Actively at Work.

If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting for the form.

2. Proof of Claim

for Short Term Disability - proof of claim must be given to Sun Life no later than 90 days after the end of the Elimination Period.

If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required unless the individual is legally incompetent.

Proof of Claim must consist of:

- a description of the disability;
- the date the disability occurred; and
- the cause of the disability.

Proof of Claim may include, but is not limited to, police accident reports, autopsy reports, laboratory results, toxicology results, hospital records, x-rays, narrative reports, or other diagnostic testing materials as required.

Proof of Claim for disability must include evidence demonstrating the disability including, but not limited to, hospital records, Physician records, Psychiatric records, x-rays, narrative reports, or other diagnostic testing materials as appropriate for the disabling condition.

Proof must be satisfactory to Sun Life.

Sun Life may require as part of the Proof, authorizations to obtain medical and non-medical information.

Proof of the Employee's continued disability and regular and continuous care by a Physician must be given to Sun Life within 30 days of the request for proof.

**Section VII
Claim Provisions**

B. Insurer's Authority

The Plan Administrator has delegated to Sun Life its entire discretionary authority to make all final determinations regarding claims for benefits under the benefit plan insured by this Policy. This discretionary authority includes, but is not limited to, the determination of eligibility for benefits, based upon enrollment information provided by the Policyholder, and the amount of any benefits due, and to construe the terms of this Policy.

Any decision made by Sun Life in the exercise of this authority, including review of denials of benefit, is conclusive and binding on all parties. Any court reviewing Sun Life's determinations shall uphold such determination unless the claimant proves that Sun Life's determinations are arbitrary and capricious.

C. Notice of Decision on Claim

A written notice of decision on a claim will be sent within a reasonable time after Sun Life receives the claim but not later than 45 days after receipt of the claim. If a decision cannot be made within 45 days after Sun Life receives the claim, Sun Life will request extensions of time as permitted under U.S. Department of Labor regulations. Any request for extension of time will specifically explain:

1. the standards on which entitlement to benefits is based;
2. the unresolved issues that prevent a decision on the claim; and
3. the additional information needed to resolve those issues.

If a period of time is extended because the claimant failed to provide necessary information, the period for making the benefit determination is tolled from the date Sun Life sends notice of the extension to the claimant until the date on which the claimant responds to the request for additional information. The claimant will have at least 45 days to provide the specified information.

D. Review Procedure

If all or any part of a claim is denied, the claimant may request in writing a review of the denial within 180 days after receiving notice of denial.

The claimant may submit written comments, documents, records or other information relating to the claim for benefits, and may request free of charge copies of all documents, records and other information relevant to the claimant's claim for benefits.

Sun Life will review the claim on receipt of the written request for review, and will notify the claimant of Sun Life's decision within a reasonable time but not later than 45 days after the request has been received. If an extension of time is required to process the claim, Sun Life will notify the claimant in writing of the special circumstances requiring the extension and the date by which Sun Life expects to make a determination on review. The extension cannot exceed a period of 45 days from the end of the initial review period.

If a period of time is extended because the claimant failed to provide necessary information, the period for making the decision on review is tolled from the date Sun Life sends notice of the extension to the claimant until the date on which the claimant responds to the request for additional information.

E. Time of Payment of Claims

When Sun Life receives satisfactory Proof of Claim, benefits payable under this Policy will be paid for any period for which Sun Life is liable.

**Section VII
Claim Provisions**

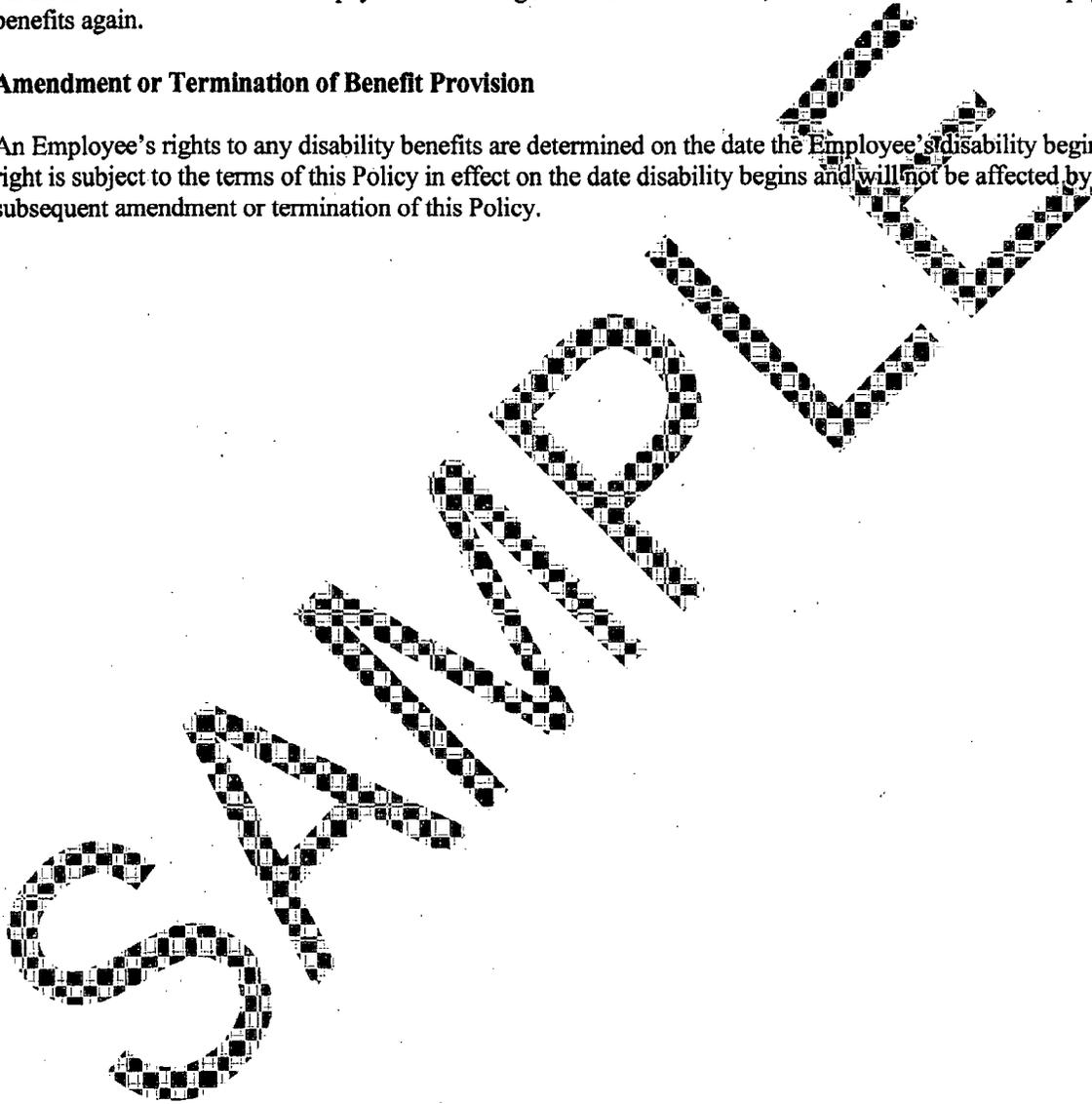
F. Payment of Claims

Benefits payable during the lifetime of the Employee are payable to the Employee.

If a benefit is payable to the Employee's estate, an Employee who is a minor, or an Employee who is not competent, Sun Life has the right to pay up to \$5,000 to any of the Employee's relatives whom Sun Life considers entitled. If Sun Life pays benefits in good faith to a relative, Sun Life will not have to pay those benefits again.

G. Amendment or Termination of Benefit Provision

An Employee's rights to any disability benefits are determined on the date the Employee's disability begins. The right is subject to the terms of this Policy in effect on the date disability begins and will not be affected by subsequent amendment or termination of this Policy.



Section VIII Premiums

A. Premium Rates

Sun Life determines its initial or any subsequent monthly premium rate on the basis of the coverage being provided. After the initial monthly premium rate has been in effect until RATE GUARANTEE PERIOD, Sun Life has the right to recalculate any premium rate. However, Sun Life has the right to recalculate the initial or any subsequent monthly premium rate when any of the following occurs:

1. the terms of this Policy are changed, including but not limited to the Schedule of Benefits; or
2. a new Division, Subsidiary, Affiliated or Associated Company of the Policyholder is added to or deleted from this Policy; or
3. the number of Employees insured changes by 25% or more from the number of Employees insured on the Policy Effective Date or the immediately preceding Policy Anniversary Date; or
4. one or more class(es) are added to or deleted from this Policy.

No premium rate may be increased unless Sun Life notifies the Policyholder at least 31 days in advance of the increase. Premium rate increases may take effect on an earlier date when both Sun Life and the Policyholder agree.

B. Payment of Premiums

1. All premiums due under this Policy, including adjustments, if any, are payable by the Policyholder on or before the respective due dates at Sun Life's U.S. Headquarters or at another location designated by Sun Life. The due dates are specified on the first page of this Policy.
2. The premiums due under this Policy on each premium due date are based upon the premium rates in effect for the benefit provided. The premium due is the sum of the monthly premiums for all insured Employees for all benefits.
3. Premiums payable to Sun Life will be paid in United States dollars on the premium due date.
4. The premium for additional or increased insurance becoming effective during a Policy month will be charged from the next premium due date.
5. The premium for insurance terminated during a Policy month will cease at the end of the Policy month in which such insurance terminates.
6. Except for fraud, premium adjustments, refunds or charges will be made for only:
 - a. the current Policy Year; and
 - b. the prior Policy Year.

C. Grace Period

The Grace Period is 31 days following a premium due date. During the Grace Period the Policy shall continue in force, unless the Policyholder has given Sun Life written notice to discontinue this Policy. In any event, premiums are payable for any period of time the Policy remains in force.