

AN ORDINANCE 2016-01-28-0034

AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST, PA, DBA CONCENTRA MEDICAL CENTERS, IN AN ESTIMATED ANNUAL AMOUNT OF \$578,000.00, TO PROVIDE OCCUPATIONAL HEALTH SERVICES TO INCLUDE PRE-EMPLOYMENT PHYSICALS AND DRUG TESTING, RANDOM DRUG TESTING IN COMPLIANCE WITH THE DEPARTMENT OF TRANSPORTATION, IMMUNIZATIONS FOR SPECIFIED CITY DEPARTMENTS, PROMOTIONAL EXAMINATIONS FOR UNIFORMED POLICE AND FIRE EMPLOYEES, AND FITNESS FOR DUTY EVALUATIONS, FOR A THREE YEAR TERM BEGINNING MARCH 1, 2016 AND ENDING FEBRUARY 28, 2019, WITH TWO RENEWAL TERMS OF ONE YEAR EACH, AT THE CITY'S OPTION

* * * * *

WHEREAS, the City issued a Request for Proposals (RFP) for occupational health services to include pre-employment physicals and drug testing; random drug testing in compliance with the Department of Transportation; immunizations; promotional examinations for uniformed police and fire employees; and Fitness for Duty evaluations; and

WHEREAS, a committee representing various City departments, including the City Manager's Office, Human Resources, and Finance Department – Risk Management Division, evaluated the proposals received and recommends Concentra Medical Centers having received the highest collective score from the evaluation categories; and

WHEREAS, the Contract with Concentra Medical Centers provides for an initial three year term, beginning March 1, 2016, with two (2)- one (1) year options to renew; and

WHEREAS, the cost for the Contract is an estimated annual amount of \$578,000.00; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Professional Services Contract with Concentra Medical Centers, to provide occupational health services for the period from March 1, 2016 through February 28, 2019, for an estimated annual cost of \$578,000.00 is hereby approved. A copy of the Professional Service Contract, in final form, is attached hereto and incorporated herein as Exhibit "A". The terms of the Contract are hereby approved. The City Manager, or her designee, is hereby authorized to execute the Contract.

SECTION 2. Funding in the estimated amount of \$337,000.00 for this ordinance is available in Fund 75002000, Cost Center 1002010030 and General Ledger 5201040 and Fund 75003000, Cost Center 0709050001 and General Ledger 5201040 as part of the Fiscal Year 2016 Budget.

SECTION 3. Additional funding for this ordinance is contingent upon City Council approval of the Fiscal Year 2017 and subsequent budgets for the duration of this contract if renewed.

SECTION 4. Payment not to exceed the budgeted amount is authorized to Occupational Health Centers of the Southwest, PA, dba Concentra Medical Centers and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.


SECTION 6. This ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 28th day of January, 2016.

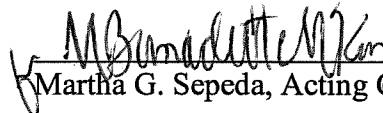

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:



Letisia M. Vacek, City Clerk



Martha G. Sepeda, Acting City Attorney

Agenda Item:	22 (in consent vote: 4, 5, 7A, 7B, 9, 10A, 10B, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 30)						
Date:	01/28/2016						
Time:	09:20:26 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing a professional services contract with Occupational Health Centers of the Southwest, PA, dba Concentra Medical Centers, in an estimated annual amount of \$578,000.00, to provide occupational health services to include pre-employment physicals and drug testing, random drug testing in compliance with the Department of Transportation, immunizations for specified City departments, promotional examinations for uniformed Police and Fire employees, and fitness for duty evaluations for a three year term beginning March 1, 2016 and ending February 28, 2019, with two renewal terms of one year each at the City's option. [Ben Gorzell, Chief Financial Officer; Lori Steward, Human Resources Director]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6	x					
Cris Medina	District 7	x					
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

PROFESSIONAL SERVICES CONTRACT

This CONTRACT is entered into by and between the **CITY OF SAN ANTONIO** (hereinafter referred to as "**CITY**"), a Texas municipal corporation, acting by and through its City Manager and Occupational Health Centers of the Southwest, PA, dba Concentra Medical Centers (hereinafter referred to as "**VENDOR**") with its principal place of business located at 5080 Spectrum Drive, Suite 1200W, Addison, Texas 75001.

I. PURPOSE

The purpose of this CONTRACT is to state the terms and conditions under which the **VENDOR** will provide occupational health services for the City.

II. SCOPE OF SERVICES

- 2.1 **VENDOR** shall provide all services as set forth in City's Request for Proposal and Vendor's Proposal, dated July 13, 2015, attached hereto respectively as Exhibits "A" and "B" and incorporated herein. The terms of this CONTRACT shall be final and binding where there is any conflict between the terms of the Request for Proposal, the Vendor's Proposal, and the terms of this CONTRACT, and the City's Request for Proposal shall control where it conflicts with the Vendor's Proposal.
- 2.2 **VENDOR** shall work with the City's Human Resources Director or Designee and appropriate City officials to perform any and all related tasks required by the **CITY** in order to fulfill the purpose of this CONTRACT.
- 2.3 **VENDOR** shall perform services in accordance with the ordinary, reasonable standard of care and diligence normally practiced by recognized professional medical group in performing services of a similar nature, in the San Antonio, Texas area, under similar circumstances. This includes the knowledge and experience ordinarily required of a member of that profession, and includes performing the skills necessary to adequately cope with problems that arise in performing its services, which skills are not possessed by ordinary laymen.
- 2.4 In addition, **VENDOR** shall provide the following services in a manner that reflects the mission, vision and goals of the City.
 - 2.4.1 Perform drug and alcohol screenings to include the following:
 - a. specimen collection, reference lab, and result validation for pre-employment, random, reasonable suspicion, return-to-duty, and follow-up screenings;
 - b. drug testing for pre-employment, random and reasonable suspicion must be in accordance with Department of Transportation, Procedures for Transportation

Workplace Drug and Alcohol Testing Programs 49 CFR, Part 40 and Federal Workplace Drug Testing Programs adopted in Executive Order 12564 and section 503 of Pub. L. 100-71, and all subsequent amendments;

- c. accommodate monthly same day random screenings for alcohol and substance abuse for walk-ins, whose names will be provided 24 hours in advance by Human Resources;
- d. store all specimens as follows:
 - For urine drug screen specimens: five (5) days for negative specimens and 13 months for positive.
 - For clinical/blood specimens: five (5) days;
- e. ensure that the individual and/or the laboratory responsible for collecting samples conducts and documents background investigations on all personnel involved in the collection or handling of an unsealed specimen;
- f. ensure that no employees participating in the collection or handling of an unsealed specimen have been convicted of a felony or misdemeanor crime involving dishonest conduct or possession of illegal drugs.;
- g. shall document and maintain all records in a confidential manner and must forward all test results to the City's Human Resources Department according to the established performance standards set forth in Section III;
- h. ensure that both the preliminary and confirmation tests are performed at a laboratory that is experienced and capable of quality control documentation, chain of custody, demonstrated technical expertise and proficiency in urinalysis, and shall comply with all requirements of the Substance Abuse Mental Health Services Administration (SAMHSA) and the College of American Pathologist Forensic, Urine, Drug Testing Program (CAP FUDTP);
- i. shall consider any concentrations of a drug at or higher than the specified levels a positive test on the initial drug-screening test;
 - 1. An initial positive test result will not be considered conclusive; rather, it will be classified as "confirmation pending"
 - 2. A positive test result on the initial drug-screening test will automatically require the performance of a confirmation drug test;
- j. must provide a Medical Review Officer that is a qualified physician;
- k. will provide data collection in accordance with state and federal regulations (e.g. U.S.D.O.T record retention requirements). Data is the property of the CITY and must be turned over to the CITY at the end of the contract.

Individual laboratory results are to be kept strictly confidential and any additional use of the information collected must be approved by the CITY.

Pre-employment Drug Testing:

1. Pre-employment testing for positions that do not require a Commercial Driver License (CDL) shall at a minimum test for a substance abuse "Panel 10" which includes amphetamines, barbiturates, benzodiazepines, cocaine metabolites, marijuana metabolites, methadone, methaqualone, opiates, phencyclidine, and propoxyphene. The submitted urine specimen will be tested at the listed cutoffs.

Drug Class	Initial Test Level	Confirmatory Test Level	Confirmatory Method
Amphetamines	1000 ng/mL		
Amphetamine		500 ng/mL	GC/MS
Methamphetamine		500 ng/mL	GC/MS
Barbiturates	300 ng/mL		
Amobarbital		200 ng/mL	GC/MS
Butobarbital		200 ng/mL	GC/MS
Butalbital		200 ng/mL	GC/MS
Pentobarbital		200 ng/mL	GC/MS
Phenobarbital		200 ng/mL	GC/MS
Secobarbital		200 ng/mL	GC/MS
Benzodiazepines	300 ng/mL	200 ng/mL	GC/MS
Cocaine metabolite	300 ng/mL	150 ng/mL	GC/MS
Marijuana metabolite	50 ng/mL	15 ng/mL	GC/MS
Methadone	300 ng/mL	200 ng/mL	GC/MS
Methaqualone	300 ng/mL	200 ng/mL	GC/MS
Opiates	2000 ng/mL		
Morphine		2000 ng/mL	GC/MS
Codeine		2000 ng/mL	GC/MS
6-acetylmorphine		10 ng/mL	GC/MS
Phencyclidine	25 ng/mL	25 ng/mL	GC/MS
Propoxyphene	300 ng/mL	200 ng/mL	GC/MS

2. City of San Antonio Transportation Workplace Drug and Alcohol Testing Program (DOT) for positions that require a CDL.

a. U.S. Department of Transportation (DOT) testing shall at a minimum test for a substance abuse "NIDA 5 drug panel" which include amphetamines, cocaine metabolites, marijuana metabolites, opiates, and phencyclidine.

The submitted urine specimen will be tested at the listed cutoffs.

Drug Class	Initial Test Level	Confirmatory Test Level	Confirmatory Method
Amphetamines	1000 ng/mL		
Amphetamine		500 ng/mL	GC/MS
Methamphetamine		500 ng/mL	GC/MS
Cocaine metabolite	300 ng/mL	150 ng/mL	GC/MS
Marijuana metabolite	50 ng/mL	15 ng/mL	GC/MS
Opiates	2000 ng/mL		
Morphine		2000 ng/mL	GC/MS
Codeine		2000 ng/mL	GC/MS
6-acetylmorphine		10 ng/mL	GC/MS
Phencyclidine	25 ng/mL	25 ng/mL	GC/MS

b. U.S. Department of Transportation (DOT) testing should test for alcohol concentration by Breathalyzer Test Method. The breathalyzer test will be reported as alcohol concentration (gm alcohol/210 liter of breath)

Drug Class	Initial Test Level	Confirmatory Test Level
Alcohol concentration	0.00 – 0.019	None Required
	0.02 – 0.039	Perform
	0.04 +	Perform

Random and Reasonable Suspicion Drug Testing:

- VENDOR** must be capable of providing reasonable suspicion drug testing services within four (4) hours of request/notification by the **CITY** during normal business hours.
- VENDOR** must have the ability to allow an employee up to three (3) hours, or as otherwise required by DOT regulations, to provide a specimen and document the circumstances surrounding any unwillingness, failure, or inability to provide a specimen.
- VENDOR** must have the ability to obtain a urine specimen through direct observation where there is reason to believe an initial specimen has been altered or substituted.
- VENDOR** must have the ability to conduct an initial screening (5 panel) urine test for the listed drugs at the levels listed below.
- VENDOR** must have the ability to conduct a confirmation (5 panel) urine test for the listed drugs at the levels listed below.

Drug Class	Initial Test Level	Confirmatory Test Level	Confirmatory Method
Amphetamines	1000 ng/mL		
Amphetamine		500 ng/ml	GC/MS
Methamphetamine		500 ng/ml	GC/MS
Cocaine metabolite	300 ng/mL	150 ng/ml	GC/MS
Marijuana metabolite	50 ng/mL	15 ng/mL	GC/MS
Opiates	2000 ng/mL		
Morphine		2000 ng/mL	GC/MS
Codeine		2000 ng/mL	GC/MS
6-acetylmorphine		10 ng/mL	GC/MS
Phencyclidine	25 ng/mL	25 ng/mL	GC/MS

2.4.2 **VENDOR** will provide lab results within timely manner and as agreed upon;

2.4.3 **VENDOR** is required to perform physical examinations and provide all necessary equipment and personnel to conduct the following examinations:

1. Routine Examinations, as defined below
 - Pre-employment physical examinations for civilian non-sedentary positions
 - Return-to-work physical examinations for non-sedentary positions and other Fitness-For-Duty evaluations when requested by **CITY**
2. Special Examinations, as defined below
 - Firefighter Cadet pre-placement examinations
 - Police Cadet pre-placement examinations
 - Hazardous materials (HAZMAT) physical examinations
 - SWAT physical examinations
 - Respirator physical examinations
 - Promotion examinations
 - Firefighter physical examinations

CIVILIAN PHYSICAL EXAMINATION REQUIREMENTS									
	UA	NON DOT D/S	DOT D/S	FINGER STICK	VISION CHART	6FT WHISPER	VITALS	50LB LIFT	40LB LIFT
PHYSICAL HEAVY	*	*		*	*		*	*	
PHYSICAL MEDIUM	*	*		*	*		*		*
CDL	*		*	*	*	*			
PARK POLICE	*	*		*	TITMUS		*		

FIRE AND POLICE PHYSICAL EXAMINATION REQUIREMENTS									
	CBC/CMP	NON DOT DRUG SCREEN	UA	AUDIO	PFT	TITMUS	EKG	CHEST X-RAY	OSHA QUESTIONNAIRE
SAPD CADET	*	*	*	*	*	*			
SAPD PROMO	*		*	*	*	*	*		
FIRE CADET	*	*	*	*	*	*			
FIRE PROMO	*		*	*	*	*	*		
HAZMAT ANNUAL	*		*	*	*	*	*		*
HAZMAT ENTRY	*		*	*	*	*	*	*	*

**All testing and examinations referenced above will remain current with standard practice, governmental requirements, and applicable law and may change accordingly.*

- 2.4.4 VENDOR is required to perform physical examinations as outlined above at a designated site located at 400 E. Quincy San Antonio, TX or at an alternate facility as approved by the City.
- 2.4.5 VENDOR will be required to perform pre-employment physicals for mass hires as needed at locations to be determined by the City upon at least thirty (30) days' advance notification. Date and time to be mutually agreed upon by CITY and VENDOR.
- 2.4.6 Provide equipment and personnel to perform employee immunizations, as required or recommended per employee's job description to include and as follows:
- Tetanus, Diphtheria/Tetanus, Diphtheria, Pertussis (Td/Tdap)
 - Hepatitis A and B
 - Measles, Mumps & Rubella (MMR)
 - Varicella
 - Meningococcal
 - Pneumococcal
 - Rabies antibody titers for Animal Care Services, laboratory and vector control personnel as per job- required frequency
 - Rabies vaccine
 - Tuberculosis Screening for employees providing clinical care

* Immunizations subject to change as may be required by law.

- 2.4.7 **VENDOR** will operate services at designated site located at 400 E Quincy, San Antonio, TX, Monday through Friday, 8:00 a.m. to 6:00 p.m.;
- 2.4.8 **VENDOR** will prepare and provide special reports as requested within 30 days following request;
- 2.4.9 **VENDOR** will provide written documentation of internal controls relative to an audit of financial statements;
- 2.4.10 **VENDOR** will participate in meetings with **CITY** as needed;
- 2.4.11 **VENDOR** and **CITY** will effectively communicate regarding services to be provided per the **CONTRACT**;
- 2.4.12 **VENDOR** agrees to employ, at its own expense, all personnel required to perform the services described in this **CONTRACT**. All **VENDOR** personnel engaged in providing services under this **CONTRACT** shall be fully qualified and shall be authorized or licensed to perform such work as required.

III. PERFORMANCE STANDARDS

- 3.1 **VENDOR** acknowledges and agrees that **VENDOR** shall provide services under this **CONTRACT** at a certain level with a certain degree of accuracy and timeliness. Therefore, as part of this administrative services agreement with **CITY**, **VENDOR** agrees to the following performance standards and administrative fee adjustments:

Performance compliance audits may be conducted at the discretion of **CITY**, but are limited to one (1) per Experience Period, defined as of each contract year. If **CITY** conducts a performance audit, either party to this **CONTRACT** may conduct a second audit, at its own expense, by the same or another independent auditor. Performance-related fee adjustments will then be based on the combined results. The definition of an error in these audits is subject to a good faith review by the parties to this **CONTRACT**. The cost of the first audit conducted by the **CITY** in any Experience Period will be paid by **CITY**. Should **VENDOR** fail to meet any performance expectation, **VENDOR** will pay the cost for all subsequent audits until **VENDOR** is meeting expected performance levels.

VENDOR will share a copy of its monthly internal performance results with **CITY**. If **CITY** waives its right to an independent audit in any plan year, it retains the right to audit in all subsequent years.

3.2 CITY shall monitor, review and evaluate **VENDOR'S** performance in accordance with the Performance Standards established in this **CONTRACT**. Should **VENDOR** fall below the established Performance Standards, **VENDOR** agrees to the administrative fee adjustments as outlined below:

PERFORMANCE GUARANTEES

VENDOR will place 10% of Concentra's Medical Centers administration fee* at risk as outlined below. Percentages noted equal total amount of administration fee at risk. While performance is monitored monthly, penalties, if any, will be based on annual performance results and paid annually. Measurement will begin the month after **CONTRACT** start date for services. **VENDOR** is committed to the highest level of service and is dedicated to consistently meeting or exceeding **CITY'S** expectations in the following areas:

Performance Requirement	Expected Standards/Results	% of Admin. Fee at Risk
Scheduling Of Office Visits	<p>VENDOR must schedule City referred pre-employment physicals in am on Monday, Wednesday and Friday. City to provide listing of applicants at least 48 hours prior to visit. (90%)</p>	5%
	<p>VENDOR must provide onsite pre-employment physicals at designated site for special mass hiring at least three times annually as more fully set forth herein. (100%)</p>	5%
Wait Time In Clinic To Be Seen	<p>Employees for random and suspicion drug testing at the designated health center at 400 Quincy Street should wait no more than 30 minutes to be seen. (90%)</p>	5%

Performance Requirement	Expected Standards/Results	% of Admin. Fee at Risk
<p>Turnaround Time For Results</p>	<p>VENDOR must provide same day written results for online accessibility for random or reasonable suspicion alcohol testing conducted at San Antonio Downtown location (400 East Quincy Street) to the Human Resources Department or designated City representative. (100%)</p>	<p>12%</p>
	<p>VENDOR must provide results for civilian pre-employment and random drug screenings for online accessibility within 24 hours for negative results and within five to seven business days after review for positive results. (90%)</p>	<p>12%</p>
	<p>VENDOR must provide results for pre-employment civilian physicals to Human Resources within 1 business day for candidates who meet the physical requirements and for those who are disqualified of the job. Results for candidates who require medical follow-up must be provided within 2 business days of receiving clearance from their PCP. (90%)</p>	<p>12%</p>
	<p>VENDOR must provide results of Fire and Police pre-employment, special, and promotional physical exams, including drug screening results to Human Resources and designated Police or Fire representatives within three (3) business days of exam. (90%)</p>	<p>12%</p>
	<p>VENDOR must provide results of fitness for duty physical exams to Human Resources within three business days. (90%)</p>	<p>10%</p>
<p>Quality Assurance</p>	<p>Breach in chain of custody for drug testing</p>	<p>Fee for initial testing and one re-testing shall be waived</p>

* Administration fee is defined as total cost of contract, including monthly fee and established rates for core services provided.

3.3 **VENDOR** shall not be liable to **CITY** or be deemed to be in breach of these Performance Guarantees for any failure or delay in performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes are strictly limited to include acts of God or a public enemy, explosion, fires or unusually severe weather. Dates and times of performance shall be extended to the extent of the delays excused by this paragraph, provided **VENDOR** notifies **CITY** promptly of the existence and nature of the delay.

Performance Measures reflect the expectations of the site at the San Antonio Downtown location (Quincy Street) unless otherwise stated.

Performance Measures will be based on Doctor's Office Quality Information Technology (DOQ-IT) reports and City's applicant processing staff reports.

IV. GENERAL ASSURANCES

- 4.1 **VENDOR** covenants and agrees to perform all services described in this **CONTRACT** in a workmanlike manner with a high degree of care to ensure accuracy and timeliness. **VENDOR** shall perform its services in accordance with the ordinary, reasonable standard of care and diligence normally practiced by recognized professional firms in performing services of a similar nature, in the San Antonio, Texas area, under similar circumstances. This includes the knowledge and experience ordinarily required of a member of that profession, and includes performing the skills necessary to adequately cope with problems that arise in performing its services, which skills are not possessed by ordinary laymen.
- 4.2 **VENDOR** agrees to assign a dedicated unit including, but not limited to, a Supervisor/Manager who shall be responsible for the task administration and work performance under this **CONTRACT**.
- 4.3 **VENDOR** agrees to employ, at its own expense, all personnel required to perform the services described in this **CONTRACT**. Personnel employed by **VENDOR** shall neither be employees of nor have any contractual relationship with **CITY**. All **VENDOR** personnel engaged in providing services under this **CONTRACT** shall be fully qualified and shall be authorized or licensed to perform such work as required.

V. CONSIDERATION & BILLING

- 5.1 In consideration of **VENDOR's** performance hereunder, **CITY** shall pay to **VENDOR** as follows: *See Attached Pricing Schedule as Exhibit C
- 5.2 Payments to **VENDOR** shall be in the amount shown by the monthly billings and other documentation submitted and shall be subject to **CITY'S** approval. All services shall be performed to **CITY'S** satisfaction, and **CITY** shall not be liable for any payment under this **CONTRACT** for services which are unsatisfactory and which have not been approved by **CITY**. The final payment due herein will not be paid until the reports, data, and documents required under this **CONTRACT** have been received and approved by the **CITY**. Payments will be made within fifteen days of receipt of invoice. No additional fee or charge will be assessed against the **CITY** for late payment of any amount due to the **VENDOR** under this **CONTRACT**.

- 5.3 **CITY** shall not be liable to **VENDOR** for costs incurred or performances rendered by **VENDOR** prior to the commencement of this **CONTRACT** or after its termination unless specifically requested in writing by **CITY**.
- 5.4 **CITY** shall not be obligated or liable under this **CONTRACT** to any party, other than **VENDOR**, for payment of any monies or provision for any services.
- 5.5 **VENDOR** will bill **CITY** directly on 10th of each month for prior month's services on a "per use" basis for the following **CITY** referred core services: drug testing (pre-employment and random and reasonable suspicion), pre-employment physical exams, return to work/fitness for duty exams, specialty exams and designated immunizations according to the fee schedule in Exhibit C. City will remit payment will be made 30 days net of receipt of invoice.

VI. TERM

- 6.1 This **CONTRACT** shall commence on March 1, 2016, and shall terminate on February 28, 2019. The parties may mutually agree to extend the term of the **CONTRACT** for up to (2) one (1) year extensions by written and signed agreement prior to the expiration of the term without the need for further council action provided money is appropriated. However, **CITY** may terminate this **CONTRACT** at any time if funds are restricted, withdrawn, not approved or service is unsatisfactory; it being understood that funds for each calendar year covered by any resulting contract will be requested and, if approved, will be provided as part of City's budget for each fiscal year.

VII. OWNERSHIP OF PRODUCT

- 7.1 **VENDOR** recognizes that **CITY** shall own exclusively any and all information in whatsoever form and character produced and/or maintained in accordance with this **CONTRACT** and shall be used as **CITY** desires without restriction, subject to applicable law and Section IX of this **CONTRACT**. **VENDOR** may utilize the information produced as a result of this **CONTRACT** for statistical purposes and in house quality assurance only as allowed by federal or state law.

VIII. RETENTION AND ACCESSIBILITY OF RECORDS

- 8.1 **VENDOR** shall maintain at its principal administrative office adequate books and records of all transactions in which **VENDOR** engages with **CITY**.
- 8.2 The books and records must be maintained for the term of this **CONTRACT** to which they relate and for the five (5) year period following the end of this **CONTRACT**'s term.
- 8.3 **VENDOR** shall maintain the books and records in accordance with prudent standards of insurance recordkeeping and all requirements of federal or state law.

- 8.4 **CITY**, the Texas Department of Insurance (TDI) Commissioner, the United States Department of Health and Human Services, and their designated agents shall be given access to those books and records for the purpose of either examination, audit, or inspection as required by federal or state law.
- 8.5 Trade secrets, including the identity and address of policyholders and certificate holders, are confidential, except that the TDI Commissioner may use such information in proceedings instituted against the **VENDOR**.
- 8.6 **CITY** is entitled to continuing access to these books and records.
- 8.7 **VENDOR** may, at **CITY'S** option, fulfill the requirements of this Section of this **CONTRACT** by delivering to **CITY**, the books and records and by giving written notice to the TDI Commissioner of the location of the books and records.

IX. HIPAA COMPLIANCE

- 9.1 **VENDOR** will maintain the confidentiality of all medical, dental, prescription and other patient-identifiable health information specifically relating to Plan Participants ("Patient Health Information") in accordance with all applicable federal and state laws and regulations, including the Privacy Rule and the Security Rule of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as may be amended from time to time.
- 9.2 **VENDOR** shall comply with the electronic transmission standards, and with all other regulations as might be adopted by HIPAA.
- 9.3 The parties acknowledge that they are "Business Associates" as defined in Title 45, Section 160.103, of the Code of Federal Regulations. **VENDOR** shall abide by the terms of the Business Associate Agreement executed by the parties, attached hereto as Exhibit D and incorporated herein by reference.

X. PUBLICATION

- 10.1 In order to use any advertising relating to business underwritten and/or developed for **CITY**, **VENDOR** must obtain approval by **CITY** at least ten (10) business days prior to such use.

XI. NOTICE OF VENDOR'S CAPACITY

- 11.1 **RESERVED.**

XII. AMENDMENT

- 12.1 This **CONTRACT**, together with its authorizing ordinance and its exhibits, constitutes the entire agreement between the parties. No amendment, modification or alteration of the terms of this **CONTRACT** shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

XIII. ASSIGNING INTEREST

- 13.1 **VENDOR** shall not assign, sell, pledge, transfer or convey any interest in this **CONTRACT**, nor delegate the performance of any duties hereunder, by transfer, by subcontracting, or by any other means, to any other party without prior written consent of **CITY**, evidenced by passage of an ordinance to that effect by the San Antonio City Council. Any such attempt at an assignment will be void *ab initio*, and shall confer no rights on the purported assignee. Should **VENDOR** assign, transfer, convey, delegate or otherwise dispose of any part of, or all of, its right, title or interest in this **CONTRACT**, the **CITY** may, at its option, cancel this contract and all rights, titles and interest of **VENDOR** shall thereupon cease and terminate, notwithstanding any other remedy available to **CITY** under this **CONTRACT**. The violation of this provision by **VENDOR** shall in no event release **VENDOR** from any obligation under the terms of this **CONTRACT**, nor shall it relieve or release **VENDOR** from the payment of any damages to **CITY** which **CITY** sustains as a result of such violation.
- 13.2 If approved, **VENDOR'S** subcontractors may not voluntarily assign, transfer, subcontract or pledge, in whole or in part, any contract with **VENDOR** arising from or in relation to this **CONTRACT**, nor shall any involuntary transfer or assignment result in a transfer of any rights conferred by this **CONTRACT**. **VENDOR** shall indicate this limitation in all contracts with approved subcontractors.
- 13.3 **VENDOR** agrees to notify **CITY** of any changes in Vendor's ownership interest greater than 10%, or control of its business entity, not less than sixty (60) days in advance of the effective date of such change. Notwithstanding any other remedies that are available to **CITY** under this **CONTRACT**, any such change of ownership interest or control of its business entity may be grounds for termination of this **CONTRACT** at the sole discretion of the **CITY**.
- 13.4 In no event shall such written consent for a change of Subcontractor if obtained, relieve **VENDOR** from any and all obligations hereunder or change the terms of this **CONTRACT**.

- 13.5 **CITY** must approve all substitutions of subcontractors to determine if the disadvantaged business enterprise goal will be decreased by substitution of a disadvantaged subcontractor with a non-disadvantaged subcontractor.

XIV. INSURANCE AND BONDING

- 14.1 Prior to the commencement of any work under this **CONTRACT**, **VENDOR** shall furnish copies of all required endorsements and a completed Certificate(s) of Insurance to the City's Human Resources Department, Employee Benefits Division, which shall be clearly labeled "**Occupational Health**" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The **CITY** will not accept Memorandum of Insurance or Binders as proof of insurance. The certificate(s) or form must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the **CITY**. The **CITY** shall have no duty to pay or perform under this **CONTRACT** until such certificate and endorsements have been received and approved by the City's Human Resources Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.
- 14.2 **CITY** reserves the right to review the insurance requirements of this section during the effective period of this **CONTRACT** and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by the City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this **CONTRACT**, but in no instance will **CITY** allow modification whereupon **CITY** may incur increased risk. Any requested insurance change must be mutually agreed upon by both parties.
- 14.3 **VENDOR'S** financial integrity is of interest to **CITY**. Therefore, subject to **VENDOR'S** right to maintain reasonable deductibles in such amounts as are approved by **CITY**, **VENDOR** shall obtain and maintain in full force and effect for the duration of this **CONTRACT**, and any extension hereof, at **VENDOR'S** sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and rated A- (VII) or better by A.M. Best Company and/or otherwise acceptable to **CITY**, in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation	Statutory
2. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
3. Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Products/Completed Operations c. Personal/Advertising Injury	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Professional Liability (Claims-made basis) To be maintained and in effect for no less than two years subsequent to the completion of the professional service.	\$1,000,000 per claim, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any act, malpractice, error, or omission in professional services.

14.4 As they may apply to the limits required by the CITY, the CITY shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by CITY and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by CITY, VENDOR shall exercise reasonable efforts to accomplish such changes in policy coverage and shall pay the cost thereof. Any change requested under this section must be mutually agreed to by both parties.

14.5 VENDOR agrees that, with respect to the above-required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the CITY and its officers, employees, and elected representatives as additional insureds, by endorsement, as respects operations and activities of, or on behalf of, the named insured and performed under this CONTRACT with the CITY, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the CITY is an additional insured shown on the policy;

- **VENDOR'S** insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of its operations under this **CONTRACT** with **CITY**; and
 - Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of **CITY**.
- 14.6 **VENDOR** provide advance, written notice directly to **CITY** of any suspension, cancellation, non-renewal or material change in coverage, and shall give such notice not less than ten (10) calendar days for cancellation due to non-payment of premiums, which notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to **CITY** at the following addresses:

**City of San Antonio
Human Resources Department
Employee Benefits Division
P.O. Box 839966
San Antonio, Texas 78283-3966**

- 14.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, **VENDOR** shall provide a replacement Certificate of Insurance and applicable endorsements to **CITY**. **CITY** shall have the option to suspend **VENDOR'S** performance should there be a lapse in coverage at any time during this **CONTRACT**. Failure to provide and to maintain the required insurance shall constitute a material breach of this **CONTRACT**.
- 14.8 In addition to any other remedies **CITY** may have upon **VENDOR'S** failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, **CITY** shall have the right to order **VENDOR** to stop work hereunder, and/or withhold any payment(s) which become due, to **VENDOR** hereunder until **VENDOR** demonstrates compliance with the requirements hereof.
- 14.9 Nothing herein contained shall be construed as limiting in any way the extent to which **VENDOR** may be held responsible for payments of damages to persons or property resulting from **VENDOR'S** or its Subcontractors' performance of the work covered under this **CONTRACT**.
- 14.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this **CONTRACT** and that no claim or action by or on behalf of the **CITY** shall be limited to insurance coverage provided.
- 14.11 **VENDOR** and any Subcontractors are responsible for all damage to their own equipment and/or property

XV. INDEMNITY

- 15.1 **VENDOR** covenants and agrees to **FULLY INDEMNIFY, DEFEND and HOLD HARMLESS**, the **CITY** and the elected officials, employees, officers, directors, volunteers and representatives of the **CITY**, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the **CITY** directly or indirectly arising out of, resulting from or related to **VENDOR'S** activities under this **CONTRACT**, including any acts or omissions of **VENDOR**, any agent, officer, director, representative, employee, **VENDOR** or Subcontractor of **VENDOR**, and their respective officers, agents employees, directors and representatives while in the exercise the rights or performance of the duties under this **CONTRACT**. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of **CITY** arising out of or related to its activities under this **CONTRACT**, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. **IN THE EVENT VENDOR AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.**
- 15.2 **The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.**
- 15.3 **A Party shall advise the other within within 10 days of any claim or demand against the other related to or arising out of this contract.**

XVI. INDEPENDENT CONTRACTOR

- 16.1 **VENDOR** covenants and agrees that it is an independent **VENDOR** and not an officer, agent, servant or employee of **CITY**; that **VENDOR** shall have exclusive right to control the details of the work performed hereunder and all person performing the same, and shall be responsible for the acts and omissions of its officers, agents, employees, **VENDORS** and Subcontractors; that the doctrine of *respondeat superior* shall not apply as between **CITY** and **VENDOR**, its officers, agents, employees, **VENDORS** and Subcontractors, and nothing herein shall be

construed as creating a partnership or joint enterprise between **CITY** and **VENDOR**.

- 16.2 Any and all of the employees of the **VENDOR**, wherever located, while engaged in the performance of any work under this **CONTRACT** shall be considered employees of the **VENDOR** only, and not of the **CITY**, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the **VENDOR**.
- 16.3 **No Third Party Beneficiaries:** For purposes of this **CONTRACT**, including its intended operation and effect, the Parties specifically agree and contract that (1) this **CONTRACT** only affects matters/disputes between the Parties to this **CONTRACT** and is in no way intended by the Parties to benefit or otherwise affect any third person or entity, notwithstanding the fact that such third person or entity may benefit incidentally by this **CONTRACT**; and (2) the terms of this **CONTRACT** are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either **CITY** or **VENDOR**.

XVII. SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA)

A. 17.1 SBEDA Program

The **CITY** has adopted a Small Business Economic Development Advocacy Ordinance (Ordinance No. 2010-06-17-0531 and as amended, also referred to as "SBEDA" or "the SBEDA Program"), which is posted on the City's Economic Development (EDD) website page and is also available in hard copy form upon request to the **CITY**. The SBEDA Ordinance Compliance Provisions contained in this section of the Agreement are governed by the terms of this Ordinance, as well as by the terms of the SBEDA Ordinance Policy & Procedure Manual established by the **CITY** pursuant to this Ordinance, and any subsequent amendments to this referenced SBEDA Ordinance and SBEDA Policy & Procedure Manual that are effective as of the date of the execution of this Agreement. Unless defined in a contrary manner herein, terms used in this section of the Agreement shall be subject to the same expanded definitions and meanings as given those terms in the SBEDA Ordinance and as further interpreted in the SBEDA Policy & Procedure Manual.

B. Definitions

Affirmative Procurement Initiatives (API) – Refers to various Small Business Enterprise, Minority Business Enterprise, and/or Women Business Enterprise ("S/M/WBE") Program tools and Solicitation Incentives that are used to encourage greater Prime and subcontract participation by S/M/WBE firms, including bonding assistance, evaluation preferences, subcontracting goals and joint venture incentives.

(For full descriptions of these and other S/M/WBE program tools, see Section III. D. of Attachment A to the SBEDA Ordinance.)

Certification or “Certified” – the process by which the Small Business Office (SBO) staff determines a firm to be a bona-fide small, minority-, women-owned, or emerging small business enterprise. Emerging Small Business Enterprises (ESBEs) are automatically eligible for Certification as SBEs. Any firm may apply for multiple Certifications that cover each and every status category (e.g., SBE, ESBE, MBE, or WBE) for which it is able to satisfy eligibility standards. The SBO staff may contract these services to a regional Certification agency or other entity. For purposes of Certification, the City accepts any firm that is certified by local government entities and other organizations identified herein that have adopted Certification standards and procedures similar to those followed by the SBO, provided the prospective firm satisfies the eligibility requirements set forth in this Ordinance in Section III.E.6 of Attachment A.

Centralized Vendor Registration System (CVR) – a mandatory electronic system wherein the City requires all prospective Respondents and Subcontractors that are ready, willing and able to sell goods or services to the City to register. The CVR system assigns a unique identifier to each registrant that is then required for the purpose of submitting solicitation responses and invoices, and for receiving payments from the City. The CVR-assigned identifiers are also used by the Goal Setting Committee for measuring relative availability and tracking utilization of SBE and M/WBE firms by Industry or commodity codes, and for establishing Annual Aspirational Goals and Contract-by-Contract Subcontracting Goals.

Commercially Useful Function – an S/M/WBE firm performs a Commercially Useful Function when it is responsible for execution of a distinct element of the work of the contract and is carrying out its responsibilities by actually performing, staffing, managing and supervising the work involved. To perform a Commercially Useful Function, the S/M/WBE firm must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quantity and quality, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether an S/M/WBE firm is performing a Commercially Useful Function, an evaluation must be performed of the amount of work subcontracted, normal industry practices, whether the amount the S/M/WBE firm is to be paid under the contract is commensurate with the work it is actually performing and the S/M/WBE credit claimed for its performance of the work, and other relevant factors. Specifically, an S/M/WBE firm does not perform a Commercially Useful Function if its role is limited to that of an extra participant in a transaction, contract or project through which funds are passed in order to obtain the appearance of meaningful and useful S/M/WBE participation, when in similar transactions in which S/M/WBE firms do not participate, there is no such role performed. The use of S/M/WBE firms by vendors to perform such “pass-through” or “conduit” functions that are not commercially useful shall be viewed by the CITY as fraudulent if vendor attempts to obtain credit for such S/M/WBE participation towards the satisfaction of S/M/WBE participation goals or other API participation requirements. As such, under such circumstances where a commercially useful function is not actually performed by the S/M/WBE firm, the vendor shall not be given credit for the

participation of its S/M/WBE Subcontractor or joint venture partner towards attainment of S/M/WBE utilization goals, and the vendor and S/M/WBE firm may be subject to sanctions and penalties in accordance with the SBEDA Ordinance.

Evaluation Preference – an API that may be applied by the Goal Setting Committee (“GSC”) to Construction, Architectural & Engineering, Professional Services, Other Services, and Goods and Supplies contracts that are to be awarded on a basis that includes factors other than lowest price, and wherein responses that are submitted to the City by S/M/WBE firms may be awarded additional Points in the evaluation process in the scoring and ranking of their proposals against those submitted by other prime VENDORS or Respondents.

Good Faith Efforts – documentation of the Vendor’s or Respondent’s intent to comply with S/M/WBE Program Goals and procedures including, but not limited to, the following: (1) documentation within a solicitation response reflecting the Respondent’s commitment to comply with SBE or M/WBE Program Goals as established by the GSC for a particular contract; or (2) documentation of efforts made toward achieving the SBE or M/WBE Program Goals (e.g., timely advertisements in appropriate trade publications and publications of wide general circulation; timely posting of SBE or M/WBE subcontract opportunities on the City of San Antonio website; solicitations of bids/proposals/qualification statements from all qualified SBE or M/WBE firms listed in the Small Business Office’s directory of certified SBE or M/WBE firms; correspondence from qualified SBE or M/WBE firms documenting their unavailability to perform SBE or M/WBE contracts; documentation of efforts to subdivide work into smaller quantities for subcontracting purposes to enhance opportunities for SBE or M/WBE firms; documentation of a Prime VENDOR’s posting of a bond covering the work of SBE or M/WBE Subcontractors; documentation of efforts to assist SBE or M/WBE firms with obtaining financing, bonding or insurance required by the Respondent; and documentation of consultations with trade associations and consultants that represent the interests of SBE and/or M/WBEs in order to identify qualified and available SBE or M/WBE Subcontractors.) The appropriate form and content of VENDOR’s Good Faith Efforts documentation shall be in accordance with the SBEDA Ordinance as interpreted in the SBEDA Policy & Procedure Manual.

HUBZone Firm – a business that has been certified by U.S. Small Business Administration for participation in the federal HUBZone Program, as established under the 1997 Small Business Reauthorization Act. To qualify as a HUBZone firm, a small business must meet the following criteria: (1) it must be owned and Controlled by U.S. citizens; (2) at least 35 percent of its employees must reside in a HUBZone; and (3) its Principal Place of Business must be located in a HUBZone within the San Antonio Metropolitan Statistical Area. [See 13 C.F.R. 126.200 (1999).]

Independently Owned and Operated – ownership of an SBE firm must be direct, independent and by Individuals only. Ownership of an M/WBE firm may be by Individuals and/or by other businesses provided the ownership interests in the M/WBE firm can satisfy the M/WBE eligibility requirements for ownership and Control as specified herein in Section III.E.6. The M/WBE firm must also be Independently Owned

and Operated in the sense that it cannot be the subsidiary of another firm that does not itself (and in combination with the certified M/WBE firm) satisfy the eligibility requirements for M/WBE Certification.

Individual – an adult person that is of legal majority age.

Industry Categories – procurement groupings for the City of San Antonio inclusive of Construction, Architectural & Engineering (A&E), Professional Services, Other Services, and Goods & Supplies (i.e., manufacturing, wholesale and retail distribution of commodities). This term may sometimes be referred to as “business categories.”

Minority/Women Business Enterprise (M/WBE) – firm that is certified as a Small Business Enterprise and also as either a Minority Business Enterprise or as a Women Business Enterprise, and which is at least fifty-one percent (51%) owned, managed and Controlled by one or more Minority Group Members and/or women, and that is ready, willing and able to sell goods or services that are purchased by the City of San Antonio.

M/WBE Directory – a listing of minority- and women-owned businesses that have been certified for participation in the City’s M/WBE Program APIs.

Minority Business Enterprise (MBE) – any legal entity, except a joint venture, that is organized to engage in for-profit transactions, which is certified a Small Business Enterprise and also as being at least fifty-one percent (51%) owned, managed and controlled by one or more Minority Group Members, and that is ready, willing and able to sell goods or services that are purchased by the CITY. To qualify as an MBE, the enterprise shall meet the Significant Business Presence requirement as defined herein. Unless otherwise stated, the term “MBE” as used in this Ordinance is not inclusive of women-owned business enterprises (WBEs).

Minority Group Members – African-Americans, Hispanic Americans, Asian Americans and Native Americans legally residing in, or that are citizens of, the United States or its territories, as defined below:

African-Americans: Persons having origins in any of the black racial groups of Africa as well as those identified as Jamaican, Trinidadian, or West Indian.

Hispanic-Americans: Persons of Mexican, Puerto Rican, Cuban, Spanish or Central and South American origin.

Asian-Americans: Persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands.

Native Americans: Persons having no less than 1/16th percentage origin in any of the Native American Tribes, as recognized by the U.S. Department of the Interior, Bureau of Indian Affairs and as demonstrated by possession of personal tribal role documents.

Originating Department – the CITY department or authorized representative of the CITY which issues solicitations or for which a solicitation is issued.

Payment – dollars actually paid to Vendors and/or Subcontractors and vendors for CITY contracted goods and/or services.

Points – the quantitative assignment of value for specific evaluation criteria in the vendor selection process used in some Construction, Architectural & Engineering, Professional Services, and Other Services contracts (e.g., up to 10 points out of a total of 100 points assigned for S/M/WBE participation as stated in response to a Request for Proposals).

Prime VENDOR – the vendor or vendor to whom a purchase order or contract is issued by the City of San Antonio for purposes of providing goods or services for the City. For purposes of this agreement, this term refers to the VENDOR.

Relevant Marketplace – the geographic market area affecting the S/M/WBE Program as determined for purposes of collecting data for the MGT Studies, and for determining eligibility for participation under various programs established by the SBEDA Ordinance, is defined as the San Antonio Metropolitan Statistical Area (SAMSA), currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson.

Respondent – a vendor submitting a bid, statement of qualifications, or proposal in response to a solicitation issued by the City. For purposes of this agreement, VENDOR is the Respondent.

Responsible – a firm which is capable in all respects to fully perform the contract requirements and has the integrity and reliability which will assure good faith performance of contract specifications.

Responsive – a firm's submittal (bid, response or proposal) conforms in all material respects to the solicitation (Invitation for Bid, Request for Qualifications, or Request for Proposal) and shall include compliance with S/M/WBE Program requirements.

San Antonio Metropolitan Statistical Area (SAMSA) – also known as the Relevant Marketplace, the geographic market area from which the CITY's MGT Studies analyzed contract utilization and availability data for disparity (currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson).

SBE Directory - a listing of small businesses that have been certified for participation in the City's SBE Program APIs.

Significant Business Presence – to qualify for this Program, a S/M/WBE must be headquartered or have a *significant business presence* for at least one year within the Relevant Marketplace, defined as: an established place of business in one or more of the eight counties that make up the San Antonio Metropolitan Statistical Area (SAMSA), from which 20% of its full-time, part-time and contract employees are regularly based,

and from which a substantial role in the S/M/WBE's performance of a Commercially Useful Function is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed to constitute a significant business presence.

Small Business Enterprise (SBE) – a corporation, partnership, sole proprietorship or other legal entity for the purpose of making a profit, which is Independently Owned and Operated by Individuals legally residing in, or that are citizens of, the United States or its territories, and which meets the U.S. Small Business Administration (SBA) size standard for a small business in its particular industry(ies) and meets the Significant Business Presence requirements as defined herein.

Small Business Office (SBO) – the office within the Economic Development Department (EDD) of the CITY that is primarily responsible for general oversight and administration of the S/M/WBE Program.

Small Business Office Manager – the Assistant Director of the EDD of the CITY that is responsible for the management of the SBO and ultimately responsible for oversight, tracking, monitoring, administration, implementation and reporting of the S/M/WBE Program. The SBO Manager is also responsible for enforcement of contractor and vendor compliance with contract participation requirements, and ensuring that overall Program goals and objectives are met.

Small Minority Women Business Enterprise Program (S/M/WBE Program) – the combination of SBE Program and M/WBE Program features contained in the SBEDA Ordinance.

Subcontractor – any vendor or contractor that is providing goods or services to a Prime Contractor or VENDOR in furtherance of the Prime Contractor's performance under a contract or purchase order with the City. A copy of each binding agreement between the VENDOR and its Subcontractors shall be submitted to the CITY prior to execution of this contract agreement and any contract modification agreement.

Suspension – the temporary stoppage of the SBE or M/WBE firm's beneficial participation in the CITY's S/M/WBE Program for a finite period of time due to cumulative contract payments the S/M/WBE firm received during a fiscal year that exceed a certain dollar threshold as set forth in Section III.E.7 of Attachment A to the SBEDA Ordinance, or the temporary stoppage of VENDOR's and/or S/M/WBE firm's performance and payment under CITY contracts due to the CITY's imposition of Penalties and Sanctions set forth in Section III.E.13 of Attachment A to the SBEDA Ordinance.

Subcontractor/Supplier Utilization Plan – a binding part of this contract agreement which states the VENDOR's commitment for the use of Joint Venture Partners and / or Subcontractors/Suppliers in the performance of this contract agreement, and states the name, scope of work, and dollar value of work to be performed by each of VENDOR's Joint Venture partners and Subcontractors/Suppliers in the course of the performance of

this contract, specifying the S/M/WBE Certification category for each Joint Venture partner and Subcontractor/Supplier, as approved by the SBO Manager. Additions, deletions or modifications of the Joint Venture partner or Subcontractor/Supplier names, scopes of work, of dollar values of work to be performed requires an amendment to this agreement to be approved by the EDD Director or designee.

Women Business Enterprises (WBEs) - any legal entity, except a joint venture, that is organized to engage in for-profit transactions, that is certified for purposes of the SBEDA Ordinance as being a Small Business Enterprise and that is at least fifty-one percent (51%) owned, managed and Controlled by one or more non-minority women Individuals that are lawfully residing in, or are citizens of, the United States or its territories, that is ready, willing and able to sell goods or services that are purchased by the City and that meets the Significant Business Presence requirements as defined herein. Unless otherwise stated, the term "WBE" as used in this Agreement is not inclusive of MBEs.

C. SBEDA Program Compliance – General Provisions

As VENDOR acknowledges that the terms of the CITY's SBEDA Ordinance, as amended, together with all requirements, guidelines, and procedures set forth in the CITY's SBEDA Policy & Procedure Manual are in furtherance of the CITY's efforts at economic inclusion and, moreover, that such terms are part of VENDOR's scope of work as referenced in the CITY's formal solicitation that formed the basis for contract award and subsequent execution of this Agreement, these SBEDA Ordinance requirements, guidelines and procedures are hereby incorporated by reference into this Agreement, and are considered by the Parties to this Agreement to be material terms. VENDOR voluntarily agrees to fully comply with these SBEDA program terms as a condition for being awarded this contract by the CITY. Without limitation, VENDOR further agrees to the following terms as part of its contract compliance responsibilities under the SBEDA Program:

1. VENDOR shall cooperate fully with the Small Business Office and other CITY departments in their data collection and monitoring efforts regarding VENDOR's utilization and payment of Subcontractors, S/M/WBE firms, and HUBZone firms, as applicable, for their performance of Commercially Useful Functions on this contract including, but not limited to, the timely submission of completed forms and/or documentation promulgated by SBO, through the Originating Department, pursuant to the SBEDA Policy & Procedure Manual, timely entry of data into monitoring systems, and ensuring the timely compliance of its Subcontractors with this term;
2. VENDOR shall cooperate fully with any CITY or SBO investigation (and shall also respond truthfully and promptly to any CITY or SBO inquiry) regarding possible non-compliance with SBEDA requirements on the part of

VENDOR or its Subcontractors or suppliers;

3. VENDOR shall permit the SBO, upon reasonable notice, to undertake inspections as necessary including, but not limited to, contract-related correspondence, records, documents, payroll records, daily logs, invoices, bills, cancelled checks, and work product, and to interview Subcontractors and workers to determine whether there has been a violation of the terms of this Agreement;
4. VENDOR shall immediately notify the SBO, in writing on the Change to Utilization Plan form, through the Originating Department, of any proposed changes to VENDOR's Subcontractor / Supplier Utilization Plan for this contract, with an explanation of the necessity for such proposed changes, including documentation of Good Faith Efforts made by VENDOR to replace the Subcontractor / Supplier in accordance with the applicable Affirmative Procurement Initiative. All proposed changes to the Subcontractor / Supplier Utilization Plan including, but not limited to, proposed self-performance of work by VENDOR of work previously designated for performance by Subcontractor or supplier, substitutions of new Subcontractors, terminations of previously designated Subcontractors, or reductions in the scope of work and value of work awarded to Subcontractors or suppliers, shall be subject to advanced written approval by the Originating Department and the SBO.
5. VENDOR shall immediately notify the Originating Department and SBO of any transfer or assignment of its contract with the CITY, as well as any transfer or change in its ownership or business structure.
6. VENDOR shall retain all records of its Subcontractor payments for this contract for a minimum of four years or as required by state law, following the conclusion of this contract or, in the event of litigation concerning this contract, for a minimum of four years or as required by state law following the final determination of litigation, whichever is later.
7. In instances wherein the SBO determines that a Commercially Useful Function is not actually being performed by the applicable S/M/WBE or HUBZone firms listed in a VENDOR's Subcontractor / Supplier Utilization

Plan, the VENDOR shall not be given credit for the participation of its S/M/WBE or HUBZone Subcontractor(s) or joint venture partner(s) toward attainment of S/M/WBE or HUBZone firm utilization goals, and the VENDOR and its listed S/M/WBE firms or HUBZone firms may be subject to sanctions and penalties in accordance with the SBEDA Ordinance.

8. VENDOR acknowledges that the CITY will not execute a contract or issue a Notice to Proceed for this project until the VENDOR and each of its Subcontractors for this project have registered and/or maintained active status in the CITY's Centralized Vendor Registration System, and VENDOR has represented to CITY which primary commodity codes each registered Subcontractor will be performing under for this contract.

D. SBEDA Program Compliance – Affirmative Procurement Initiatives

The CITY has applied the following contract-specific Affirmative Procurement Initiatives to this contract. VENDOR hereby acknowledges and agrees that the selected API requirement shall also be extended to any change order or subsequent contract modification and, absent SBO's granting of a waiver, that its full compliance with the following API terms and conditions are material to its satisfactory performance under this Agreement:

SBE Prime Contract Program. In accordance with the SBEDA Ordinance, Section III. D. 5. (d), this contract is being awarded pursuant to the SBE Prime Contract Program, and as such, VENDOR affirms that if it is presently certified as an SBE, VENDOR agrees not to subcontract more than 49% of the contract value to a non-SBE firm; and

M/WBE Prime Contract Program. In accordance with the SBEDA Ordinance, Section III. D. 6. (d), this contract is being awarded pursuant to the M/WBE Prime Contract Program and as such, VENDOR affirms that if it is presently certified as an M/WBE (see *Minority/Women Business Enterprise* definition), VENDOR agrees not to subcontract more than 49% of the contract value to a non-M/WBE firm.

E. Commercial Nondiscrimination Policy Compliance

As a condition of entering into this Agreement, the VENDOR represents and warrants that it has complied with throughout the course of this solicitation and contract award process, and will continue to comply with, the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of the SBEDA Ordinance. As part of such compliance, VENDOR shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation or, on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or

commercial treatment of Subcontractors, vendors, suppliers, or commercial customers, nor shall the company retaliate against any person for reporting instances of such discrimination. The company shall provide equal opportunity for Subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's Relevant Marketplace. The company understands and agrees that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of the company from participating in CITY contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. VENDOR's certification of its compliance with this Commercial Nondiscrimination Policy as submitted to the CITY pursuant to the solicitation for this contract is hereby incorporated into the material terms of this Agreement. VENDOR shall incorporate this clause into each of its Subcontractor and supplier agreements entered into pursuant to CITY contracts.

F. Prompt Payment

Upon execution of this contract by VENDOR, VENDOR shall be required to submit to CITY accurate progress payment information with each invoice regarding each of its Subcontractors, including HUBZone Subcontractors, to ensure that the VENDOR's reported subcontract participation is accurate. VENDOR shall pay its Subcontractors in compliance with Chapter 2251, Texas Government Code (the "Prompt Payment Act") within ten days of receipt of payment from CITY. In the event of VENDOR's noncompliance with these prompt payment provisions, no final retainage on the Prime Contract shall be released to VENDOR, and no new CITY contracts shall be issued to the VENDOR until the CITY's audit of previous subcontract payments is complete and payments are verified to be in accordance with the specifications of the contract.

G. Violations, Sanctions and Penalties

In addition to the above terms, VENDOR acknowledges and agrees that it is a violation of the SBEDA Ordinance and a material breach of this Agreement to:

1. Fraudulently obtain, retain, or attempt to obtain, or aid another in fraudulently obtaining, retaining, or attempting to obtain or retain Certification status as an SBE, MBE, WBE, M/WBE, HUBZone firm, Emerging M/WBE, or ESBE for purposes of benefitting from the SBEDA Ordinance;
2. Willfully falsify, conceal or cover up by a trick, scheme or device, a material fact or make any false, fictitious or fraudulent statements or representations, or make use of any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry pursuant to the terms of the SBEDA Ordinance;

3. Willfully obstruct, impede or attempt to obstruct or impede any authorized official or employee who is investigating the qualifications of a business entity which has requested Certification as an S/M/WBE or HUBZone firm;
4. Fraudulently obtain, attempt to obtain or aid another person fraudulently obtaining or attempting to obtain public monies to which the person is not entitled under the terms of the SBEDA Ordinance; and
5. Make false statements to any entity that any other entity is, or is not, certified as an S/M/WBE for purposes of the SBEDA Ordinance.

Any person who violates the provisions of this section shall be subject to the provisions of Section III. E. 13. of the SBEDA Ordinance and any other penalties, sanctions and remedies available under law including, but not limited to:

1. Suspension of contract;
2. Withholding of funds;
3. Rescission of contract based upon a material breach of contract pertaining to S/M/WBE Program compliance;
4. Refusal to accept a response or proposal; and
5. Disqualification of **VENDOR** or other business firm from eligibility for providing goods or services to the City for a period not to exceed two years (upon City Council approval).

XVIII. NON-WAIVER

- 18.1 The granting or acceptance of extensions of time to complete the work or furnish the materials or reports required hereunder will not operate as a release to **VENDOR** from any other covenants and conditions required in this **CONTRACT**.

XIX. FRAUD AND ABUSE PREVENTION

- 19.1 **VENDOR** shall establish, maintain and utilize internal management procedures sufficient to protect against fraud, abuse or misappropriation of funds while in performance of obligations and duties under this **CONTRACT**. Any suspected fraud, abuse or misappropriation of funds shall be investigated promptly at the sole expense of **VENDOR**. Any funds that are found to be misappropriated shall be repaid to **CITY** by **VENDOR** within thirty (30) days of such finding.

XX. CONFLICT OF INTEREST

- 20.1 **VENDOR** acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics Code, from having a financial interest in any contract with the **CITY** or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a Subcontractor on a City contract, a partner or a parent or subsidiary business entity.
- 20.2 **VENDOR** warrants and certifies, and this **CONTRACT** is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the **CITY**. **VENDOR** further warrants and certifies that it has tendered to the **CITY** a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.
- 20.3 **VENDOR** warrants that no person or selling agency has been employed or retained to solicit or secure this **CONTRACT** upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by **VENDOR** for the purpose of securing business. For breach or violation of this warranty, **CITY** shall have the right to rescind this **CONTRACT** without liability or, at its discretion, to deduct from the **CONTRACT** price or consideration or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.
- 20.4 If at any time it shall be found that the person, firm or corporation to whom a **CONTRACT** has been awarded has, in presenting any proposal, colluded with any other party or parties, then the contract so awarded shall be voidable at City's option, and **VENDOR** shall be liable to **CITY** for all loss or damage that **CITY** may suffer thereby.

XXI. TERMINATION

- 21.1 For purposes of this **CONTRACT**, "termination" of this **CONTRACT** shall mean termination by expiration of the **CONTRACT** term or earlier termination pursuant to any of the provisions hereof.

- 21.2 Termination by Notice. This CONTRACT may be canceled by either party for any reason or no reason, upon written notice, provided such notice specifies an effective date of termination, which shall be not less than thirty (30) calendar days nor more than ninety (90) calendar days after the date of receipt of the notice by the other party. If the notice does not specify a date of termination, the effective date of termination shall be thirty (30) calendar days after receipt of the notice by the other party.
- 21.3 Termination for Cause. Should either party default in the performance of any of the terms or conditions of this CONTRACT, the other party shall deliver to the defaulting party written notice thereof specifying the matters in default. The defaulting party shall have thirty (30) calendar days after its receipt of the written notice to cure such default. If the defaulting party fails to cure the default within such thirty (30) day period, this CONTRACT shall terminate at 11:59:59 p.m., Central Standard Time, on the thirtieth (30th) day after the receipt of the notice by the defaulting party.
- 21.4 Termination by Law. If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein or, if any law is interpreted to prohibit such performance, this CONTRACT shall automatically terminate as of the effective date of such prohibition.
- 21.5 Effect of Termination. The period between notice of termination and the effective date of termination shall be used to effect an orderly transfer of records and funds, if any, from **VENDOR** to **CITY** or to such person(s) or firm(s) as the **CITY** may designate. Any records transfer shall be completed within thirty (30) calendar days of the termination date. Any such transfer of records or funds shall be completed at **VENDOR'S** sole cost and expense. All files are the property of the **CITY** and, at the City's request, will be delivered at no cost to the **CITY** or its designated recipient on the effective date of termination. Any **CITY** funds held in any escrow account(s) shall be returned to the **CITY** within thirty (30) calendar days after the effective termination date.
- 21.6 Upon termination or cancellation of this CONTRACT, **CITY** may immediately commence audit of Vendor's books, accounts, and records. Within thirty (30) calendar days after being notified by **CITY** of the results of said audit, **VENDOR** shall pay **CITY** any undisputed amount shown by said audit to be owed **CITY** or its employees. No waiver of existing default shall be deemed to waive any subsequent default.
- 21.7 If **CITY** conducts an audit, either party to this CONTRACT may conduct a second audit, at their own expense, by the same or another independent auditor. If the results from the second audit are different, a third audit may be conducted with the costs of said audit to be shared equally between **VENDOR** and **CITY**. The results from said third audit shall be final.

- 21.8 Within thirty (30) calendar days of the effective date of termination or cancellation, **VENDOR** shall submit to **CITY** its claims, in detail, for the monies owed by **CITY** for services performed under this **CONTRACT** through the effective date of termination.

XXII. COMPLIANCE WITH LAWS

- 22.1 **VENDOR** and **CITY** hereby agree to perform hereunder in compliance with all applicable Federal, State and local laws, regulations, policies and procedures.

XXIII. SUCCESSORS AND ASSIGNS

- 23.1 This **CONTRACT** shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided for herein.

XXIV. NOTICES

- 24.1 Any notice required or permitted to be given under this **CONTRACT** shall be sufficient if given in writing and sent by certified mail, return receipt requested, postage prepaid to **CITY**, or to **VENDOR** at the addresses set forth below or to any other address of which written notice of change is given:

CITY

City of San Antonio
Human Resources Department
Employee Benefits Division
111 Soledad Suite 100
San Antonio, TX 78205

VENDOR

Occupational Health Centers of the Southwest, P.A.
d/b/a Concentra Medical Centers
5080 Spectrum Drive, Suite 1200W
Addison, Texas 75001

XXV. EXHIBITS

25.1 **VENDOR** understands and agrees that all exhibits referred to in this **CONTRACT** are intended to be and hereby are, specifically made a part of this **CONTRACT**. Said exhibits are as follows:

City's Request for Proposal	Exhibit A
Vendor's Proposal	Exhibit B
Pricing Schedule	Exhibit C
HIPAA Business Associate Agreement	Exhibit D

25.2 **VENDOR** understands and agrees that Exhibits A, B, C and D are a part of this **CONTRACT**, as though fully set out herein, and that all obligations, conditions, tasks, products, and representations set forth in said documents are required to be fulfilled by **VENDOR** as completely and fully as are the obligations, conditions, tasks, products and representations imposed by this **CONTRACT**.

25.3 The terms of this **CONTRACT** shall be final and binding where there is any conflict between the terms of City's Request for Proposal, Vendor's Proposal and the terms of this **CONTRACT**; City's Request for Proposal shall control where it conflicts with Vendor's Proposal.

XXVI. LEGAL AUTHORITY

26.1 The signer of this **CONTRACT** for **VENDOR** represents, warrants, assures and guarantees full legal authority to execute this **CONTRACT** on behalf of **VENDOR** and to bind **VENDOR** to all of the terms, conditions, provisions and obligations herein contained.

XXVII. VENUE AND GOVERNING LAW

27.1 Venue of any court action brought directly or indirectly by reason of this **CONTRACT** shall be in Bexar County, Texas. This **CONTRACT** shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are to be performed in Bexar County, Texas.

XXVIII. GENDER

28.1 Words of any gender used in this **CONTRACT** shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIX. CAPTIONS

- 29.1 The captions contained in this CONTRACT are for convenience or reference purposes only and shall in no way limit, enlarge or alter the terms and/or conditions of this CONTRACT.

XXX. ENTIRE AGREEMENT

- 30.1 This CONTRACT, its exhibits and the authorizing ordinance constitute the final and entire agreement between the parties hereto, superseding all verbal or written agreements, previous and/or contemporaneous agreements between the parties and relating to matters in this CONTRACT. No other agreements, oral or otherwise, regarding the matters of this CONTRACT shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereto, and duly executed by the parties hereto.

XXXI. SEVERABILITY

- 31.1 If any clause or provision of this CONTRACT is illegal, invalid or unenforceable under present or future federal, state or local laws, including, but not limited to the City Charter, City Code or Ordinances of the City of San Antonio, Texas, then, and in that event, it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this CONTRACT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein. It is also the intention of the parties to this CONTRACT that, in lieu of each clause or provision of this CONTRACT that is illegal, invalid or unenforceable, there be added as part of this CONTRACT a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

XXXII. CONFIDENTIALITY

- 32.1 The parties recognize and acknowledge that in the course of performing its duties and obligations under the CONTRACT, such parties may have access to the other party's trade secrets and confidential or proprietary information ("Confidential Information"). Confidential Information shall include, but is not limited to, pricing and **VENDOR'S** response to the contract solicitation. Each party hereby agrees that except when required by law, it will not disclose in whole or in part such information for its own purposes or for the benefit of any other person, firm, partnership, association, corporation, or business organization, entity or enterprise.
- 32.2 This Article 32 shall survive the termination of the CONTRACT.

XXXIII. ACKNOWLEDGMENT

33.1 Each of the parties acknowledges that it has read this CONTRACT, understands its contents and executes this CONTRACT voluntarily.

EXECUTED this the 27th day of January, 2016.

CITY OF SAN ANTONIO

Sheryl Sculley
City Manager

CONCENTRA MEDICAL CENTERS

DocuSigned by:
Robert G. Hassett, D.O., MPH
~~Robert G. Hassett, D.O., MPH~~
President, Treasurer and Corporate Secretary

APPROVED AS TO FORM:

Krista Cover
Assistant City Attorney