

Willis of Wisconsin, Inc.

Contract: 2011-2013

**January 1, 2011 through
December 31, 2013**

CONTRACT FOR SERVICES

CITY OF MILWAUKEE

DEPARTMENT OF EMPLOYEE RELATIONS

SERVICE DESCRIPTION: Consulting Services Related to: comprehensive full range of services related to the design, implementation, maintenance, communication and ongoing improvement of the City's group insurances programs. This will include assistance in preparation, review and evaluation of basic health benefits renewal and/or Requests for Proposals and responses for Basic Health Plan Provider Services, and HMO services for 20011, 2012, and 2013 and assistance with health care strategy.

TIME OF PERFORMANCE: January 1, 2011 through December 31, 2013. The City will have the option to extend the contract two years, consistent with Common Council file #101125.

TOTAL AMOUNT OF CONTRACT: Not to exceed a maximum of one-hundred twenty-five thousand Dollars (\$125,000.00) in 2011, 2012 and 2013, or a total of \$375,000 for specific services listed.

I. RETENTION OF SERVICES

The CITY hereby agrees to pay to the CONTRACTOR the compensation herein set forth, and the CONTRACTOR hereby agrees to perform, as an independent contractor and not as an employee of the CITY, the services herein set forth, all in accordance with City of Milwaukee Common Council Resolution File No. 061554 and with the terms and conditions of this Contract. The CONTRACTOR agrees to meet all deadlines and any schedules as herein set forth.

II. REQUIREMENTS

The CONTRACTOR is required to:

A. Do, perform, and carry out in a reasonably satisfactory, timely, and proper manner, the services delineated in this Contract.

B. Comply with requirements listed with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services.

C. Comply with time schedules and payment terms as set forth herein.

III. SCOPE OF SERVICES

A. Schedule of Activities.

The CONTRACTOR will perform the services identified in the "scope of services" a copy of which is attached hereto as Attachment A and incorporated herein by reference.

IV. NOTICES

Any and all notices to the CONTRACTOR shall be in writing and deemed served upon depositing same with the United States Postal Services as 'First Class Mail,' addressed to the CONTRACTOR at:

Willis Corporation of Wisconsin
400 North Executive Drive, Suite 300
Brookfield, WI 53005
Attention: Doug Ley

Any and all notices to the CITY shall be in writing and deemed served upon depositing same with the United States Postal Services as 'Certified Mail, Return Receipt Requested,' addressed to the CITY at:

City of Milwaukee
Department of Employee Relations
Employee Benefits Division
City Hall, Room 701
200 East Wells Street
Milwaukee, Wisconsin 53202

Attention: Director of Employee Benefits

All other correspondence shall be addressed as above, but may be sent 'Regular Mail' and deemed delivered upon receipt by the addressee.

V. REPORTS

A. All reports, studies, analyses, memoranda and related data and material as may be developed during the performance of this Contract shall be submitted to and be the exclusive property of the CITY, which shall have the right to use same for any purpose without further compensation to the CONTRACTOR other than herein provided.

B. If this Contract is terminated for cause or for any other reason, all finished or unfinished documents or materials prepared under this Contract shall be immediately transmitted to the CITY at the effective date of such termination.

VI. TIME OF PERFORMANCE

The services to be performed under the terms and conditions of this Contract shall be in force and shall commence on or after January 1, 2011, and shall be undertaken and completed in such sequence as to assure its expeditious completion in the light of the purposes of this Contract, but in any event all of the services required hereunder shall be completed as indicated on page 1 under 'Time of Performance,' which is the termination date of this Contract. In addition to all other remedies inuring to the CITY should the Contract not be completed by the date specified in accordance with all of its terms, requirements and conditions therein set forth, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR'S responsibility to amend, modify, change, correct or expand thereon until the Contract is fully completed.

VII. COMPENSATION AND TAXES

A. Compensation. The CITY agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract the maximum as indicated on page 1 under 'Total Amount of Contract,' inclusive of all expenses, it being expressly understood and agreed that in no event will the total compensations to be paid hereunder exceed said maximum sum for all of the services required.

B. Taxes, Social Security, and Government Reporting. Personal income tax payments, social security contributions, insurance and all other governmental reporting and contributions required as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR.

VIII. TERMINATION OF CONTRACT FOR CAUSE

If, through any cause, the CONTRACTOR shall fail to fulfill in timely, and proper manner its obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements or stipulations of this Contract, the CITY shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of such termination

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the Contract by the CONTRACTOR, and the City may withhold any payments to the

CONTRACTOR for the purpose of setoff until such time as the exact amount of damages due to the CITY from the CONTRACTOR is determined.

IX. METHOD OF PAYMENT

The CITY agrees to pay the CONTRACTOR for services in accordance with the amount indicated on page 1 under "Total Amount of Contract." Payments to the CONTRACTOR for services rendered under this Contract will be based on itemized invoices submitted no more frequently than on a monthly basis by the CONTRACTOR to the CITY for completed work. The CITY, as a matter of policy, shall strive to pay all properly completed invoices within 30 days of submission. Payment to the CONTRACTOR will be deemed timely if the payment is mailed, delivered or transferred within 60 days of receipt of a properly completed and undisputed invoice or receipt and acceptance of the service under this Agreement, whichever is later. If the CITY does not make payment by the 60th calendar day, the CITY shall pay simple interest beginning with the 31st calendar day at the rate of 1% per month, unless the CITY disputes the amount of the invoice. The CITY'S obligation to pay hereunder may be further conditioned, at the discretion of the CITY, upon receipt of the documentation specified in Section XVI.B. of this Contract. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the CITY shall prevail.

X. DEFENSE OF SUITS

In case any action in court is brought against the CITY or any of its officers, agents, or employees as a result of the failure, omission or neglect of the CONTRACTOR to perform any of the covenants, acts, matters or things by this Contract undertaken, or for injury or damage caused by the alleged negligence of the CONTRACTOR, its officers, agents or employees, the CONTRACTOR shall indemnify and save harmless the CITY, and its officers, agents and employees from all loses, damages, costs, expenses, judgments or decrees arising out of such action. The CITY shall tender the defense of any claim or action at law or in equity to the CONTRACTOR or CONTRACTOR'S insurer, and upon such tender, it shall be the duty of the CONTRACTOR and CONTRACTOR'S insurer to defend such claim or action without cost or expense to the CITY or its officers, agents or employees. The CONTRACTOR shall be solely responsible for the conduct and performance of the services required under the terms and conditions of this Contract and for the results there from.

XI. REGULATIONS

The CONTRACTOR agrees to comply with all of the requirements of all federal, state and local laws related thereto.

XII. TERMINATION FOR CONVENIENCE OF THE CITY

The CITY may terminate this Contract at any time for any reason by giving at least ten (10) days' notice in writing from the CITY to the CONTRACTOR. If the CONTRACTOR is terminated by the CITY as provided herein, the CONTRACTOR will be paid an amount which bears the same ratio to the total compensation as the services actually and satisfactorily performed bear to the total services of the CONTRACTOR covered by this Contract, less payments for such services as were previously made. Provided, however, that if less than sixty percent (60%) of the services covered by this Contract have been performed upon the effective date of such termination, the CONTRACTOR shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under the Contract) incurred by the CONTRACTOR during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract. If this Contract is terminated due to the fault of the CONTRACTOR, Paragraph IX hereof, relative to termination, shall apply.

XIII. CHANGES

All requests for change in performance and/or compensation will be directed in writing to the CITY Department/Agency set forth in Article IV. Such changes, including any increase or decrease in the amount of CONTRACTOR'S compensation, which are mutually agreed upon by and between the CITY and the CONTRACTOR shall not be binding unless incorporated in written amendments to the Contract.

XIV. PERSONNEL

A. The CONTRACTOR represents that it has or will secure at its own expense all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the CITY.

B. All of the services required herein will be performed by the CONTRACTOR or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state or local law to perform such services.

C. None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the CITY. If any work or services are subcontracted, it shall be specified by written contract or agreement and shall be subject to each provision of this Contract. The CONTRACTOR shall be as fully responsible to the CITY for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them as it is for the acts and omissions of persons directly employed by it.

XV. ASSIGNABILITY

The CONTRACTOR shall not assign any interest in this Contract and shall not transfer any interest in same (whether by assignment, novation or any other manner), without the prior written consent of the CITY. Provided, however, that claims for money due or to become due the CONTRACTOR from the CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the CITY.

XVI. RECORDS

A. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Contract.

B. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.

XVII. REPORT AND INFORMATION

At such times and in such forms as the CITY may require, there shall be furnished the CITY such statements, records, reports, data and information as the CITY may request pertaining to matters covered by this Contract.

XVIII. AUDITS AND INSPECTIONS

At any time during normal business hours and as often as the CITY, or if federal or state grants or aids are involved, the appropriate federal or state agency may deem necessary, the CONTRACTOR shall make available to the CITY or such agency for examination all of its records with respect to all matters covered by this Contract and will permit the CITY or such agency to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Contract.

XIX. FINDINGS CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees

that they shall not be made available to any individual or organization, without the prior written approval of the CITY.

XX. CONFLICT OF INTEREST

A. No officer, employee, or agent of the CITY shall receive any personal benefit, unrelated to the performance of his/her official duties, as a result of this Contract.

B. No member of the governing body of the CITY and no other public official of the CITY who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract shall have any personal interest, direct or indirect, in this Contract,

C. The CONTRACTOR covenants that no person described in Section XX.A. and B. above who presently exercises any functions or responsibilities in connection with the Contract has any personal financial interest, direct or indirect, in this Contract. The CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder, The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. An interest on the part of the CONTRACTOR or its employees must be disclosed to the CITY. Provided, however, that this paragraph shall be interpreted in such a manner so as not to reasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area

XXI. DISCRIMINATION PROHIBITED

A. In all hiring or employment made possible by or resulting from this Contract there (1) will not be any discrimination against any employee or applicant for employment because of "sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, or familial status," and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their "sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, or familial status."

This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified

applicants will receive consideration for employment without regard to "sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, or familial status,"

B. No person in the United States shall, on the ground of "sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, or familial status" be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Contract. The CITY and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.

C. The CONTRACTOR agrees that it will comply with all applicable requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. 12101, et seq.

D. The CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials

XXII. WORKERS' COMPENSATION INSURANCE

The CONTRACTOR, and all subcontractors, if any, shall provide to the CITY an affidavit or other satisfactory proof which the CITY may require evidencing that the CONTRACTOR and all subcontractors have obtained Workers' Compensation insurance for all persons performing any work or services under the Contract or subcontract as is required by the Workers' Compensation Act of the State of Wisconsin. No payments or disbursements under the Contract shall be made if such proof has not been furnished.

XXIII. LIMITATION OF LIABILITY

Except in the event of personal injury or death, for any claim by the CITY against the CONTRACTOR arising out of this Contract or the services provided by the CONTRACTOR hereunder, whether such claim is based in contract or in tort, the CONTRACTOR'S liability for damages to the CITY shall be limited to the lesser of three (3) times the amount of remuneration (including fees and/or commissions) that the CONTRACTOR receives for providing services pursuant to this Contract or \$1 million.

XXIV. PUBLIC RECORDS

Both parties understand that the CITY is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Contract are subject to and conditioned on the provisions of Wis. Stat. Sec. 19.21, *et seq.* The CONTRACTOR acknowledges that it is obligated to assist the CITY in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Contract, and that the CONTRACTOR must defend and hold the CITY harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven (7) years after receipt of final payment under this Contract

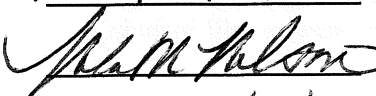
XXV. CHOICE OF LAW AND VENUE

This Contract shall be governed by and construed according to the laws of the State of Wisconsin. Any litigation pertaining to this Contract must be brought in the state and federal courts of Milwaukee, Wisconsin, and the CONTRACTOR consents to the jurisdiction of such courts.

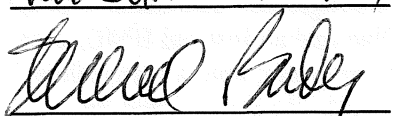
By our signatures on this and the City of Milwaukee agree to all terms and conditions of this Agreement.

In Witness Whereof, The parties hereto have executed this Agreement the day and year first above written.

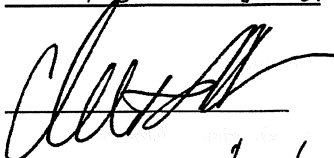
IN THE PRESENCE OF:

Nola M. Nelson

11/13/13

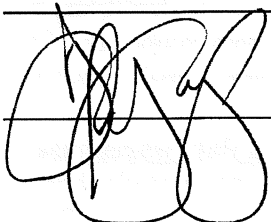
CITY OF MILWAUKEE

MICHAEL BRADY

Nov 13, 2013

IN THE PRESENCE OF:

Clete R. Anderson

11/13/2013

WILLIS OF WISCONSIN

DOUGLAS J. LEW

- November 13, 2013

Attachment A

Scope of Services – Benefits Consultant for City of Milwaukee, 2011-2013

The City of Milwaukee's benefits consultant will perform a full range of services related to the design, implementation, maintenance, communication and ongoing improvement of the City's group insurance programs. The benefits programs include two health insurance plans, a self-funded Basic Plan and an insured HMO; three dental plans; a flexible spending plan; a Long Term Disability program; and, a comprehensive wellness initiative. The service will include, but are not limited to the items listed below.

Your firm will meet these needs described below within the contract.

Assist in the preparation and execution of Request for Proposals (RFP) for health, dental, flexible spending, long term disability services and wellness services.

- Assist the Benefits Director in creating the RFP
- Assist the City team in determining how to evaluate the responses
- Assist the City team in identifying potential responders
- Evaluate the financial proposals of each bid
- Assist the City team in making recommendations to City policy makers

Maintain and Support a data warehouse, data gathering and information sharing. Maintain a data warehouse that currently includes health and prescription insurance claims from 2004-2009 from both HMO, Basic Plan and Prescription benefit Manager vendors.

- Add 2010 vendor data to this data warehouse
- Prepare usable data summaries for DER, Budget Office, Aldermen and other City officials.
- Identify trends and patterns of utilization and recommend cost control opportunities
- Transfer data stored by current consultant to party selected without additional costs.

Prepare projected costs for all self-insured or proposed self-insured City plans with a Fellow of the Society of Actuaries, and provide projected costs for all union and management health insurance proposals during negotiations. These plans currently include the City Basic Health Plan and the City Prescription Benefit Manager. The City's insured HMO program may become self-funded in the future.

- Based on the data gathered, the experience and the utilization, project the 2012 City claims costs for all self funded plans, both active and retired.
- Based on the data gathered , the experience and the utilization, project the 2012 City costs for all prescription benefit programs, including the DeanCareRx Medicare D program.

- Share the strategic direction, including measurable goals, and obtain consensus from management, aldermen and the Mayor regarding the direction.
- Share the information with any existing Labor/Management and Retiree Committees at the direction of Labor Relations and Employee Benefits.
- Assist in obtaining labor buy-in of the City health plan policies.
- Assist in developing and establishing measurable outcomes to monitor the success of implemented changes.
- Assist a labor-management committee in the ongoing design, development, and implementation of improvements to the City current comprehensive prevention and wellness program, "Wellness, Your Choice Milwaukee." Include specific measurable changes that have resulted from this effort.
- Provide direction regarding issues related to any federal or state government actions regarding health care services and health care benefits.

Assist the Employee Benefits Director in administering all group insurance plans.

- Assist the City in complying with laws and regulations related to employee benefits, including changes in state and federal laws..
- Assist the City with the implementation and communication of new programs or changes to existing programs, which will include attending and presenting information at Open Enrollment meetings and/or health fairs.
- Research any new developments in the law and employee benefits, including health care reform efforts, on an ongoing basis.
- Interface with insurance carriers as needed to assist the City in the resolution of problems associated with benefit programs.

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- Based on the data gathered, the experience and the utilization, project 2012 City costs for the insured HMO program if the City decides to self-insure the HMO and offer an EPO type program.
- Provide documentation and analysis to support the project costs for each.
- Projecting the cost of these self insured services with supporting documents requires the services of a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries.

Make recommendations regarding the insurance and benefit products offered by the City of Milwaukee

- Identify the benefits and challenges of using an insured HMO type product or a self-insured EPO type product.
- Recommend changes regarding plan design, premium, co-pays, co-insurance and deductibles.

Make recommendations regarding prevention, disease management and wellness activity.

- Based on the review of the utilization and experience of City data, the consultant or partner should identify options and specific recommendations regarding the best disease management and wellness efforts in which the City and its employees should be engaged.
- Assist as necessary in identifying vendors to provide health risk analysis and healthy lifestyle service to City employees.
- Project cost control expectations from the implementation of different wellness programs, incentives and disincentives.
- Assist the City in evaluating the work of Froedtert Health Workforce Health, the City's current partner in providing a comprehensive wellness program to City employees.

Make recommendations regarding prescription utilization

- Based on review of the utilization and experience of City members for prescription data, the consultant needs to make recommendations to help the City and City members better control costs while providing appropriate medications.
- Continue to make recommendations regarding utilization of Medicare Part D with the over 65 Medicare retirees, efforts that will allow retirees to better control their health care costs and get the most appropriate medications.
- As part of the RFP process for a prescription benefit manager, help the City to evaluate the ongoing utilization of a Medicare Wrap program with both the HMO and the Basic Plan for retirees over 65.

Assist the City in development of an ongoing strategic direction to better control health care costs.

- Continue to review where the City has come from in the past five years and where the City will be in the future if specific changes in health care benefits and plan design are not made.