



**COUNTY OF HENRICO  
DEPARTMENT OF FINANCE  
PURCHASING DIVISION  
CONTRACT EXTRACT  
NOTICE OF AWARD/RENEWAL**

DATE:	January 30, 2024
CONTRACT COMMODITY/SERVICE: <i>(include contracting entity if cooperative)</i>	Consulting Services-Employee Benefits Program
CONTRACT NUMBER:	2590A
COMMODITY CODE:	918.40
CONTRACT PERIOD:	March 1, 2024 through February 28, 2026
RENEWAL OPTIONS:	Three (3) one-year renewals through 2029
USER DEPARTMENT:	County/Schools
Contact Name:	Tina Brooks
Phone Number:	804-642-3625
Email Address:	tmbrooks@henrico.k12.va.us
HENRICO COOPERATIVE TERMS INCLUDED:	Yes
SUPPLIER: Name:	AON Consulting, Inc.
Address:	200 E. Randolph Street
City, State:	Chicago, IL 60601
Contact Name:	Brady Cregg
Phone Number:	804-648-7310 or 804-396-5880 (cell)
Email address:	Brady.cregg@aon.com
ORACLE SUPPLIER NUMBER:	30778
BUSINESS CATEGORY:	Non Swam
PAYMENT TERMS:	Net 45
DELIVERY:	N/A
FOB:	N/A
BUYER: Name:	Eileen M. Falcone, CPPB
Title:	Assistant Division Director
Phone:	804-501-5637
Email:	Fal51@henrico.us

This contract is the result of a competitive solicitation issued by the Department of Finance, Purchasing Division. A requisition must be generated for all purchases made against this contract and the requisition must reference the contract number.



COMMONWEALTH OF VIRGINIA  
**County of Henrico**

**Non-Professional Services Contract  
 Contract No. 2590A**

This Non-Professional Services Contract (this “Contract”) entered into this 24<sup>th</sup> day of January 2024, by Aon Consulting, Inc. (the “Contractor”) and the County of Henrico, Virginia (the “County”).

**WHEREAS** the County has awarded the Contractor this Contract pursuant to Request for Proposals No. 23-2590-9EMF, as modified by Addendum No. 1, dated October 6, 2023 (the “Request for Proposals”), for consulting services for the employee benefits program.

**WITNESSETH** that the Contractor and the County, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

**SCOPE OF CONTRACT:** The Contractor shall provide the services to the County as set forth in the Contract Documents.

**COMPENSATION:** The compensation the County will pay to the Contractor under this Contract shall be pursuant to Exhibit B, summarized in the below Table 1.

<b>Table 1</b>	
<b>Basic Services</b>	
<b>Description</b>	<b>Fixed Fee</b>
Annual Retainer Fee – Up to 220 hours of consulting and/or brokerage services	\$68,000
GASB Actuarial Services (biennial)	\$15,000
Consulting Services for New Medical RFP	\$67,500
Consulting Services for New Pharmacy RFP	\$62,500
Consulting Services for New Dental RFP	\$30,000
Consulting Services for New Disability RFP	\$30,000
Consulting Services for New Hybrid Disability RFP	\$15,000
<b>Additional Services</b>	
<b>Position Classification</b>	<b>Hourly Rate</b>
Senior Vice President	\$446
Vice President	\$446
Assistant VP / Sr. Consultant	\$343
Consultant	\$286
Analyst	\$229
Specialist	\$194
Administration	\$114
<b>Description</b>	<b>Fixed Fee</b>
External Employee Sentiment Report <i>(Two reports, one full analysis, and one update of key trends / takeaways at six months)</i>	\$15,000
Wrap Plan Document <i>(Create new one)</i>	\$30,000

**CONTRACT TERM:** The Contract term shall be for a period of two years beginning March 1, 2024 and ending February 28, 2026. The County may renew the Contract for up to three one-year terms giving 30 days' written notice before the end of the term unless Contractor has given the County written notice that it does not wish to renew at least 90 days before the end of the term.

**CONTRACT DOCUMENTS:** This Contract hereby incorporates by reference the documents listed below (the "Contract Documents") which shall control in the following descending order:

1. This Non-Professional Services Contract between the County and Contractor.
2. The General Contract Terms and Conditions included in the Request for Proposals.
3. The Negotiated Modifications (Exhibit A).
4. Contractor's Best and Final Offer dated November 22, 2023 (Exhibit B).
5. Contractor's Original Proposal dated October 17, 2023 (Exhibit C).
6. The Scope of Services included in the Request for Proposals.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound hereby.

DS  
SS

Aon Consulting, Inc.  
200 E. Randolph Street  
Chicago, IL 60601

DocuSigned by:  
*Michael Pasterick*

Signature

Mike Pasterick SVP, East Region Practice Leader  
Printed Name and Title

January 25, 2024

Date

County of Henrico, Virginia  
P.O. Box 90775  
Henrico, VA 23273-0775

*[Handwritten Signature]*  
Signature

John A. Vithoukias, County Manager

*1/26/2024*

Date

APPROVED AS TO FORM

*[Handwritten Signature]*  
Assistant County Attorney

*1/24/2024*

Date

## Exhibit A

### NEGOTIATED MODIFICATIONS TO AGREEMENT DOCUMENTS FOR CONTRACT NO. 2590A

These Negotiated Modifications are hereby incorporated into Contract No. 2590A (the “Contract”) for the consulting services for the employee benefits program as of the effective date of the Contract.

**WHEREAS**, the Contract expressly incorporates by reference the “Contract Documents,” which the Contract defines to include Request for Proposals No. 23-2590-9EMF, as modified by Addendum No. 1, dated October 6, 2023 (the “RFP”).

**WHEREAS**, the County and Contractor desire to agree in writing to modify the final terms and conditions of the Contract.

**THEREFORE**, in consideration of the Recital set forth above and good and valuable consideration as set forth in the Contract, the parties agree that the Contract Documents are modified as follows as of the date of the Contract:

1. RFP, Section V, General Contract Terms and Conditions, Item D – Compensation, shall be revised to read as follows:  
*The Successful Offeror shall submit monthly, itemized invoices for services performed under this Contract. The County shall render payment for satisfactory performance under this Contract within forty-five (45) days after receipt of a proper invoice. The Successful Offeror may apply an interest rate of six percent (6%) per year to payments received after such forty-five (45) day period as a charge for late payment.*
2. RFP, Section V, General Contract Terms and Conditions, Item F – Termination by County, shall be revised to be Termination and shall read as follows:
  2. *Termination for Cause*
    - a. *If either party fails to perform the Contract, in whole or in part, the non-defaulting party shall give the defaulting party written notice of the default and the opportunity to cure it within 30 days.*
    - b. *If the defaulting party fails to cure its default by the deadline, then the non-defaulting party may terminate the contract, in whole or in part, by providing written notice of termination to the defaulting party. The notice of termination shall state the effective date of termination. A partial termination shall set forth the nature and scope of the termination.*

- c. Unless the notice of termination states otherwise, the Successful Offeror shall stop performing the Contract when it receives a notice of termination from the County.*
- d. An equitable adjustment in the Contract price shall be made for unpaid services satisfactorily rendered and goods satisfactorily delivered before the date the Successful Offeror receives the notice of termination minus the County's cost to complete the Successful Offeror's work. The Successful Offeror shall not be entitled to payment for services rendered or goods delivered after the date the Successful Offeror receives the notice of termination or for reimbursement of any cost the Successful Offeror incurs after the date the Successful Offeror receives the notice of termination. If the County's cost to complete the Successful Offeror's work exceeds the unpaid balance due to the Successful Offeror, the County will not owe the Successful Offeror any money; instead, the Successful Offeror shall pay to the County the difference between the unpaid balance due and the County's cost to complete the work.*
- e. Unless the parties expressly agree in writing otherwise, the parties may transmit notices of default and termination for cause by email, USPS First-Class Mail®, or courier or overnight delivery service. The intended recipient of a notice shall be deemed to be in receipt of any notice emailed on the day the sender sends it. The intended recipient of a notice shall be deemed to be in receipt of any notice sent by USPS First-Class Mail® three business days after the date shown in the postmark. The intended recipient shall be deemed to be in receipt of any notice the sender sends by courier or overnight delivery service on the date of delivery as confirmed by the courier or overnight delivery service.*
- f. If the Successful Offeror receives two notices of default, the County shall not be obligated to give the Successful Offeror the opportunity to cure any subsequent defaults but may terminate the contract in accordance with this section.*
- g. If it is determined that the Successful Offeror knowingly made a false certification in violation of the Responsible Offeror Certification section of this RFP, the County may terminate the contract for cause. In terminating the contract for this cause, the County shall not be obligated to give the Successful Offeror the opportunity to cure.*
- h. If any act or omission of the Successful Offeror (including the Successful Offeror's employees, agents, subcontractors, and assigns) arising out of the performance of the contract causes any person to suffer bodily injury that involves substantial risk of death, extreme physical pain, protracted and obvious disfigurement, or protracted loss or impairment of the function of a bodily member, organ, or mental faculty, then the County shall not be obligated to give the Successful Offeror the opportunity to*

*cure its default but may terminate the contract in accordance with this section.*

- i. Any remedies this section affords to the County are non-exclusive, and the County may enforce any remedy available at law or in equity in connection with any default of the Successful Offeror. Termination of the Contract for cause does not relieve the Successful Offeror of liability for damages the County sustains because of the Successful Offeror's breach.*

*3. Termination for Convenience*

- a. The County may terminate the Contract, in whole or in part, whenever the Purchasing Director determines that such termination is in the County's best interest.*
- b. The County must give the Successful Offeror written notice of a termination for convenience. The notice must specify the extent to which the Contract is terminated and the effective termination date. The effective termination date shall be at least thirty calendar days after the date the County issues the notice of termination for convenience.*
- c. An equitable adjustment in the Contract price shall be made for unpaid services satisfactorily rendered and goods satisfactorily delivered before the date the Successful Offeror receives the notice of termination. The Successful Offeror shall not be entitled to payment for services rendered or goods delivered after the date the Successful Offeror receives the notice of termination, and the Successful Offeror shall not be entitled to payment for any costs it incurs after the date it receives the notice of termination.*
- d. Unless the County's notice specifies otherwise, the Successful Offeror must stop work on the date it receives the notice of termination.*
- e. Unless the parties expressly agree otherwise, the County may transmit notices of termination for convenience by email, USPS First-Class Mail®, or courier or overnight delivery service. The Successful Offeror shall be deemed to be in receipt of any notice emailed on the day the County sends it. The Successful Offeror shall be deemed to be in receipt of any notice sent by USPS First-Class Mail® three business days after the date shown in the postmark. The Successful Offeror shall be deemed to be in receipt of any notice the County sends by courier or overnight delivery service on the date of delivery as confirmed by the courier or overnight delivery service.*

- 3. RFP, Section V, General Contract Terms and Conditions, Item M – Assignment of Contract, shall be revised to read as follows:*

*Neither party may assign, subcontract, or otherwise transfer this Contract, or the party's rights or obligations hereunder, without prior written consent of the other party. The Successful Offeror may subcontract or assign tasks under the Contract to one of the Successful Offeror's affiliates and/or subsidiaries with the Successful Offeror in accordance with Item V of the General Terms and Conditions.*

4. RFP, Section V, General Contract Terms and Conditions, Item N – Indemnification, shall be revised to read as follows:
  1. *To the fullest extent permitted by law, the Successful Offeror shall indemnify, defend, and hold harmless the County (including County School Board of Henrico County, Virginia), and the County's officials, officers, agents, and employees, from and against any and all claims, damages, suits, actions, liabilities, and costs of any kind or nature (including attorneys' fees) caused by, resulting from, or arising out of the Successful Offeror's performance or non-performance of the consulting services under this Contract, including any breach or alleged breach by the Successful Offeror, its agents, or its subcontractors of the terms of the HIPAA Business Associate Addendum attached hereto as Exhibit H, provided that such liability is not attributable to the County's sole negligence. This indemnification obligation shall survive termination of the Contract and the HIPAA Business Associate Addendum.*
  2. *If it is determined that there are errors in the Successful Offeror's work under this Contract, the Successful Offeror shall correct the work product without any additional charge. Aon's entire liability for damages of any kind in connection with this Agreement, including its obligations under RFP, Section V, Item N, shall be limited to \$1,000,000.*
  3. *In no event will either party be liable for unforeseeable consequential or indirect damages in connection with this Contract.*
  
5. RFP, Section V, General Contract Terms and Conditions, Item R – Ownership of Deliverable and Related Products, shall be revised to read as follows:
  1. *The Successful Offeror has created, acquired or otherwise has rights in, and may, in connection with the performance of Services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques (including, without limitation, function, process, system and data models); templates; software systems, user interfaces and screen designs; general purpose consulting and software tools; websites; benefit administration systems; and data, documentation, and proprietary information and processes ("Successful Offeror Information").*
  2. *All right, title and interest in and to any data, information and other materials furnished to the Successful Offeror by the County hereunder ("Client Information") are and shall remain the County's sole and exclusive property. The County grants to the Successful Offeror a license to use such Client Information to provide the Services. Except as provided below, upon full and*

*final payment to the Successful Offeror hereunder, any Successful Offeror work product which the parties expressly agree is created solely and exclusively by the Successful Offeror for the County to be owned by the County (the "Deliverables"), if any, shall become the property of the County. To the extent that any Successful Offeror Information is contained in any of the Deliverables or provided in connection with the Services, subject to the terms of this Contract, the Successful Offeror hereby grants to the County a paid-up, royalty-free, nonexclusive license to use such Successful Offeror Information solely for the County's internal use in connection with the Deliverables or Services, as applicable.*

- 3. To the extent that the Successful Offeror utilizes any of its property, including, without limitation, the Successful Offeror Information, in connection with the performance of Services, such property shall remain the property of the Successful Offeror and, except for the limited license expressly granted in the preceding paragraph, the County shall acquire no right or interest in such property. The County will honor Successful Offeror copyrights, patents, and trademarks relating to Services, Deliverables and Successful Offeror Information, and will not use the Successful Offeror's name or other intellectual property without the Successful Offeror's prior written consent.*
- 4. Provided that the County promptly notifies the Successful Offeror of a claim that the Successful Offeror Information infringes a presently issued U.S. patent or copyright, the Successful Offeror will defend such claim at its expense and will indemnify the County for any costs and damages that may be awarded against the County in connection with such claim. The Successful Offeror will not indemnify the County, however, if the claim of infringement results from (i) use of other than the most recent version of the Successful Offeror Information made available to Client by the Successful Offeror; (ii) County's alteration of the Successful Offeror Information; (iii) use of any Successful Offeror Information in combination with other software not provided by the Successful Offeror; or (iv) use of Successful Offeror Information in contravention of this Contract.*
- 5. Nothing contained in this Contract will prohibit the Successful Offeror from using any of its general knowledge or knowledge acquired under this Contract (excluding the County's Confidential Information) to perform similar services for others.*



6. RFP, Section V, General Contract Terms and Conditions, shall be revised adding Item KK – Confidential Information, to read as follows:
  1. *To the fullest extent permitted by applicable law, the parties will hold information furnished by the other party hereunder in confidence when such information is clearly marked “CONFIDENTIAL” by the party providing the information. However, the parties acknowledge that certain information shared between them (even if marked “CONFIDENTIAL”) may be subject to disclosure pursuant to the Virginia Freedom of Information Act and/or other public disclosure laws. To invoke the protections of Va. Code § 2.2-4342 for trade secrets or proprietary information, the Successful Offeror shall, prior to or upon submission of data or other materials, (a) request the application of VA. Code § 2.2-4342, (b) identify the data or other materials to be protected, and (c) state the reasons why protection is necessary. Successful Offeror shall not designate as trade secrets or proprietary information (a) an entire proposal, (b) any portion of a proposal that does not contain trade secrets or proprietary information, or (c) line item prices or total proposal prices.*
  2. *Each party agrees that only employees who have a need to know the Confidential Information of the other party will receive such Confidential Information. For purposes of this paragraph, “Confidential Information” includes both Successful Offeror Information and Client Information (defined in paragraph R(2) above), and information designated by a party as confidential prior to furnishing such information to the other party, including all trade secrets or proprietary information submitted to the County by the Successful Offeror, provided that the Successful Offeror has satisfied the requirements of paragraph KK(1) above. Confidential Information excludes information that: (a) was known to the recipient prior to its disclosure by the discloser without breach of any obligation owed to the discloser; (b) is received from a third party without breach of any obligation owed to discloser; (c) was independently developed by the recipient without use or access to Confidential Information; or (d) is information disclosable pursuant to applicable law, including the Virginia Freedom of Information Act and other public disclosure laws Successful Offeror may use the County’s de-identified and aggregated Confidential Information in combination with other data, including the disclosure of such information to third parties, provided that no such County Confidential Information is identifiable by the County or the County employee. Either party may disclose the other party’s Confidential Information to its legal counsel and auditors. The Successful Offeror may also disclose the County’s Confidential Information to any subcontractor or, as instructed by the County, to any other third party providing services to the*

*County under this Contract reasonably necessary for such subcontractor or third party to perform its services. archival purposes.*

7. RFP, Attachment E – County of Henrico Insurance Specifications shall be replaced in its entirety with the attached Exhibit A(1).
8. RFP, Attachment H – HIPAA Business Associate Agreement shall be replaced in its entirety with the attached Exhibit A(2).

By signing the Contract, the parties thereto have approved these Negotiated Modifications.

## Exhibit A1

### **ATTACHMENT E COUNTY OF HENRICO INSURANCE SPECIFICATIONS**

**The following insurance coverages and limits are required in order to provide goods, services, construction, professional and non-professional services to Henrico County general government agencies and Henrico County Public Schools. These requirements are specific to this procurement and may or may not be the same for future requests.**

**Please be sure and review the Additional Requirements Section**

The Successful Bidder/Offeror shall carry Public Liability Insurance in the amount specified below, including contractual liability assumed by the Successful Bidder/Offeror, and shall deliver a Certificate of Insurance from carriers/agents representative licensed to do business in the Commonwealth of Virginia and that is representative of the insurance policies. The Certificate shall show that the policy has a blanket endorsement to name the County of Henrico and Henrico County Public Schools named as an additional insured for the Commercial General Liability coverage. **The certificate must not show in the description of operations section that it is issued specific to any bid, job, or contract.** The coverage shall be provided by a carrier(s) rated not less than "A-" with a financial rating of at least VII by A.M. Best or a rating acceptable to the County. In addition, the Successful Bidder/Offeror shall agree to give the County a minimum of 30 days prior notice of any cancellation or material adverse reduction in coverage.

#### **Workers' Compensation**

Statutory Virginia Limits

Employers' Liability Insurance - \$100,000 for each Accident by employee  
\$100,000 for each Disease by employee  
\$500,000 policy limit by Disease

#### **Commercial General Liability**

\$1,000,000 each occurrence including contractual liability for specified agreement  
\$2,000,000 General Aggregate (other than Products/Completed Operations)  
\$2,000,000 General Liability-Products/Completed Operations  
\$1,000,000 Personal and Advertising injury  
\$ 100,000 Fire Damage Legal Liability

**Business Automobile Liability** – including owned, non-owned and hired car coverage

Combined Single Limit - \$1,000,000 each accident

**Umbrella Liability**

\$2,000,000 Per Occurrence and in the aggregate

### Additional Requirements

In addition to the requirements above, the Successful Bidder/Offeror shall thoroughly review the scope of work that is included and if any of the following are included in the services that will be provided, the following additional insurance will be required, if required:

- Professional Liability - \$2,000,000 Per Occurrence (or limit in accordance with Statute for Medical Professional)**  
Required if the Scope includes providing advice or consultation including but not limited to; lawyers, bankers, physicians, programming, design (including construction design), architects & engineers and others who require extensive education and/or licensing to perform their duties.
- Cyber Liability - \$2,000,000 Per Occurrence**  
Required if the Scope includes the collection and electronic transmittal of Personal Health Insurance (PHI), or any other demographic data on individuals including but not limited to Name, Address, Social Security Numbers or any other sort of personally identifying information.
- Abuse and Molestation Coverage - \$1,000,000 Per Occurrence**  
Required if the scope of work includes the offering of professional or non-professional services to any child or student where one on one contact or consultation is to be provided.
- Pollution Liability - \$1,000,000 Per Occurrence**  
Required if the scope of work involves the use (other than in a motor vehicle) or removal of a substance or energy introduced into the environment that potentially has an undesired effect or affects the usefulness of a resource. These include, but are not limited to Asbestos, PCB's, Lead, Mold, and Fuels.
- Explosion, Collapse & Underground Coverage (XCU)**  
Required of a Contractor in limits equal to the General Liability Limit when the Scope includes any operations involving Blasting, any work underground level including but not limited to wires, conduit, pipes, mains, sewers, tanks, tunnels, or any excavation, drilling, or similar work.
- Builders Risk Coverage**  
Required if the scope of work includes the ground up construction of a structure. Limit of insurance shall be 100% of the completed value of the structure. For projects for the

renovation of an existing structure, The County shall insure the Builder's Risk with the Contractor being responsible for the first \$10,000 of any claim.



**Other as Specified Below**

Professional Liability in the form of Errors and Omissions Coverage minimum limit of \$2,000,000 per claim/aggregate.

**NOTE 1:** The commercial general liability insurance shall include contractual liability. The contract documents include an indemnification provision(s). The County makes no representation or warranty as to how the Bidder/Offeror's insurance coverage responds or does not respond. Insurance coverages that are unresponsive to the indemnification provision(s) do not limit the Bidder/Offeror's responsibilities outlined in the contract documents.

**NOTE 2:** The intent of this insurance specification is to provide the coverage required and the limits expected for each type of coverage. With regard to the Business Automobile Liability and Commercial General Liability, the total amount of coverage can be accomplished through any combination of primary and excess/umbrella insurance. This insurance shall apply as primary insurance and non-contributory with respect to any other insurance or self-insurance programs afforded the County of Henrico and Henrico County Public Schools. This policy shall be endorsed to be primary with respect to the additional insured.

**NOTE 3:** Title 65.2 of the Code of Virginia requires every employer who regularly employs three or more full-time or part-time employees to purchase and maintain workers' compensation insurance. If you do not purchase a workers' compensation policy, a signed statement is required documenting that you are in compliance with Title 65.2 of the Code of Virginia.

**NOTE 4:** The Certificate Holder Box shall read as follows:  
*County of Henrico*  
*Risk Management*  
*PO Box 90775*  
*Henrico, VA 23273*

## Exhibit A2

### **ATTACHMENT H HIPAA BUSINESS ASSOCIATE AGREEMENT (Successful Offeror will be required to sign)**

**WHEREAS**, the County of Henrico (the "County") and Aon Consulting, Inc. ("Business Associate") entered into a contract on January 24, 2024 for the performance of consulting services to assist the County in selection and monitoring of benefits programs (the "Contract"); and

**WHEREAS**, the County is a hybrid entity including covered health care components and internal business associates under the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the American Recovery and Reinvestment Act of 2009 ("ARRA"), Title XIII of ARRA, the Health Information Technology for Economic and Clinical Health Act ("HITECH") Subtitle D; and

**WHEREAS**, HIPAA, HITECH, and the implementing regulations have established Privacy and Security Standards (the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. §§ 160 and 164); and

**WHEREAS**, Business Associate is directly subject to HIPAA, Title XIII of ARRA, and amendments thereto, and HITECH Subtitle D, and all related rules and regulations in effect and any amendments thereto; and

**WHEREAS**, Business Associate may receive from the County and use and/or disclose records that include information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual; or with respect to which there is a reasonable basis to believe the information can be used to identify the individual (Protected Health Information, "PHI"); and

**WHEREAS**, the Privacy and Security Standards require a Business Associate Agreement to ensure that PHI is adequately safeguarded as part of the Contract provisions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Business Associate Agreement ("BAA") and in the Contract and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the County and Business Associate agree as follows:

#### **I. DEFINITIONS**

The following terms used in this BAA have the same meaning as those terms in the Privacy and Security Standards: Breach, Business Associate,



Disclosure, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Subcontractor, and Use.

## II. OBLIGATIONS OF THE BUSINESS ASSOCIATE

1. Permitted Uses and Disclosure of PHI. Business Associate's activities for and/or on behalf of the County may involve the use and/or disclosure of PHI. Business Associate will use and/or disclose PHI only to the extent necessary to perform its duties and obligations to the County or as otherwise required by law. Business Associate may permit the use of PHI by third parties, including its employees, contractors, agents, or other representatives, only to the extent directly related to and necessary for the performance of its duties and obligations to the County as required by the Contract or as otherwise permitted by law. Business Associate and its agents or subcontractors will only request, use and disclose the minimum PHI necessary to perform its duties and obligations in accordance with HIPAA, the HIPAA Regulations, and HITECH.
2. Safeguards Against Misuse of Information.
  - a. Business Associate will use appropriate and reasonable safeguards to maintain the security of and prevent the improper use or disclosure of PHI.
  - b. Business Associate will comply with 45 C.F.R. §§ 160.302 *et seq.* in utilizing administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI, as that term is defined in 45 C.F.R. § 160.103, that it creates, receives, maintains or transmits on behalf of the County.
  - c. Business Associate will train employees in information security, designating a security officer, conducting an information risk analysis, and developing a risk management remediation plan.
  - d. Business Associate will abide by the prohibitions under the ARRA regarding the sale and marketing of PHI.
  - e. Business Associate will comply with any other conditions that the Secretary of the Department Health and Human Services requires with respect to electronic PHI.
3. Reporting Breaches and Other Security Incidents and Mitigation of Effect.
  - a. Business Associate will promptly report to the County: (1) any use or disclosure of PHI not authorized by the Contract of which it

becomes aware; and (2) any "security incident," as defined by 45 C.F.R. § 164.304, of which it becomes aware. Business Associate will take reasonable steps to cure any such security incident and implement procedures for mitigating the harmful effects from any such security compromise. Business Associate will report the measures it took to mitigate any security compromise that may have occurred and shall report any data loss or other information system compromise as a result of the incident.

- b. In the event of a breach of unsecured PHI as defined in 45 C.F.R. § 164.410, Business Associate will comply with the breach notification requirements of 45 C.F.R. § 164.410 and notify the County without reasonable delay, and no later than two (2) business days of when Business Associate becomes aware of a breach. Notification of security incidents will include the identity of each individual whose unsecured PHI has been or is reasonably believed to have been accessed, acquired, or disclosed inappropriately during such breach. Notifications will contain any other such information as Business Associate reasonably believes is required for the County to further investigate. Business Associate will also provide such assistance and further information as reasonably requested by the County in meeting its responsibility to notify all individuals affected, as detailed in 45 C.F.R. § 164.404.

4. Use and Disclosure of PHI by Subcontractors and Agents.

- a. Business Associate will require any subcontractor or agent that is authorized to review, use or disclose PHI obtained by Business Associate from the County, to agree in writing to adhere to substantially similar but no less stringent restrictions, conditions, and requirements regarding the use and disclosure of PHI and safeguarding of PHI that apply to Business Associate.
- b. Business Associate will ensure that any subcontractor or agent to whom it provides electronic PHI that was created, received, maintained or transmitted on behalf of the County agrees in writing to implement reasonable and appropriate safeguards to protect the confidentiality, security, and integrity of the electronic PHI.

5. Access to Information. Throughout the term of this BAA, Business Associate will make available to the County all PHI provided to Business Associate by the County for so long as such information is maintained. Upon written request from the County, Business Associate will make an individual's PHI available to the County within thirty (30) days of an individual's request for such information as notified by the County. In the event that the requesting individual's PHI is neither maintained nor

accessible on site by the County or the Business Associate, the extended timeframe set forth in 45 C.F.R. § 164.504(3)(2)(iii)(C) will be available for Business Associate to respond to the County's request. In the event any individual requests access to County-provided PHI directly from Business Associate, Business Associate shall forward such request to the County. Any denials of access to PHI requested shall be the responsibility of the County. Business Associate shall further conform with and meet all the requirements of 45 C.F.R. § 164.524.

6. Availability of PHI for Amendment. Upon receipt of a request from the County to update PHI for an individual, Business Associate will incorporate any such amendment into its records within thirty (30) days of the request or as may be required by 45 C.F.R. § 164.526. If Business Associate receives a request from an individual for an amendment to County-provided PHI, Business Associate shall forward such request directly to the County. Any review and consideration of a requested amendment shall be the responsibility of the County.
7. Accounting of Disclosures. Upon request from the County, Business Associate will make available to the County such information as is in Business Associate's possession and is required for the County to make an accounting as required by 45 C.F.R. § 164.528. In the event the request for an accounting is delivered directly to Business Associate, Business Associate will forward such request to the County as soon as practicable. It shall be the County's responsibility to prepare and deliver any such accounting requested. Business Associate will maintain an appropriate record keeping process to enable it to comply with the requirements of this Section.
8. Use and Disclosures for Business Associate's Purposes.
  - a. Business Associate will only use or disclose PHI to the minimum necessary to carry out its duties and obligations under the Contract or as required by law. Business Associate may not use or disclose PHI in a manner that would violate 45 C.F.R. § 164.500 *et seq.*
  - b. Business Associate may disclose PHI for its own proper management and administration or to carry out its legal responsibilities, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

- c. Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
  - d. Business Associate is authorized to use and disclose PHI to de-identify the information in accordance with 45 C.F.R § 164.514(b).
  - e. Business Associate may use and disclose PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. § 164.502(j)(1).
9. Availability of Books and Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of the County available to the Secretary of the Department of Health and Human Services for purposes of monitoring compliance with the Privacy and Security Standards. Covered Entity shall advise Business Associate in writing within ten (10) business days of any receipt from the Secretary of any such request.
10. Compliance with Requirements. To the extent the Business Associate is to carry out one or more of the obligations of the County under 45 C.F.R. § 164.500 *et seq.*, Business Associate will comply with the requirements that apply to the County in the performance of such obligations.

### III. OBLIGATIONS OF THE COUNTY

- 1. Notice of Privacy Practices. The County will notify Business Associate of any limitation in its Notice of Privacy Practices, which the County, or any of its departments, provides or makes available to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- 2. Restrictions on Disclosures. If applicable to Business Associate, the County will notify Business Associate as soon as practicable of any request for restrictions by an individual of the use or disclosure of the individual's PHI that the County has agreed to accept. The County will also notify Business Associate, if applicable, of any changes in, withdrawal, or revocation of any authorization or other permissions(s) granted the County by an individual for the use and disclosure of the individual's PHI.

3. Impermissible Requests. The County will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy or Security Standards if done by the County. Nothing in this section shall preclude Business Associate from using or disclosing PHI for its management and administrative activities as provided in Section II.8 above.

#### IV. MISCELLANEOUS

1. Term. This BAA will remain in effect for the term of the Contract between the County and the Business Associate, including any extensions or renewals thereof.
2. Termination for Cause. Upon the County's knowledge of a material breach by Business Associate, the County will provide Business Associate an opportunity to cure the breach or end the violation. The County may terminate the Contract: (a) immediately if Business Associate has breached a material term and cure is not possible; or (b) upon Business Associate's failure to cure the breach or end the violation within the time specified by the County.
3. Effect of Termination.
  - a. Except as provided in paragraph b of this section, upon termination of this BAA for any reason, Business Associate will return or destroy all PHI received from the County, or created or received by Business Associate on behalf of the County. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. PHI that is retained electronically pursuant to Business Associate's document retention policy may be retained provided that any such electronic copy shall be subject at all times in Business Associate's possession to the terms of this BAA.
  - b. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate will provide the County notification of the conditions that make return or destruction infeasible and extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.
4. Amendments. This BAA, and any provision thereof, may be amended, modified or deleted by written agreement of the parties. The parties may amend this BAA from time to time as necessary for the County and Business Associate to comply with the Privacy or Security Standards and all other applicable laws or regulations.

5. Survival. The respective rights and obligations of Business Associate and the County survive termination of this BAA and any underlying Contract.
6. Interpretation. This BAA shall be interpreted as broadly as necessary to implement and comply with the Privacy and Security Standards. Any ambiguities in this BAA will be resolved in favor of a meaning that complies with the Privacy and Security Standards.
7. Governing Law and Venue. This BAA is governed by applicable federal laws and the laws of the Commonwealth of Virginia without regard to laws relating to choice of law or conflicts of law. Exclusive venue for any dispute arising hereunder will be resolved in the Circuit Court of the County of Henrico, Virginia.
8. Coordination of Documents. In the event of a conflict between a provision of this BAA and the Contract, the provisions of this BAA will control.
9. Notices. All notices, requests, demands and other communications required or permitted to be given or made under this BAA shall be in writing, shall be effective upon receipt, and shall be sent by (a) personal delivery; (b) certified or registered United States mail, return receipt requested; (c) overnight delivery services with proof of delivery; or (d) facsimile with return facsimile acknowledging receipt. Notices will be sent to the address below:

To Covered Entity:                      Brandon Hinton, Privacy Officer  
County of Henrico  
4301 E. Parham Road  
P.O. Box 90775  
Henrico, Virginia 23273-0775  
Facsimile: (804) 501-4162

To Business Associate:                      Privacy Officer  
Aon Consulting, Inc.  
200 East Randolph Street  
Chicago, IL 60601



**IN WITNESS WHEREOF**, the parties hereto have signed this Business Associate Agreement.

Aon Consulting, Inc.

County of Henrico

By: DocuSigned by:  
  
AGE5626E19B748A

By: \_\_\_\_\_

Title: SVP, East Region Practice Leader

Title: County Manager

Date: January 25, 2024

Date: \_\_\_\_\_

November 22, 2023

Ms. Eileen M. Falcone, CPPB  
Assistant Purchasing Division Director  
County of Henrico  
8600 Staples Mill Rd  
Henrico, VA 23273

Re: Aon's responses and BAFO for Consulting Services for Employee Benefits

1. The pricing sheet has been revised and lists the potential RFPs that may require assistance in the development and analysis of submitted proposals. Enter your fixed fee for each on the revised price sheet.

Please refer to the Best and Final Offer pricing spreadsheet. We have reduced the annual retainer to \$68,000 per year and increased the consulting hours to 220 per 12-month period. If, or when, the 220 hours have been exhausted in the 12-month period any work not pertaining to the listed RFPs will be billed according to the billable hourly rate and invoiced monthly along with a summary of hours worked by Aon personnel and the nature of the work completed.

We have reduced our fees for the Medical and Pharmacy RFP support as well.

2. Who would be the day-to-day contact for the County if awarded the contract?

Brady Cregg will continue to be the main point of contact on a day-to-day basis with Mike DiOrio and SJ Vaughan as secondary points of contact. Angela Hackenburg, FSA will continue to be the day-to-day contact for any financial related questions.

3. Provide information on any enhanced participation education your firm would provide as part of your offer at no additional cost to the County.

For employee benefits education Aon can provide communication materials<sup>1</sup>: brochures, postcards, benefits guidebook, and coordinate employee vendor communications throughout the year. Upon request, Aon can also provide or host benefit education webinars on various benefit-related topics throughout the year (HDHP/HSA, FSA, Benefits 101, etc.). Education videos and/or webinars can be either vendor specific (using vendor content), or topical with Aon working with the County to create the content.

<sup>1</sup> *development of material only, does not include printing or mailing expense.*

4. What tools that were presented during your presentation are included and which ones would require an additional cost to the County. Provide pricing if there is an additional cost.

The following are included at no additional cost:

- Health Equity and Affordability Tool (HEAT)



- Aon Architect
- Health Value Initiative (HVI)
- Benefit SpecSelect Benchmarking
- Local Competitor County benchmarking

The following would be an additional charge:

- External Employee Sentiment Report - \$15,000 for two reports; one full analysis, and one update of key trends / takeaways at six months.
- Wrap Plan Document (create new one) - \$30,000

5. Pages 1 and 59 of the submitted proposal both talk about exceptions. Provide a list as to the exceptions your firm is taking in the RFP. List the section number and item number listed in the RFP the exception is being made to and suggest alternative language to be negotiated. List these items on a separate sheet titled "Exceptions".

Please see separate document for Exceptions.

**23-2590-9EMF  
FEE STRUCTURE - BAFO**

Offeror's Name: **Aon**

<b>Annual Retainer Fee</b>	<b>Fixed Fee</b>	<b>Notes</b>
Cost for up to 200 hours of consulting and/or brokerage services	\$68,000.00	We will increase hours to 220
GASB Actuarial Services (biennial)	\$15,000.00	
<b>New Request for Proposal (RFP) Consulting Services for:</b>		
Medical	\$67,500.00	Reduced fee by \$7,500
Pharmacy	\$62,500.00	Reduced fee by \$2,500
Dental	\$30,000.00	
Disability	\$30,000.00	
Hybrid Disability	\$15,000.00	
<b>Total</b>	<b>\$288,000.00</b>	
<b>Additional Project Pricing listed by job title</b>		
	<b>Hourly Rate</b>	
Senior Vice President	\$446.00	
Vice President	\$446.00	
Assistant VP / Sr. Consultant	\$343.00	
Consultant	\$286.00	
Analyst	\$229.00	
Specialist	\$194.00	
Administration	\$114.00	

Employee Benefits Services

# Henrico County & Public Schools

RFP 23-2590-9EMF

October 17, 2023





At the end of the first year and any subsequent years in the contract, Aon's fees shall be adjusted in accordance with the then current Consumer Price Index (CPI). "Consumer Price Index" shall mean the Consumer Price Index-All Urban Consumers-United States Average-All Items (CPI-U), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics.

You can expect Aon to employ a very partnering and flexible approach to negotiating the contract, and upon award of your business, we will engage with you in discussion to jointly arrive to agreement. We have included a copy of our current master service agreement to serve as the starting point for contract negotiations in the event that we are selected as the winning bidder. While we will be happy to use your agreement as the starting point, we ask that you consider our template as the basis of any contract between you and us, as we believe our template contains terms and provision directly applicable to the nature and type of services of the relationship we will have with you.

We find that indemnification and limits of liability are terms we frequently discuss with our clients during negotiations. Aon will, to the extent it is practical and reasonably necessary, perform corrective services in the event that we have made an error in the performance of services. We are willing to accept liability for our errors up to an agreed upon annual cap approximately equal to the amount of annual fees paid to Aon under the contract. For other breaches of the agreement (such as intellectual property infringement, confidentiality, criminal misconduct, willful misconduct, etc.), we are willing to accept total liability. We are only willing to accept direct liability in connection with the contract and expect to be indemnified by you from and against all third-party claims (including, most significantly, claims by your plan participants) relating to our services. To the extent that any third-party claims causes losses, damages, etc. to our clients, we will be liable for such losses, damages, etc. subject to the limitations described above. We expect a mutual exclusion for any consequential and indirect damages to be included in the agreement.



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# Executive Summary

Thank you for giving Aon the opportunity to respond to the Employee Benefits Consulting Services RFP. Aon has proudly served as Henrico County & Public Schools' Benefits Consultant since March 2019, and we look forward to the opportunity to continue as your trusted advisor.

## Your Aon Leadership Team

Brady Cregg, Vice President, has been providing services to Henrico County & Public Schools as your key contact and account executive for 4 years, and will remain in this role if Aon is selected as your Benefits Consultant. Brady has 20 years of consulting experience with local and county governments across the mid-Atlantic region and is currently responsible for securing Aon resources for Henrico County & Public Schools and for overall account oversight.

## The Value Aon Brings to Henrico County & Public Schools

- We have extensive experience with public entities, both locally and nationally, and understand your unique challenges. Based on our public sector experience, in-depth expertise, and extensive understanding of public sector plans and challenges, public entities like Henrico County & Public Schools have selected Aon and have consistently scored us a "10/10" on our annual client satisfaction survey.
- Aon understands the public sector and has a long-standing commitment to public sector consulting. Our public sector industry team works with our consultants to develop solutions for county governments and public school systems as they face challenges affecting health and employee benefits.
- Many of the colleagues selected to serve Henrico County & Public Schools have experience working with county governments and public school systems and other public sector entities of a similar size and with challenges like yours.

## What We've Accomplished

Below are just a few examples of what we have accomplished together over the past five years:

- Responded to the unprecedented COVID-19 pandemic by providing guidance and support on the various laws and regulations passed in response to the pandemic (Consolidated Appropriations Act, Families First Covid Response Act, Coronavirus Aid, Relief, and Economic Security Act, Inflation Reduction Act, etc.), and advised Henrico County & Schools on the financial impact to the health plan as a result of the pandemic to aid in planning and responding decisively to the Public Health Emergency. **Note: Aon suspended our hourly billable rate for work exceeding 200 hours per year in light of the pandemic and extra support Henrico needed during this time. We hope this illustrated the value we place on our partnership.**
- Assisted in the Medical and Pharmacy RFP process by negotiating fixed cost savings, performance guarantees, and vendor credits exceeding \$1mm. The negotiated credits allowed Henrico County & Schools to include additional programs for the benefit of employees, their families, and the County at no additional cost.
- Met with the Employee Health & Benefits Committee (EHBC) quarterly to apprise them of current market trends, plan performance, and benchmarking against comparator groups (Hanover County, Chesterfield County, etc.).
- Advised the EHBC on recommended strategies and programs relating to the employee benefits offering. As of September 2023, overall plan performance is a 94% loss ratio.

- Assisted and supported Henrico County & Schools during, and after, the unexpected absence of a key person in the County's HR department.
- Responded to multiple compliance related questions via Aon's legal consulting team.
- Included an 8-page annual benefits guidebook outside of the Employee Benefits Consulting agreement (i.e., no additional fee) for distribution to employees and their families during annual enrollment and the new hire process.

## Aon's Health Solutions Consulting – Public Sector Industry Practice



Over  
**100**  
consultants and actuaries  
from across the country



### Public sector entities:

- States
- K-12 School Districts
- Municipalities
- Transportation authorities
- Public utilities
- Consortiums and Pools
- Retiree Trusts
- Federal Government
- Medicaid

Provides consulting services to

Over **225** states, cities, counties,  
and public agencies  
around the country



Aon's Health Solutions Public Sector Consulting practice has a mission to **demonstrate our firm's considerable expertise and intellectual capital to:**

- Enhance delivery of our specialty services and products to all clients
- Facilitate sharing of ideas, information, best practices, and resources
- Anticipate and communicate challenges and opportunities in the market
- Develop innovative HR/benefits solutions of value for our clients

Aon's size of public sector health business is our second largest industry sector. Our practice consists of more than 100 practitioners with expertise in actuarial, legal, underwriting, accounting, clinical, data analytics, customer service, information technology, and management. We provide advice and develop solutions for over 280 public sector clients of all sizes across the country, representing a broad array of entities.

## Partnering With Aon

Our promise is simple: We will deliver the services you need — efficiently, on time, and cost effectively — operating as an extension of your staff through an interactive process.

Our solutions in this proposal are specifically tailored to the current and future needs of Henrico County & Public Schools, and we are prepared to partner with you to help enhance employee benefits while reducing annual spend.

At Aon, we deliver quality services and concrete results. The following pages outline how we intend to put these words into action.

We look forward to discussing our proposal with Henrico County & Public Schools and your benefits team to answer any additional questions you may have, demonstrate our approach to serving our clients, and further illuminate how we can partner to manage your employee benefits program.

We appreciate this opportunity to respond to Henrico County & Public Schools 's request and look forward to growing our relationship with you.

## Delivering Aon United

Our Aon United journey began a decade ago with a belief that we could deliver more value to clients if we worked together across all our business.

Together, we built a culture that encourages the sharing of best practices and collaboration across solution lines and geographies. We learned that an Aon United mindset and its behaviors drive better client outcomes, accelerate the growth of our firm, and create more opportunity for our colleagues.

## Aon United

How we shape decisions for the better and drive sustainable growth — working together as one firm.

**Aon is in the business of better decisions.**



Today, with the greatest conviction, we are certain that Aon United is the path forward, and our Aon United Blueprint is how we bring the best of Aon to clients and drive sustainable growth for our firm.



## Delivering Aon United

Delivering Aon United (DAU) defines how Aon colleagues work together to bring the best of the firm to clients and sets a new standard for client leadership. DAU helps us better understand the unique needs of all the clients Aon serves, delivers upon our Client Methodology commitment, and helps colleagues better articulate the value Aon creates.

## DAU and The Aon United Blueprint

As a key component of our Aon United growth strategy, DAU is focused on delivering consistent client value by bringing the best of our firm to our clients.

Over time, we found that our clients are best served when we bring comprehensive solutions like tools and insights that enable them to make better decisions, manage volatility, and enhance their performance.

As a result, DAU brings the firm together through a common standard of client leadership. Enabled by common tools, platforms, and methodologies, it demonstrates best practices from across the firm to increase collaboration within and across solution lines, strengthens our value propositions, and makes it easier for colleagues to consistently deliver and articulate value to clients.

Our Aon United Blueprint below outlines how we bring the best of our firm to our clients and continue to drive sustainable growth of our firm:

## Aon United Blueprint

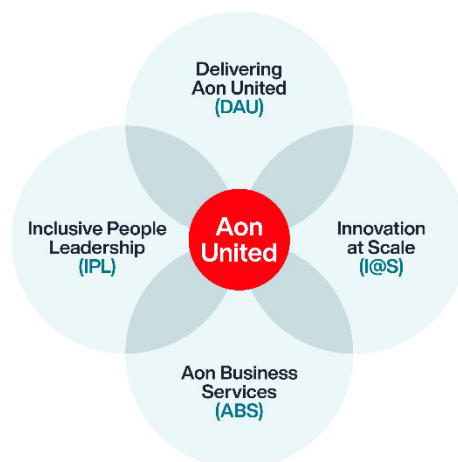
How we shape decisions for the better and drive sustainable growth – working together as one firm  
**Aon is in the business of better decisions**

### Delivering Aon United (DAU)

Our Delivering Aon United strategy defines how Aon colleagues work together to deliver value to clients and sets a new standard for client leadership. Delivering Aon United is brought to life through our common client value creation model which scales strategies from across the firm that have helped teams bring the best of the firm to clients.

### Inclusive People Leadership (IPL)

Our Inclusive People Leadership strategy ensures that all colleagues – at every stage of their journey – are equipped and motivated to model our Aon United values and behaviors. In doing so, it creates a culture where Aon colleagues engage one another in a manner that enables all of us to achieve our full professional potential.



### Innovation at Scale (I@S)

Our Innovation at Scale strategy applies a common content and capability development methodology and set of global standards in three areas of innovation: within our solution lines (core), across solution lines (core+), and making net new enterprise-level big bets through Aon New Ventures that expand our addressable market.

### Aon Business Services (ABS)

Our Aon Business Services strategy creates globally scaled operational and technology capabilities and connects them to our clients. Aon Business Services makes Aon easy to work with, delivering differentiated client service, supporting colleagues and enabling rapid solution development and innovation.



## 2. Tab 1 – Introduction and Signed Forms

In this tab, the following items should be provided:

---

a. Cover Letter – On company letterhead, signed by a person with the corporate authority to enter into contracts in the amount of the proposal.

---

Please find the cover letter inserted directly behind this sheet.



3000 Town Center  
Suite 3000  
Southfield, MI 48075

Office +1 248 936 5223  
Mobile +1 248 514 5476  
rebecca.feldman@aon.com

Mr. Oscar Knott, CPP, CPPO, VCO  
Purchasing Director  
Department of Finance  
8600 Staples Mill Road  
P.O. Box 90775  
Henrico, VA 23273-0775

Dear Mr. Knott,

Thank you for giving Aon the opportunity to respond to the Employee Benefits Consulting Services RFP. Aon has proudly served as Henrico County & Public Schools' Benefits Consultant since March 2019, and we look forward to the opportunity to continue as your trusted advisor. Here are a few highlights of our joint accomplishments over the past five years:

- Responded to the unprecedented COVID-19 pandemic by providing guidance and support on the various laws and regulations passed in response to the pandemic (Consolidated Appropriations Act, Families First Covid Response Act, Coronavirus Aid, Relief, and Economic Security Act, Inflation Reduction Act, etc.), and advised Henrico County & Schools on the financial impact to the health plan as a result of the pandemic to aid in planning and responding decisively to the Public Health Emergency.
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- Met with the Employee Health & Benefits Committee (EHBC) quarterly to apprise them of current market trends, plan performance, and benchmarking against comparator groups (Hanover County, Chesterfield County, etc.).
- Advised the EHBC on recommended strategies and programs relating to the employee benefits offering. As of September 2023, overall plan performance is a 94% loss ratio.
- Assisted and supported Henrico County & Schools during, and after, the unexpected absence of a key person in the County's HR department.
- Responded to multiple compliance related questions via Aon's legal consulting team.
- Included an 8-page annual benefits guidebook outside of the Employee Benefits Consulting agreement (i.e., no additional fee) for distribution to employees and their families during annual enrollment and the new hire process.

## A brief refresher on Aon

In our engagement with Henrico County & Public Schools, we have one mission: to provide world-class advice and services to reduce your cost of benefits and enhance your employee programs.



We offer Henrico County & Public Schools:

- **A Comprehensive and Integrated Approach:** As your current Benefits Advisor, we have a strong understanding of your organization, your culture, and your specific objectives. Our proposal has been designed to position Henrico County & Public Schools to continue providing a comprehensive and competitive benefits package. Through our expertise, tools, and resources across the entire Aon organization, combined with data and analytics, we can create unique insights and service offerings that address your specific goals.
- **A Partner That Understands the Importance of Excellent Service:** We survey hundreds of our clients every year to measure satisfaction and performance through our Client Methodology. Aon's Client Methodology describes the way we work together with our clients, what they can expect from us, and the value we will deliver. It is our promise to ensure our clients receive value and personalized service based on their individual business needs. Our aim is to create a distinctive and consistent client experience for every one of our clients.
- **Significant Market Leverage:** As Henrico County & Public Schools has seen during our partnership, Aon will aggressively negotiate contracts and programs on your behalf and ensure you get the level of service you need from your vendors. Aon's access to the leading carriers and providers of employee benefits is unmatched in the marketplace and is reinforced by the substantial volumes of business we maintain with our carrier partners.
- **An Unmatched Team:** We realize you have a difficult decision to make in choosing a partner to help you face a changing and challenging future, while offering a "best in class" benefits program. Aon has a vast network of national resources that will be available to the Henrico County & Public Schools team to help solve problems and create innovative solutions. Brady Cregg will continue to lead this team and will have the support of Angela Hackenburg and Karen Fischer for the actuarial and financial deliverables, along with Mike DiOrio who will assist Brady and the rest of the team in meeting your expectations.
- **Comprehensive Industry Expertise:** Aon blends industry-specific expertise with a spectrum of data elements and information to develop your benefits program. This unique, integrated structure allows us to provide custom programs and services to Henrico County & Public Schools—offering a comprehensive, unified point of view.

## Diverse supplier program

We are aligned with Henrico County & Public Schools on valuing the vital role of supporting diverse and small businesses whenever demonstrable engagement exists. At Aon, we believe supplier diversity plays an integral role in supporting the needs of our stakeholders to create long-term value and industry-leading risk, retirement, and health solutions for our colleagues, clients, and communities.

We would be happy to have a discussion with Henrico County & Public Schools about our diverse supplier program processes and the scope of services and jointly determine the appropriate support Aon can drive to help Henrico County & Public Schools demonstrate its commitment within the marketplace in which it operates.



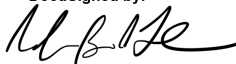
## In closing

We have greatly valued our partnership with Henrico County & Public Schools during the past five years. If selected, we will continue delivering best in class service and will help develop a strategy consistent with your goals and culture to execute a plan that meets your expectations. We will continue to bring unique insight to your firm based on our extensive experience in the public sector industry.

Our proposal reflects our current understanding of your expressed needs in your request and based upon our partnership over the past five years. We look forward to continuing our partnership and improving our knowledge of your organization, your culture, and your specific objectives throughout this process.

It has been our pleasure to put the accompanying proposal together for you, and we look forward to earning your business once again.

Sincerely,

DocuSigned by:  
  
A2718DEC34E74D2...

Rebecca Feldman  
US Health Chief of Strategy

DS  




**b. Proposal Signature Sheet - Attachment A**

---

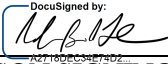
Please find Attachment A inserted directly behind this sheet.

## ATTACHMENT A PROPOSAL SIGNATURE SHEET

My signature certifies that the proposal as submitted complies with all requirements specified in this Request for Proposal (“RFP”) No. **23-2590-9EMF Consulting Services for Employee Benefits**

My signature also certifies that by submitting a proposal in response to this RFP, the Offeror represents that in the preparation and submission of this proposal, the Offeror did not, either directly or indirectly, enter into any combination or arrangement with any person or business entity, or enter into any agreement, participate in any collusion, or otherwise take any action in the restraining of free, competitive bidding in violation of the Sherman Act (15 U.S.C. Section 1) or Sections 59.1-9.1 through 59.1-9.17 or Sections 59.1-68.6 through 59.1-68.8 of the Code of Virginia.

I hereby certify that I am authorized to sign as a legal representative for the business entity submitting this proposal.

LEGAL NAME OF OFFEROR (DO <u>NOT</u> USE TRADE NAME):	
Aon Consulting, Inc.	
ADDRESS:	
200 E. Randolph Street	
Chicago, IL 60601	
FEDERAL ID NO:	22-2232264
SIGNATURE:	
NAME OF PERSON SIGNING (PRINT):	Rebecca Feldman
TITLE:	U.S. Health Chief of Strategy
TELEPHONE:	248-514-5476
FAX:	N/A
EMAIL ADDRESS:	rebecca.feldman@aon.com
DATE:	October 10, 2023

DS  




**c. Business Classification Form – Attachment B**

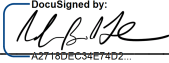
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Please find Attachment B inserted directly behind this sheet.



# ATTACHMENT B BUSINESS CATEGORY CLASSIFICATION FORM

Company Legal Name: Aon Consulting, Inc.

This form completed by: Signature:  Title: U.S. Health Chief of Strategy

Date: October 10, 2023

DS  


PLEASE SPECIFY YOUR **BUSINESS CATEGORY** BY CHECKING THE APPROPRIATE BOX(ES) BELOW.

(Check all that apply.)

- SMALL BUSINESS
- WOMEN-OWNED BUSINESS
- MINORITY-OWNED BUSINESS
- SERVICE-DISABLED VETERAN
- EMPLOYMENT SERVICES ORGANIZATION
- NON-SWaM (Not Small, Women-owned or Minority-owned)

**SUPPLIER REGISTRATION** – The County of Henrico encourages all suppliers interested in doing business with the County to register with eVA, the Commonwealth of Virginia’s electronic procurement portal, <http://eva.virginia.gov>.

eVA Registered?  Yes  No

If certified by the Virginia Minority Business Enterprises (DMBE), provide DMBE certification number and expiration date.  
NA NUMBER NA DATE

### DEFINITIONS

For the purpose of determining the appropriate business category, the following definitions apply:

**"Small business"** means a business, independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business.

**"Women-owned business"** means a business that is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

**"Minority-owned business"** means a business that is at least 51 percent owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals.

**"Minority individual"** means an individual who is a citizen of the United States or a legal resident alien and who satisfies one or more of the following definitions:

1. "African American" means a person having origins in any of the original peoples of Africa and who is regarded as such by the community of which this person claims to be a part.
2. "Asian American" means a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including but not limited to Japan, China, Vietnam, Samoa, Laos, Cambodia, Taiwan, Northern Mariana Islands, the Philippines, a U.S. territory of the Pacific, India, Pakistan, Bangladesh, or Sri Lanka and who is regarded as such by the community of which this person claims to be a part.
3. "Hispanic American" means a person having origins in any of the Spanish-speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who is regarded as such by the community of which this person claims to be a part.
4. "Native American" means a person having origins in any of the original peoples of North America and who is regarded as such by the community of which this person claims to be a part or who is recognized by a tribal organization.

**"Service disabled veteran business"** means a business that is at least 51 percent owned by one or more service disabled veterans or, in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more individuals who are service disabled veterans and both the management and daily business operations are controlled by one or more individuals who are service disabled veterans.

**"Service disabled veteran"** means a veteran who (i) served on active duty in the United States military ground, naval, or air service, (ii) was discharged or released under conditions other than dishonorable, and (iii) has a service-connected disability rating fixed by the United States Department of Veterans Affairs.

**"Employment services organization"** means an organization that provides community-based employment services to individuals with disabilities that is an approved Commission on Accreditation of Rehabilitation Facilities (CARF) accredited vendor of the Department of Aging and Rehabilitative Services.



**d. Virginia State Corporation Commission Registration Information – Attachment C**

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Please find Attachment C inserted directly behind this sheet.

**ATTACHMENT C**  
**Virginia State Corporation Commission (SCC)**  
**Registration Information**

**The Offeror:**

is a corporation or other business entity with the following SCC identification number:  
F1339862 \_\_\_\_\_ **-OR-**

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Bidder in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from Bidder's out-of-state location) **-OR-**

is an out-of-state business entity that is including with this bid/proposal an opinion of legal counsel which accurately and completely discloses the undersigned Bidder's current contracts with Virginia and describes why those contracts do not constitute the transaction of business in Virginia within the meaning of §13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

Please check the following box if you have not checked any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids:



**e. Proprietary/Confidential Information - Attachment D**

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Please find Attachment D inserted directly behind this sheet.

**ATTACHMENT D**  
**PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION**

NAME OF OFFEROR: Aon Consulting, Inc.

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of Va. Code § 2.2-4342(F) in writing, either before or at the time the data or other materials are submitted. The Offeror must specifically identify the data or materials to be protected including the section(s) of the proposal in which it is contained and the pages numbers, and state the reasons why protection is necessary. A summary of trade secrets and proprietary information submitted shall be submitted on this form. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. Va. Code § 2.2-4342(F) prohibits an Offeror from classifying an entire proposal, any portion of a proposal that does not contain trade secrets or proprietary information, line item prices, or total proposal prices as proprietary or trade secrets. If, after being given reasonable time, the Offeror refuses to withdraw such classification(s), the proposal will be rejected.

SECTION/TITLE	PAGE NUMBER(S)	REASON(S) FOR WITHHOLDING FROM DISCLOSURE
<b>References</b>		We want to keep our clients names protected and withheld
<b>Employee Bios</b>		We want to keep our employees names protected and withheld



**f. Direct Contact with Students - Attachment F**

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Please find Attachment F inserted directly behind this sheet.

**ATTACHMENT F  
DIRECT CONTACT WITH STUDENTS**

Name of Offeror: Aon Consulting, Inc.

Pursuant to Va. Code § 22.1-296.1, as a condition of awarding a contract for the provision of services that require the contractor or employees of the contractor to have direct contact with students on school property during regular school hours or during school-sponsored activities, the contractor shall provide certification of whether any individual who will provide such services has been convicted of any violent felony set forth in the definition of barrier crime in subsection A of Va. Code § 19.2-392.02; any offense involving the sexual molestation, physical or sexual abuse, or rape of a child; or any crime of moral turpitude.

Any individual making a materially false statement regarding any such offense is guilty of a Class 1 misdemeanor and, upon conviction, the fact of such conviction is grounds for the revocation of the contract to provide such services and, when relevant, the revocation of any license required to provide such services.

**As part of this submission, I certify the following:**

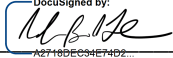
- None of the individuals who will be providing services that require direct contact with students on school property during regular school hours or during school-sponsored activities have been convicted of a violent felony set forth in the definition of “barrier crime” in Va. Code § 19.2-392.02(A); an offense involving the sexual molestation, physical or sexual abuse, or rape of a child;**

**And (select one of the following)**

**None of the individuals who will be providing services that require direct contact with students on school property during regular school hours or during school-sponsored activities have been convicted of any felony or any crime of moral turpitude.**

or

**One or more individuals who will be providing services that require direct contact with students on school property during regular school hours or during school-sponsored activities has been convicted of a felony or crime of moral turpitude that is not set forth in the definition of “barrier crime” in Va. Code § 19.2-392.02(A) and does not involve the sexual molestation, physical or sexual abuse, or rape of a child. (In the case of a felony conviction meeting these criteria, the contractor must submit evidence that the Governor has restored the individual’s civil rights.).**

DocuSigned by:  
  
A2710ECC30E74D2  


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*Signature of Authorized Representative*  
 Rebecca Feldman  


---

*Printed Name of Authorized Representative*  
**Aon Consulting, Inc.**  


---

*Printed Name of Vendor*

DS  


*(if different than Representative)*



**g. HIPPA Business Associate Agreement – Attachment H**

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Attachment H inserted directly behind this sheet.



**EXHIBIT A**  
**HIPAA BUSINESS ASSOCIATE ADDENDUM**

**WHEREAS**, the County of Henrico (the “County”) and Aon Consulting, Inc. (“Business Associate”) entered into a contract on \_\_\_\_\_ for the performance of consulting services to assist the County in the selection and monitoring of benefits programs (the “Contract”); and

**WHEREAS**, the County is a hybrid entity including covered health care components and internal business associates under the federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the American Recovery and Reinvestment Act of 2009 (“ARRA”), Title XIII of ARRA, the Health Information Technology for Economic and Clinical Health Act (“HITECH”) Subtitle D; and

**WHEREAS**, HIPAA, HITECH, and the implementing regulations have established Privacy and Security Standards (the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. §§ 160 and 164); and

**WHEREAS**, Business Associate is directly subject to HIPAA provisions the ARRA, Title XIII of ARRA, and amendments thereto, and HITECH, and all related rules and regulations in effect and any amendments thereto; and

**WHEREAS**, Business Associate may receive from the County and use and/or disclose records that include information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual; or with respect to which there is a reasonable basis to believe the information can be used to identify the individual (Protected Health Information, “PHI”); and

**WHEREAS**, the Privacy and Security Standards require a Business Associate Addendum to ensure that PHI is adequately safeguarded as part of the Contract provisions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Business Associate Addendum (“Addendum”) and in the Contract and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the County and Business Associate agree as follows:

**I. DEFINITIONS**

The following terms used in this Addendum shall have the same meaning as those terms in the Privacy and Security Standards: Breach, Business Associate, Disclosure, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Subcontractor, and Use.

**II. OBLIGATIONS OF THE BUSINESS ASSOCIATE**

1. Permitted Uses and Disclosure of PHI. Business Associate provides auditing services for and/or on behalf of the County that may involve the use and/or disclosure of PHI. Business Associate will use and/or disclose PHI only to the extent necessary to perform its duties and obligations to the County or as otherwise required by law. Business Associate may permit the use of PHI by third parties, including its employees, contractors, agents, or other representatives, only to the extent directly related to and necessary for the performance of its duties and obligations to the County as required by

the Contract or as otherwise permitted by law. Business Associate and its agents or subcontractors will only request, use and disclose the minimum PHI necessary to perform its duties and obligations in accordance with HIPAA, the HIPAA Regulations, and HITECH.

2. Safeguards Against Misuse of Information.

- a. Business Associate will use appropriate and reasonable safeguards to maintain the security of and prevent the improper use or disclosure of PHI.
- b. Business Associate agrees that it will comply with 45 C.F.R. §§ 160.302 *et seq.* and implement administrative, physical and technical safeguards that reasonable and appropriately protect the confidentiality, integrity, and availability of electronic PHI, as that term is defined in 45 C.F.R. § 160.103, that it creates, receives, maintains or transmits on behalf of the County.
- c. Business Associate will train employees in information security, designating a security officer, conducting an information risk analysis, and developing a risk management remediation plan.
- d. Business Associate agrees to abide by the prohibitions under the ARRA regarding the sale and marketing of PHI.
- e. Business Associate agrees with any other conditions that the Secretary of the Department Health and Human Services may require with respect to electronic PHI.

3. Reporting Breaches and Other Security Incidents and Mitigation of Effect.

- a. Business Associate agrees to promptly report to the County: (1) any use or disclosure of PHI not authorized by the Contract of which it becomes aware; and (2) any “security incident,” as defined by 45 C.F.R. § 164.304, of which it becomes aware. The parties acknowledge and agree that this section constitutes notice by Business Associate to County of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to Company shall be required. “Unsuccessful Security Incidents” shall include, but not be limited to, pings and other broadcast attacks on Business Associate’s firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI. Business Associate shall take reasonable steps to cure any such security incident and implement procedures for mitigating the harmful effects from any such security compromise. Business Associate shall report the measures it took to mitigate any security compromise that may have occurred and shall report any data loss or other information system compromise as a result of the incident.
- b. In the event of a breach of unsecured PHI as defined in 45 C.F.R. § 164.410, Business Associate will comply with the breach notification requirements of 45 C.F.R. § 164.410 and notify the County without reasonable delay, and in no case, later than two (2) business days of when Business Associate becomes aware of a breach. Notification of security incidents shall include the identity of each individual whose unsecured PHI has been or is reasonably believed to have been accessed,

acquired, or disclosed inappropriately during such breach. Notifications shall contain any other such information as Business Associate reasonably believes is required for the County to further investigate. Business Associate will also provide such assistance and further information as reasonably requested by the County in meeting its responsibility to notify all individuals affected, as detailed in 45 C.F.R. § 164.404.

4. Use and Disclosure of PHI by Subcontractors and Agents.

- a. Business Associate will require any subcontractor or agent that is authorized to review, use or disclose PHI obtained by Business Associate from the County, to agree in writing to adhere to the same restrictions, conditions, and requirements regarding the use and disclosure of PHI and safeguarding of PHI that apply to Business Associate.
- b. Business Associate will ensure that any subcontractor or agent to whom it provides electronic PHI that was created, received, maintained or transmitted on behalf of the County agrees in writing to implement reasonable and appropriate safeguards to protect the confidentiality, security, and integrity of the electronic PHI.

5. Access to Information. Throughout the term of this Addendum, Business Associate shall make available to the County all PHI provided to Business Associate by the County for so long as such information is maintained. Upon written request from the County, Business Associate shall make an individual's PHI available to the County within fifteen (15) days of an individual's request for such information as notified by the County. In the event that the requesting individual's PHI is neither maintained nor accessible on site by the County or the Business Associate, the extended timeframe set forth in 45 C.F.R. § 164.504(3)(2)(iii)(C) will be available for Business Associate to respond to the County's request. In the event any individual requests access to County-provided PHI directly from Business Associate, Business Associate shall forward such request to the County. Any denials of access to PHI requested shall be the responsibility of the County. Business Associate shall further conform with and meet all the requirements of 45 C.F.R. § 164.524.

6. Availability of PHI for Amendment. Upon receipt of a request from the County to update PHI for an individual, Business Associate will incorporate any such amendment into its records within thirty (30) days of the request or as may be required by 45 C.F.R. § 164.526. If Business Associate receives a request from an individual for an amendment to County-provided PHI, Business Associate shall forward such request directly to the County. Any review and consideration of a requested amendment shall be the responsibility of the County.

7. Accounting of Disclosures. Upon request from the County, Business Associate will make available to the County such information as is in Business Associate's possession and is required for the County to make an accounting as required by 45 C.F.R. § 164.528. In the event the request for an accounting is delivered directly to Business Associate, Business Associate will forward such request to the County as soon as practicable. It shall be the County's responsibility to prepare and deliver any such

accounting requested. Business Associate will maintain an appropriate record keeping process to enable it to comply with the requirements of this Section.

8. Use and Disclosures for Business Associate's Purposes.

- a. Business Associate will only use or disclose PHI to the minimum necessary to carry out its duties and obligations under the Contract or as required by law. Business Associate may not use or disclose PHI in a manner that would violate 45 C.F.R. § 164.500 *et seq.*
- b. Business Associate may disclose PHI for its own proper management and administration or to carry out its legal responsibilities, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

9. Availability of Books and Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of the County available to the County and the Secretary of the Department of Health and Human Services for purposes of monitoring compliance with the Privacy and Security Standards.

10. Compliance with Requirements. To the extent the Business Associate is to carry out one or more of the obligations of the County under 45 C.F.R. § 164.500 *et seq.*, Business Associate will comply with the requirements that apply to the County in the performance of such obligations.

### III. OBLIGATIONS OF THE COUNTY

1. Notice of Privacy Practices. The County will notify Business Associate of any limitation in its Notice of Privacy Practices, which the County, or any of its departments, provides or makes available to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
2. Restrictions on Disclosures. If applicable to Business Associate, the County will notify Business Associate as soon as practicable of any request for restrictions by an individual of the use or disclosure of the individual's PHI that the County has agreed to accept. The County will also notify Business Associate, if applicable, of any changes in, withdrawal, or revocation of any authorization or other permissions(s) granted the County by an individual for the use and disclosure of the individual's PHI.
3. Impermissible Requests. The County will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy or Security Standards if done by the County. Nothing in this section shall preclude Business Associate from using or disclosing PHI for its management and administrative activities as provided in Section II.8 above.

#### IV. MISCELLANEOUS

1. Term. This Addendum will remain in effect for the term of the Contract between the County and the Business Associate, including any extensions or renewals thereof.
2. Termination for Cause. Upon the County's knowledge of a material breach by Business Associate, the County will provide Business Associate an opportunity to cure the breach or end the violation. The County may terminate the Contract: (a) immediately if Business Associate has breached a material term and cure is not possible; or (b) upon Business Associate's failure to cure the breach or end the violation within the time specified by the County.
3. Effect of Termination.
  - a. Except as provided in paragraph b of this section, upon termination of this Addendum for any reason, Business Associate will return or destroy all PHI received from the County, or created or received by Business Associate on behalf of the County. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate will not retain copies, including electronic copies, of the PHI.
  - b. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate will provide the County notification of the conditions that make return or destruction infeasible and extend the protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. The parties hereby agree that return of archival data pursuant to Business Associate's data retention policy is infeasible, and Business Associate shall extend the protections of this Addendum to such archival data for so long as Business Associate maintains such archival data.
4. Amendments. This Addendum, and any provision thereof, may be amended, modified or deleted by written agreement of the parties. The parties may amend this Addendum from time to time as necessary for the County and Business Associate to comply with the Privacy or Security Standards and all other applicable laws or regulations.
5. Survival. The respective rights and obligations of Business Associate survive termination of this Addendum and any underlying Contract.
6. Interpretation. This Addendum will be interpreted as broadly as necessary to implement and comply with the Privacy and Security Standards. Any ambiguities in this Addendum will be resolved in favor of a meaning that complies with the Privacy and Security Standards.
7. Governing Law and Venue. This Addendum is governed by federal law and the laws of the Commonwealth of Virginia without regard to laws relating to choice of law or conflicts of law. Exclusive venue for any dispute arising hereunder shall be resolved in the Circuit Court of the County of Henrico, Virginia.

8. Coordination of Documents. In the event of a conflict between a provision of this Addendum and the Contract, the provisions of this Addendum will control. Provided, however, that in the event of any breach or alleged breach of the terms of this Addendum by Business Associate, the indemnification obligations of Business Associate set forth in paragraph 6(C) of Contract No. 1773 shall apply.
9. Notices. All notices, requests, demands and other communications required or permitted to be given or made under this Addendum shall be in writing, shall be effective upon receipt, and shall be sent by (a) personal delivery; (b) certified or registered United States mail, return receipt requested; (c) overnight delivery services with proof of delivery; or (d) facsimile with return facsimile acknowledging receipt. Notices will be sent to the address below:

To Covered Entity:                      Brandon Hinton, Privacy Officer  
County of Henrico  
4301 E. Parham Road  
P.O. Box 90775  
Henrico, Virginia 23273-0775  
Facsimile: (804) 501-4162

To Business Associate:                      **Insert info**

**IN WITNESS WHEREOF**, the parties hereto have signed this Addendum.

Aon Consulting, Inc.

By: 

Title: COO, US Health & Benefits

Date: 3/1/2019

County of Henrico

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### 3. Tab 2 – Statement of the Scope

In this tab, Offerors, in concise terms, shall state their understanding of the Scope of Services requested by this RFP in Section II.

Number	Service	Aon Agrees
<b>A.</b>	<b>Group Health Benefit Program</b>	
1	Review and become completely knowledgeable of the existing self-funded health care benefit.	✓
2	Assist in the development of reports that analyze current and historical claims activity and identify utilization patterns. Make recommendations to County on areas of potential cost savings.	✓
3	Assist in the development of alternatives to the existing benefit structure to achieve greater financial control over the program. Propose benefit, wellness, disease management and other programs as needed.	✓
4	Assist in the development of renewal rates as requested (typically six months prior to renewal effective date).	✓
5	Assist the County in communication of existing and future benefit plans to all employees by providing qualified legal and compliance staff. Documents include enrollment materials, HIPAA Privacy Notices, Notices of Creditable Coverage (Part D), Plan Document, Evidence of Coverage and other communications as required for compliance.	✓
6	Assist the County with other legal compliance needs such as HIPAA training and procedures.	✓
7	Assist the County to be compliant with the Patient Protection and Affordable Act (PPACA) and with strategic planning related to PPACA compliance.	✓
8	Assist the County as needed with legal review of contract documents and our plan document with emphasis on compliance with all applicable laws.	✓
9	Legal expertise related to benefits compliance.	✓
10	Assist the County with RFP development, competitive reviews and analysis of responses as needed for the review of benefit providers.	✓
11	Keep the County informed of health benefit practices among peer groups within the immediate geographic area, as well as any innovative benefit, wellness, disease management and other programs in place elsewhere.	✓
12	Assist the County in preparing projections on the impact of a changing employee/retiree population mix on County healthcare expenditures.	✓

Number	Service	Aon Agrees
13	Provide regular GASB/OPEB reports as needed for compliance. Advise as needed regarding GASB/OPEB from an actuarial and compliance perspective.	✓ - see pricing sheet
14	Model contribution scenario analyses as needed to demonstrate the financial impact of various levels of employee, retiree, and/or family plan participation and healthcare coverage subsidies.	✓
15	Assigned staff shall promptly respond to requests, offer reasonable turn-around times and deliver projects on time.	✓
<b>B</b>	<b>Other Required Services- While the majority of the work associated with this contract will relate to group health benefit issues, the County desires that the Offeror be able to provide assistance in the following areas when requested:</b>	
1	Post Retirement Earning Plans (PREP) for school employees.	
2	Flexible benefit plans, and their tax implications.	✓ - advise on pre- or post-tax only
3	Dental benefits	✓
4	Use of an actuary to prepare incurred but not reported (IBNR) claim reserves and other analysis as needed.	✓ - annually
<b>C.</b>	<b>The Successful Offeror Requirements:</b>	
	The Successful Offeror and Principal in Charge of this project shall be experienced in the analysis of governmental entities as related to employee benefits in general and with group health benefit programs specifically.	✓
	The Successful Offeror shall complete projects within specified time frames and within agreed costs.	✓
	The Successful Offeror shall not be presently engaged in the sale or underwriting of insurance. If your firm is awarded this contract and during the term of your contract you begin work for benefit providers, the County will require notification of that arrangement.	✓
<b>D</b>	<b>HIPAA Requirements:</b>	
	The Successful Offeror will be required to execute a HIPAA Business Associate Agreement. (Attachment H)	✓





## 4.Tab 3 – Default, Termination and Barred Certification Statement

Default, Termination and Barred Certification Statement Pursuant to Section VI, Items L(3), L(4) and L(5), in this tab, Offerors shall certify (i) that it has not defaulted on any government contract in the last five years, (ii) that no government has terminated a contract with the Offeror for cause in the last five years, and (iii) that neither it nor any of its officers, directors, partners, or owners is currently barred from participating in any procurements by any federal, state, or local government body. If any of the aforementioned certifications cannot be made, Offerors must explain in reasonable detail.

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To the best of our knowledge, Aon Consulting, Inc. has not had a contract terminated for default in the past five years. As might be expected, Aon Consulting, Inc. (“Aon”) has a range of client engagements, and in the ordinary course of its business, such engagements may terminate prior to the contemplated expiration date or not be renewed for any number of reasons. Although the details of such early terminated or non-renewed engagements cannot be ascertained, it is the position of Aon that the disposition or ultimate determination of such terminated or non-renewed engagements will not have a material effect or impact our ability to perform services.

## 5. Tab 4 – Experience and Qualifications and References.

In this tab, offerors shall demonstrate the Offeror’s and their staff’s qualifications and experience in providing the services as requested in this Request for Proposal (“RFP”). This shall include resumes of staff that would be providing services for this contract. Offerors shall include, at a minimum the following information with their submission:

a. Provide background information and a brief description of your organization. Include any pertinent information relative to the size and organization structure of your company.




### Aon Overview

Aon plc (NYSE: AON) exists to shape decisions for the better – to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

Through our experience, global reach, and state-of-the-art analytics, we are better able to help clients meet rapidly changing, increasingly complex, and interconnected challenges across four areas of need:

Navigating new forms of volatility	Building a resilient workforce	Rethinking access to capital	Addressing the underserved
------------------------------------	--------------------------------	------------------------------	----------------------------

Our client-focused approach has brought consistently strong year-over-year growth and stability to our firm. Some highlights of our recent financial performance include:

 <b>50,000</b> colleagues around the world	 <b>120+</b> countries and sovereignties with Aon clients	 <b>\$12.5B</b> 2022 annual revenue	 <b>\$69.8B</b> market capitalization (as of July 2023)	 <b>AON</b> NYSE symbol
---	--	--	--	--

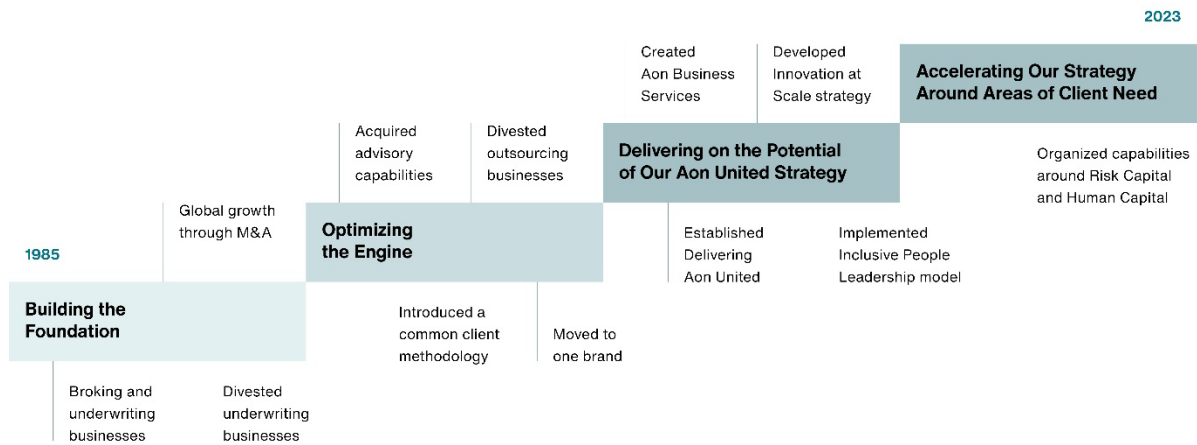
## Aon History

Aon is a Gaelic word meaning “oneness.” We chose the name Aon in 1987, and it perfectly captures the essence of our history with roots that go back more than 100 years. Building strength through oneness has been a singular focus for Aon since the modern-day organization was launched with the merger of Ryan Insurance Group and Combined International Corporation in 1982.

Aon’s rapid expansion and success in the global marketplace over the last 40+ years is a testament to hard work, organic growth, and investment that is unprecedented in the industry. The power of Aon United is the culmination of a decade-long integration of our capabilities to deliver the best of our global firm to local clients. From Hudig-Langeveldt, Benfield Group, and Hewitt Associates, to the acquisitions of cut-e, Stroz Friedberg, and The Townsend Group, each has been a building block allowing Aon to better address the needs of our clients.

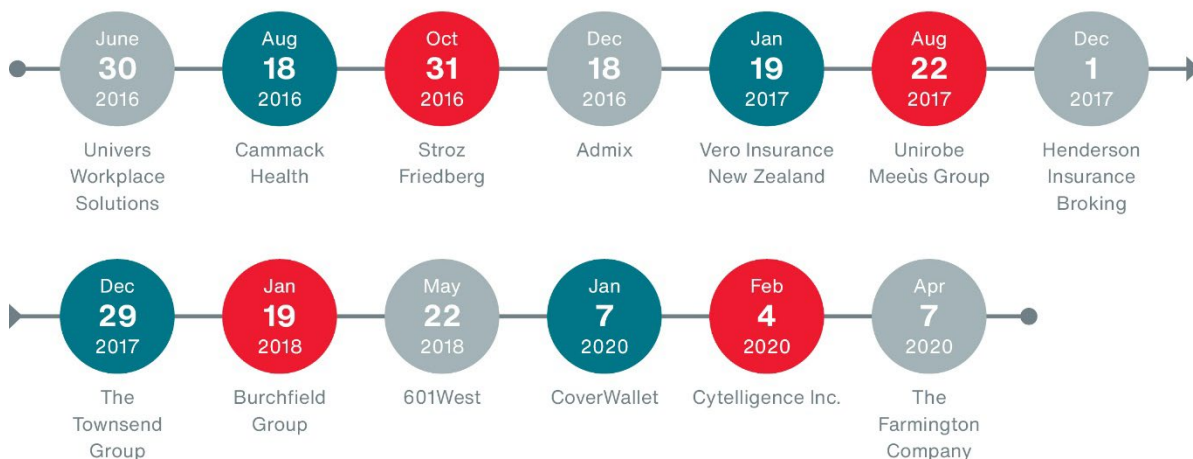
The graphics below highlight our journey to continually address the current and future needs of our clients through strategic mergers and acquisitions:

A 35+ year journey to create a **leading global professional services firm**, culminating in a decade-long integration of our capabilities to deliver the best of our **global firm to local clients**



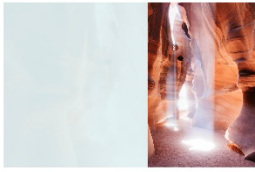
## Aon’s Acquisition Story:

Adding Specialty Capabilities to Support Client Needs  
Focused on Consulting and Advisory



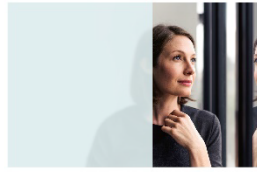
Today, our world is more volatile — economically, demographically, and geopolitically — than ever before. We are also more interdependent. This dynamic creates unique opportunities but also significant uncertainty and risk — risk that is increasingly connected and more severe.

Specifically, we have identified the importance of supporting client decision making in four areas:



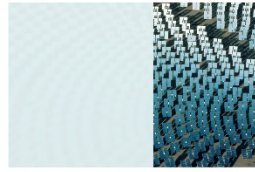
#### **Navigating New Forms of Volatility**

Today's world is difficult to recognize. Macroeconomic upheaval, pandemics, supply chain failure, extreme weather — all of them are interconnected. Our experience and advanced analytics help you find the value amid the volatility.



#### **Building a Resilient Workforce**

An organization is only as resilient as its people. How do you help them plan their futures? Improve their health and build their wealth? Aon provides the clarity and confidence to make work, work for everyone.



#### **Rethinking Access to Capital**

Every organization needs capital to grow. But when we need it and how we make the most of it never stops changing. Aon helps you rethink access to capital and the role it plays in your business — not just advising but providing the clarity and confidence to turn plans into action.



#### **Addressing the Underserved**

The economy is global, but its effects are personal. The people and small businesses working hardest to adapt today often lack the support and protection they'll need tomorrow. Aon helps close those gaps and shape decisions for the benefit of all.

At Aon, we are committed to accelerating innovation to better address these unmet or evolving client needs. We want clients of Aon to be better informed, better advised, and able to make better decisions to protect and grow their business.

## Ownership

Aon is a publicly traded company (NYSE: AON).

INTERNAL NOTE: Here is link to ongoing online info if more detail on stockholders is required:

<https://finance.yahoo.com/quote/AON/holders?p=AON>.

**b. Identify any subcontractors (including consultants, advisors and suppliers) to be used and describe specific responsibilities, qualifications and background experience of all key personnel.**

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Aon is a full-service consulting firm capable of providing the services as requested in the RFP. As such, we will not be engaged in a joint venture nor will we subcontract any of the services for this assignment.

**c. Report any restraining or disciplinary action taken against your firm by any regulatory body within the last three (3) years.**

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As might be expected, an organization the size and complexity of Aon plc (Aon) has a range of litigation pending in the ordinary course of its business. Details of litigation filed against Aon are available in Aon's annual Form 10-K filing (Note 15) and Aon's quarterly Form 10-Q filing (Note 15), which are available on Aon's website ([www.aon.com](http://www.aon.com)). Although the ultimate outcome of all such matters cannot be ascertained, it is the position of Aon that the disposition or ultimate determination of such claims will not have a material effect on the financial position of Aon or any of its subsidiaries nor impact our ability to perform services.



**d. Provide a minimum of three (3) references for groups of similar size, industry and location. Provide group name, contact person, telephone number, effective date and termination date if applicable and reason for termination.**

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We believe the most insightful information on our capabilities and experience comes directly from our clients. As a courtesy to our clients, many of whom have corporate policies pertaining to reference checks, we are protective of their time and the nature of our relationships with them. Please inform us before contacting our references. This allows us time to work with you and our clients to establish a mutually convenient time for the reference call.

[Client References Redacted]



**e. Describe the proposed project team including the names and titles of individuals and their functions, which would support the Plan.**

The Richmond-based team currently handling Henrico County & Public Schools, led by Brady Cregg, will continue to provide outstanding support to Henrico County & Public Schools. This team offers best-in-class solutions through expertise, flexibility, openness, and a whatever-it-takes attitude. Brady Cregg will be further supported by Mike DiOrio, Angela Hackenburg, Karen Fischer, and SJ Vaughn as well as by our industry-leading analytic tools, databases, and resources from across the Aon organization. As you know, in addition to your Aon account team, we have colleagues in our centers of expertise who we call upon as needed. This includes physicians; pharmacists; and experts in productivity, behavioral health, communications, compliance, data analysis, absence management, disability, life, and voluntary benefits. These specialists are embedded in our Health Solutions Consulting practice; they work with clients across industries and functional areas.

Please see the Appendix section of our proposal for a team chart and biographies of team members.

## Account Team Member Roles

Role	Responsibilities
Executive Sponsor	Ensures that all of Aon’s resources are at your disposal and to engage senior management assistance where needed
Relationship Manager	Responsible for managing overall client experience in tandem with the account executive
Consulting Client Lead	Project manager for all health and benefit projects for Henrico County & Public Schools
Account Executive	Responsible for overall project deliverables and client satisfaction
Public Entity Practice Leader SME	Assisting the team with issues and strategies related to Henrico County & Public Schools
Lead Actuary	Financial and actuarial-related activities
Actuarial Lead	Responsible for strategy and oversight on all financial deliverables
Communications Lead	Communication strategy, planning, and complex project management
Consulting Senior Analyst	Day-to-day support
Benefits Analyst	Consults in all areas of benefits, including claim reporting and data analysis, plan design, financial analysis, and renewal negotiations
Actuarial Analyst	Financial and actuarial-related activities
Financial Manager	Provides detailed financial analysis of vendor responses and oversees technical aspects of the RFP process

**f. How many years has your firm provided consulting services for employee benefits under current name or previous name.**

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We have provided services across the full range of human capital management consulting services for decades:

- Health and welfare: 70 years
- Benefits brokerage: 70 years
- Communication: 50 years
- Global benefits: 25 years
- Health and welfare audit: 30+ years
- Prescription audit: 20 years
- Data warehouse consulting: 15+ years
- Voluntary benefits/elective benefits: 35+ years
- Actuarial services for health plans (health and benefits): 50+ years
- U.S. Retirement Actuarial: 85+ years (began in 1934)
- U.S. Pension Administration: 80+ years (began in 1940)
- U.S. Investment Consulting: 45+ years<sup>1</sup> (began in 1974)
- Delegated Investment Consulting (US and Canada): 10+ years (began in 2009)
- Canada Investment Consulting: 55+ years (began in 1965)
- Canada Retirement Actuarial: 55+ years (began in 1965)
- Canada Pension Administration: 55+ years (began in 1965)
- Compensation: 75+ years
- Customer Engagement Surveys/Analytics: 45+ years
- Assessments: 50+ years

**g. Provide evidence of financial stability.**

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Aon plc maintains growth and stability through a broad, global, corporate strategy. Our clients are globally diversified — they represent all segments of the economy (individuals through personal lines, midmarket companies, and large global organizations). We serve virtually every industry sector in more than 120 countries and sovereignties throughout the world.

We have continued to focus our business portfolio on higher margin, capital light professional services that have high recurring revenue streams and strong cash flow generation. Aon makes capital allocation decisions based upon return on invested capital (ROIC). We now operate as one segment — Aon United — that includes all of Aon’s four principal products and services: Commercial Risk Solutions, Reinsurance Solutions, Health Solutions, and Wealth Solutions.

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<sup>1</sup> Investment advice and consulting services provided by Aon Investments USA Inc. Other services provided by Aon Investments USA Inc. affiliates.

## Liquidity

We believe that our balance sheet and strong cash flow provide us with adequate liquidity. Our primary sources of liquidity in the near term include cash flows provided by operations and available cash reserves; primary sources of liquidity in the long term include cash flows provided by operations, debt capacity available under our credit facilities, and capital markets. Our primary uses of liquidity are operating expenses and investments, capital expenditures, acquisitions, share repurchases, pension obligations, and shareholder dividends. We believe that cash flows from operations, available credit facilities, available cash reserves, and the capital markets will be sufficient to meet our liquidity needs, including principal and interest payments on debt obligations, capital expenditures, pension contributions, and anticipated working capital requirements in the next 12 months and over the long term.

Cash on our balance sheet includes funds available for general corporate purposes, as well as amounts restricted as to their use. Funds held on behalf of clients in a fiduciary capacity are segregated and shown together with uncollected insurance premiums and claims in Fiduciary assets in the Consolidated Statements of Financial Position, with a corresponding amount in Fiduciary liabilities.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriters. We also collect claims or refunds from underwriters on behalf of insureds, which are then returned to the insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. The levels of funds held on behalf of clients and liabilities can fluctuate significantly depending on when we collect the premiums, claims, and refunds, make payments to underwriters and insureds, and collect funds from clients and make payments on their behalf, and upon the impact of foreign currency movements. Funds held on behalf of clients, because of their nature, are generally invested in very liquid securities with highly rated, credit-worthy financial institutions. Fiduciary assets include funds held on behalf of clients comprised of cash and cash equivalents of \$6.4 billion and \$6.1 billion at December 31, 2022 and 2021, and fiduciary receivables of \$9.5 billion and \$8.3 billion at December 31, 2022 and 2021, respectively. While we earn investment income on the funds held in cash and money market funds, the funds cannot be used for general corporate purposes.

We maintain multi-currency cash pools with third-party banks in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall global balance does not fall below zero. At December 31, 2022, non-U.S. cash balances of one or more entities may have been negative; however, the overall balance was positive.

Additional information regarding our financial stability can be found in our annual financial reports. Our annual financial reports can be accessed via the following website:

<http://ir.aon.com/aboutaon/investorrelations/overview/default.aspx>.



## 6. Tab 5 – Service Approach and Implementation

In this tab, offerors shall provide detailed information as to their proposed approach and methodology for providing the services requested in Section II items A-D of this RFP. In addition, offerors shall provide the following information:

**a. Does your firm currently have consulting contracts in place with benefit providers?**

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Aon is authorized to work with all major health plan vendors in the market (including more than 50 TPAs and re-insurance carriers) as well as many local providers. We manage more than \$100 billion in health and welfare spend each year. Aon clients represent from 10 percent to 25 percent of the book of business for many health, life, and disability vendors.

At the same time, we are an independent consulting company with no contractual obligations to any vendors, third-party administrators, or provider networks. Aon maintains an objective position within the marketplace, which allows us to best assess the needs and goals of our clients.

**b. Demonstrate your firm’s ability to complete projects within specified time frames and with agreed costs.**

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As your current Employee Benefits Consultant, we are very sensitive to meeting your time frames and expectations for deliverables. We believe we have demonstrated this during the course of our relationship by completing all projects within the timeframe given; projections/budget in May/June, to each quarterly meeting with the EHBC. We recommend ongoing status calls with Henrico County & Public Schools to give both of us an opportunity to discuss completed work and activities as well as plan for upcoming activities. At the close of each meeting, we will have a clear understanding of items such as specific issues with each health and benefits plan, project plan milestones, key deliverable dates, and a clear definition of a satisfactorily completed project task.

We establish project plans for all activities, and we manage our team closely to deadlines without compromising the quality of deliverables. In addition, we provide regular communication (primarily via email) on developments in the health and benefits industry and relevant federal legislation.

Aon’s objective is to provide you world-class support, leading to peace of mind, which ultimately allows you to effectively focus your resources on delivering superior benefit programs to your employees.

**c. Outline in its response any other duties that the Offeror feels are necessary to assure the County is fully informed as to the operation of its existing healthcare benefit program.**

---

Our perception is that Henrico County & Public Schools is very engaged with the Aon consulting team, providing Aon with valuable feedback and being very responsive. The healthcare and benefits landscape is constantly evolving and changing, more so post-pandemic. To ensure the County is always up to date on the latest trends or regulatory compliance, Aon will bring up topics or issues throughout the year, some needing immediate action (Transparency under ACA and CAA for example), and others are long-term strategic initiatives. Any additional expectations or duties would be discussed with the County as they arise. We maintain flexibility in our contract with the County just for these contingencies.



We would recommend just one additional service at this time, the Experience Monitoring Report (EMR), which is a quarterly report detailing Henrico County & Public Schools claims performance against budget. Monthly is also available, but there is additional cost and may not add any additional benefit for you versus the quarterly.

## A. Group Health Benefit Program

### 1 Review and become completely knowledgeable of the existing self-funded health care benefit.

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As Henrico County & Public Schools current Benefits Consultant, we are very knowledgeable of the existing self-funded benefits.

### 2 Assist in the development of reports that analyze current and historical claims activity and identify utilization patterns. Make recommendations to County on areas of potential cost savings.

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Aon has several tools available to assist in the evaluation of claims and utilization. Under the current contract with the County, we deliver cost projections and budget information on an annual basis. In addition, we provide historical claims activity and trend reports during EHBC meetings, mainly prior to annual renewal. We also provide ad hoc reporting and carrier claim and utilization reports as we receive them and/or during vendor annual reviews and updates. Lastly, Aon provides the stop loss modeling analysis at renewal time to provide the County and the consulting team guidance on appropriateness of the Specific Stop Loss Deductible level.

If the County is interested in more robust reporting from Aon, we can include additional services as detailed below (additional fee(s) may apply):

#### **Experience Monitoring Reporting (EMR)**

This package, which is customized to Henrico County & Public Schools 's specifications, is delivered and reviewed quarterly. The EMR provides feedback on how your plan performance is emerging relative to budget expectations and industry trend benchmarks.

The report is divided into the sections referenced below:

- **Executive Summary** — An overview of the full array of data findings and analysis, year-over-year cost trends, actual versus expected costs, and aggregate and per-employee-per-month views
- **Plan Performance Analysis** — A comparison of the financial performance of your plans with assessments of the sufficiency of cost forecast versus actual in-year costs by month, and views by plan, division, location, or other groupings
- **High-Cost Claimant Analysis** — A review of diagnosis, member demographics, and election information of high-cost members

Reporting is available 30–60 days after the end of the quarter, depending on the timeliness of vendor reporting. Your account team is available to meet with your vendors to discuss program results and to develop remediation plans.



In addition, the work we do in developing these reports allows us to quickly respond to your needs for ad hoc reporting requested by Henrico County & Public Schools’s accounting/finance, human resources, and executive management.

### Aon Risk Modeling Capabilities

Our risk model simulates expected medical and prescription drug claims on:

- Range of projected costs at a variety of confidence intervals (90 percent, 80 percent, etc.)
- Impact of individual and aggregate stop-loss on expected claim cost
- Variability inherent in claim forecasts

## Aon Risk Modeling Capabilities

Aon risk model simulates expected medical/prescription drug claims

Shows range of projected costs at a variety of confidence intervals – 90%, 80%, etc.	Shows impact of individual and aggregate stop-loss on expected claim cost	Demonstrates the variability inherent in claim forecasts
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### Distribution of Annual Large Claims Over Stop-Loss



### 90% Confidence Interval

	ISL Coverage Level			
	\$150,000	\$200,000	\$250,000	\$500,000
Risk Removed (Upper Bound)	\$10,026,000	\$10,261,000	\$10,400,000	\$10,643,000
Risk Removed (Average)	\$11,194,000	\$11,553,000	\$11,786,000	\$12,275,000
Average # of Claimants Above ISL	9	6	4	1
Min Claimants	4	1	0	0
Max Claimants	14	10	7	3
Cost of Risk (Relative Values)	3.7793	2.8551	2.2559	1.0000

**3 Assist in the development of alternatives to the existing benefit structure to achieve greater financial control over the program. Propose benefit, wellness, disease management and other programs as needed.**

---

Aon will continue to assist Henrico County & Public Schools in developing and maintaining a cost-effective benefits program that balances your needs with your employees' needs through the delivery of recurring services (budgeting, renewal rate negotiation, vendor management) and ad hoc services (legal and compliance support, special communication materials).

The following diagram outlines our typical health and benefits consulting services:

## Fact-Based Insights Driving Superior Results



To meet Henrico County & Public Schools' short-term and long-term strategic needs, we will deploy our strategic planning tools and benchmarking data (on a local basis – Hanover, Chesterfield, etc.). We review your current strategy and work with you on any necessary modifications. This written strategy links Henrico County & Public Schools' business and benefits strategies. It includes a mission statement and guiding principles to be used to define ongoing benefits tactical decisions. We revisit this strategy annually and update it based on changes in your business and emerging trends.

We frame the strategic process as **Discover, Develop, Deliver, and Review**:

- **Discover:** We will collaborate to explore current state and gathering information on peers, leadership perspectives, and business goals. Strategic priorities are determined, and a plan for how to achieve them begins to form
- **Develop:** We will jointly author a plan to define how we will work together during the year. This includes activities such as evaluating partners, plan design and funding, and contribution strategies
- **Deliver:** We work together to bring the plan to employees and their families and determine how to measure effectiveness
- **Review:** We will seek your input on how we are doing both through informal feedback sessions

## Service Model



We recognize that a sound strategy must have goals that address employer and employee priorities. As such, the work that happens during this process is grounded in a framework that includes both employer and employee perspectives. Additionally, we recognize the external factors of the community and healthcare system that have a profound influence on your results. Our work with you will take all of these factors into account to produce measurable results for Henrico County & Public Schools.

#### 4 Assist in the development of renewal rates as requested (typically six months prior to renewal effective date).

---

Aon will continue to development the self-funded cost projections, premium equivalents, and contributions for Henrico County & Public Schools. As a refresher on this process, below are the steps taken for the renewal rates:

##### **Step 1—Confirm understanding of populations, plan designs, experience, and rate development history with Henrico County & Public Schools.**

We analyze Henrico County & Public Schools data sources to gain a solid understanding of your distinct populations and plan designs, inclusive of the historical rate development processes. This includes developing an understanding of recent history, rate changes implemented, and future direction. Prior to budget rate development, a review of recent Henrico County & Public Schools claims experience will provide insight into how experience is tracking with current budgets, as well as insight into rate increase expectations for the next year.

##### **Step 2—Develop specifications document outlining the proposed rate development methodology by coverage.**

The specifications document provides Aon with a detailed outline of the proposed approach to developing rates for each employee segment. The document will include decisions on experience periods, data sources, experience splits, and the framework for rating output.

For each employee segment, the output presentation will evolve differently. Pulling the best framework components from each segment into a standard budget rate development worksheet will address the underlying differences.

##### **Step 3—Customize pricing model based on Henrico County & Public Schools 's specifications.**

While we use Henrico County & Public Schools 's data for rate setting, we need to model changes in plan design for future years. Aon uses a powerful pricing tool that allows us to develop relative value factors associated with each plan design. The pricing methodology is dynamic in nature and uses a generally accepted actuarial method to calculate relative value changes. The data behind the model is developed from a database containing claims totaling more than 12 million total member-years and over \$50 billion in annual spend.

We create the appropriate number of plan design versions based on the population segments. Then we input current and future plan designs for each of these population segments to determine factors that would be applicable for the rate setting for each segment and each plan design change. This is similar to the process used to assess various strategy alternatives.

##### **Step 4—Complete initial rate development by group and coverage.**

The core steps in rate development by group and coverage are outlined below.

- Collect and analyze recent plan experience
- Review large claims and make adjustments based on findings
- Adjust claims experience for any recent/projected plan changes using Aon pricing models
- Adjust claims experience for any recent/projected demographic changes using Aon pricing models
- Apply appropriate trend rates to project future expected claims on a per employee basis
- Apply expected enrollment to expected per employee claims to project future claims for the renewal period
- Calculate administrative costs for renewal period by multiplying renewal fees times expected enrollment
- Add projected administrative cost to projected claims costs to calculate projected total cost
- Divide total cost by expected enrollment and rate ratios in order to project individual premium equivalent rate

**Step 5—Present initial rate development (including assumptions and calculations) to along with year over year comparisons and the reasons behind the projected rates of change.**

**Step 6—Adjust initial rate development based on Henrico County & Public Schools 's input; modify; and finalize.**

To ensure accuracy, Aon's rating process contains a number of checks and balances. The most fundamental test is comparing the total costs produced. This comparison is done by multiplying the final budget rates and expected enrollment levels with prior year actual results trended forward and adjusted for plan changes and other known factors.

**5 Assist the County in communication of existing and future benefit plans to all employees by providing qualified legal and compliance staff. Documents include enrollment materials, HIPAA Privacy Notices, Notices of Creditable Coverage (Part D), Plan Document, Evidence of Coverage and other communications as required for compliance.**

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Our Health Solutions Legal Consulting Group is composed of more than two dozen attorneys, paralegals, and analysts with an average of 20 years of experience in healthcare and employee benefits law.

## Health Solutions Legal Consulting



### We Can Address Federal and State Health & Welfare Requirements

- Section 125 requirements
- ACA
- ERISA, including reporting and disclosure
- Wellness rules
- Medicare and Medicare Part D
- HIPAA privacy
- Section 125 nondiscrimination testing
- Mental Health Parity
- Consumer-directed health plan requirements

The team partners with employers on compliance regarding a wide range of federal and state laws related to health and welfare plans, including the Affordable Care Act, the Internal Revenue Code, ERISA, HIPAA, COBRA, the Americans with Disabilities Act, state and federal healthcare reform legislation, and relevant state insurance laws related to regulation of fully insured healthcare plans. Aon's legal consultants also regularly work with benefits managers, in-house attorneys, and outside counsel to draft, negotiate, and finalize contracts for fully insured and self-insured healthcare plans with their third-party vendors. Aon's legal consultants also conduct nondiscrimination testing on employer group healthcare plans.

While we do not lobby on behalf of our clients, our legal consultants periodically submit comment letters to federal agencies on proposed regulations that could have a potential impact on employers. In these letters, Aon often suggests approaches for federal agencies to consider that may facilitate easier implementation for employers or address concerns our clients may have. In addition, our consultants serve in leadership positions in employer advocacy organizations, like the National Business Group on Health and the American Benefits Council, that represent the views of employers and on healthcare and employee benefit issues with state and federal officials. Finally, our consultants have testified before Congress and administrative agencies on the impact of various laws and regulations on employee benefit plans.

## 6 Assist the County with other legal compliance needs such as HIPAA training and procedures.

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Aon provides the following HIPAA Privacy Rule consulting services to assist employers with the HIPAA Privacy Rule compliance status of the self-insured health plans that they sponsor:

- **Assessment.** Review health plan documentation, policies, and procedures for use and disclosure of protected health information and provide a report of identified gaps and issues. Aon will review existing key documents that the employer should have developed and implemented for compliance with various standards under the HIPAA Privacy Rule.
- **Documentation.** Review, modify, or draft (as applicable) written HIPAA Privacy Rule policies and procedures, Notice of Privacy Practices, and other required documentation that is required by the HIPAA Privacy Rule. The policies and procedures documentation will reflect the HIPAA Privacy Rule and HIPAA Unsecured Breach Rule provisions applicable to the health plan.
- **Training.** Training for members of employer's health plan workforce on employer's HIPAA policies and procedures with respect to PHI. Services include: development of appropriate HIPAA Privacy Rule and HIPAA Security Rule training materials for use in training the members of the employer health plans' workforce and delivery of HIPAA training to identified workforce members. Other resources for HIPAA training are included in the Aon Client Portal and Compliance Dashboard.

With respect to HIPAA Security Rule consulting services, Aon will provide an overview of the HIPAA Security Rule requirements for information technology/information security personnel identified by the employer. However, design and implementation of specific policies and procedures related to the administrative, physical, and technical safeguards for electronic PHI would be addressed and documented by the employer's information technology and/or information security personnel.

## 7 Assist the County to be compliant with the Patient Protection and Affordable Act (PPACA) and with strategic planning related to PPACA compliance.

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Aon provides support and guidance to ensure our clients, including Henrico County & Public Schools, are aware of the requirements and taking the necessary steps to comply with ACA and CAA. The majority of the work will be completed by your TPA and PBM (Anthem in both cases), but there are still some steps and action items required of the plan administrator, which is where Aon can provide additional assistance beyond our normal scope of services. A good example of this is the RxDC requirement, which is part of the Transparency rules for CAA, that Aon has assisted the County with 2021-2023.

For rules that do not require Aon to take an active role, like we do for the RxDC, we will remind the County of the requirements and deadlines and coordinate with the vendors to ensure they are meeting requirements on your behalf.

## 8 Assist the County as needed with legal review of contract documents and our plan document with emphasis on compliance with all applicable laws.

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As noted in our response to Item 5, Aon's legal consultants regularly work with benefits managers, in-house attorneys, and outside counsel to draft, negotiate, and finalize contracts for fully insured and self-insured health care plans and third-party administrators. Aon can create Wrap Plan Documents if there are none currently in place. In the event there is a current Wrap Plan Document, Aon advises we start over to ensure all pertinent information is captured and to protect the client and Aon from a liability standpoint.



## 9 Legal expertise related to benefits compliance.

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We realize that it is difficult for clients to keep up with all the ever-changing regulatory guidelines that impact their employee health and welfare programs. Thus, Aon has a wide range of compliance resources, tools, and services to proactively guide Henrico County & Public Schools) regarding these requirements, including:

- **Health Solutions Legal Consulting Group.** Our health and benefits legal team (Health Solutions Legal Consulting Group) is composed of more than a dozen employee benefit attorneys, paralegals, and analysts with an average of 20 years of experience in employee benefits law. The group keeps our consultants educated and offers optional services to clients.
- **Publications.** Aon provides several publications to keep our clients informed of these issues, many of which are available via email subscription. We believe it is helpful for each client to have regular access to the best information from Washington, worldwide, and across the firm as soon as it is available. A wealth of information is also available from Aon's website. The following link connects you to publications:
  - **US Health Solutions Compliance Updates (sent to clients as appropriate)**
  - **Aon Washington Update (available at: [www.aon.com/human-capital-consulting/thought-leadership/wash-report/default](http://www.aon.com/human-capital-consulting/thought-leadership/wash-report/default))**
  - **US Health Solutions Legal Consulting**
- **Webcasts and Events.** We also host annual national teleconferences, in-person conferences, local breakfast seminars, and roundtables. We use these forums to share information with our clients and provide an opportunity to leverage our knowledge and experience. Events are held throughout the country at different times of the year.
- **Your Aon Team.** In addition to routine updates, we will call or email you with any items that require immediate attention or which may be of particular interest. This process will be ongoing and proactive throughout our relationship with Henrico County & Public Schools.
- **Compliance Calendar.** Every January, Aon publishes a compliance calendar that identifies the significant compensation and benefits due dates for the upcoming year.
- **Access to an Interactive Web Portal.** The portal provides federal, state, and local legislation notices, a health plan compliance calendar, ACA reporting workbook, compliance toolkit on various topics, and information regarding HR compliance issues (beyond benefits).
- **Compliance Checkup.** This process apprises you of Affordable Care Act provisions that apply to employer-sponsored group health plans. You will be interviewed by a Health Solutions Legal Consulting Group consultant to help reduce the risk of noncompliance with federal notice requirements that apply to employer-sponsored group health plans. You will receive a summary results report and a checklist of notices and disclosures that you are required to distribute to participants, including sample model notices, as needed.



**10 Assist the County with RFP development, competitive reviews and analysis of responses as needed for the review of benefit providers.**

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Aon stands ready to assist Henrico County & Public Schools in the RFP and bidding process. Recent examples of Aon's support in this area are: Medical and Pharmacy, Hybrid Disability, Dental, and Life/Disability bids that Aon has assisted the County with over the past three years. We will continue to work hand-in-hand with the County's Procurement, Human Resources, and any other functional areas to ensure the County has a clear picture of the bidding vendor proposals in terms of benefits, service, cost, and administration. For additional insight into the RFP process, Aon has specific steps used for our clients, customized to fit individual needs:

**Phase I—Strategic Planning**

**Step 1: Project Planning**

**Value to Henrico County & Public Schools:** An effective project plan will ensure that the entire RFP process runs smoothly and Aon clearly understands Henrico County & Public Schools' objectives.

**Step 2: Develop Selection Criteria**

**Value to Henrico County & Public Schools:** Since the County has open bidding, Aon will provide criteria within the RFP that will screen vendors to ensure they can meet the needs of the County before submitting a proposal.

**Step 3: Creation of the RFP**

**Value to Henrico County & Public Schools:** We know through experience that there is no "off-the-shelf" solution that works for any one client. Our RFP will ensure that all of Henrico County & Public Schools' important questions are answered in detail and you have the information needed to make an informed vendor selection decision.

**Step 4: Manage Vendor Process**

**Value to Henrico County & Public Schools:** You can be assured of an efficient and timely response to the RFP.

**Phase II – Analysis**

**Step 1: Evaluation of Proposals**

**Value to Henrico County & Public Schools:** Aon will manage the complex process of comparing the bids and will provide thorough analysis.

**Step 2: Vendor Discount Analysis Benchmarking and Member Disruption (when applicable)**

**Value to Henrico County & Public Schools:** Aon will provide a thorough vendor analysis based on reliable data to help Henrico County & Public Schools make the most educated decision possible when selecting their future vendor(s).

### Phase III – Negotiations

**Step 1:** Finalist Meetings/Site Visits

**Value to Henrico County & Public Schools:** As the marketing process comes to a conclusion, you will be confident that you have received a competitive quote and a substantial return on your consulting investment and confidence that a solid bid was completed following public bidding rules.

**Step 2:** Finalist Negotiations

**Step 3:** Vendor Selection and Performance Guarantees

### Phase IV – Implementation

**Step 1:** Plan Implementation

**Value to Henrico County & Public Schools:** To ensure a successful implementation.

**Step 2:** Pre-Implementation Audit (optional fee service)

**Value to Henrico County & Public Schools:** To ensure that the system is coded correctly.

**11 Keep the County informed of health benefit practices among peer groups within the immediate geographic area, as well as any innovative benefit, wellness, disease management and other programs in place elsewhere.**

Aon regularly receives best practices, trends, and benchmarking data from surrounding counties and local governments (Hanover, Chesterfield, Goochland, Powhatan, New Kent, COVA, etc.) through a variety of means – public website, relationships with key personnel, and voluntary surveys. In addition, we have other clients, mainly in the northern VA area, that we can include. Along with feedback on local peer groups, Aon has a variety of benchmarking and best practice resources available.

#### **Aon Bench**

A proprietary Aon database that captures benefits information for plans offered by our clients (medical, including prescription; dental; vision). Data is available across a variety of industries, regions, and employer sizes.

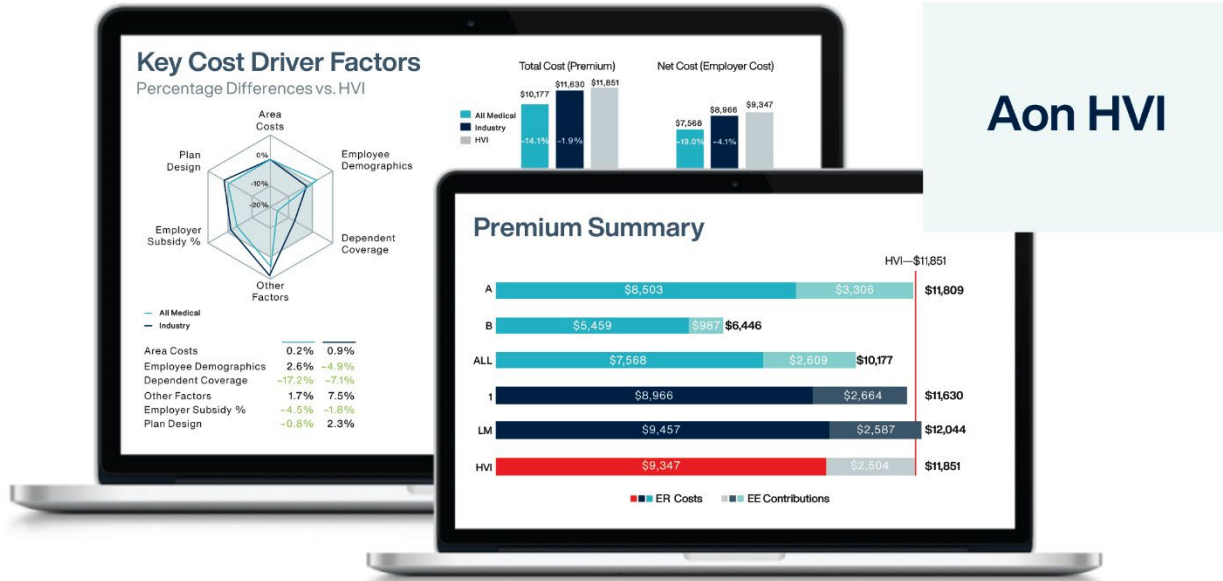
The type of information available via Aon Bench includes cost information such as premiums, employee contributions, and employer subsidies, as well as specific plan design features like deductibles, various copays, and in-network benefit coverage. Aon Bench features statistical distributions, attribute-by-attribute comparisons, and holistic summaries that tie in the financials with plan actuarial values. These features are integrated with Aon’s actuarial valuation models.

Aon Bench allows us to quickly and efficiently benchmark your benefit plans and negotiate more cost-effective deals with your vendors.

#### **Health Value Initiative (HVI)™**

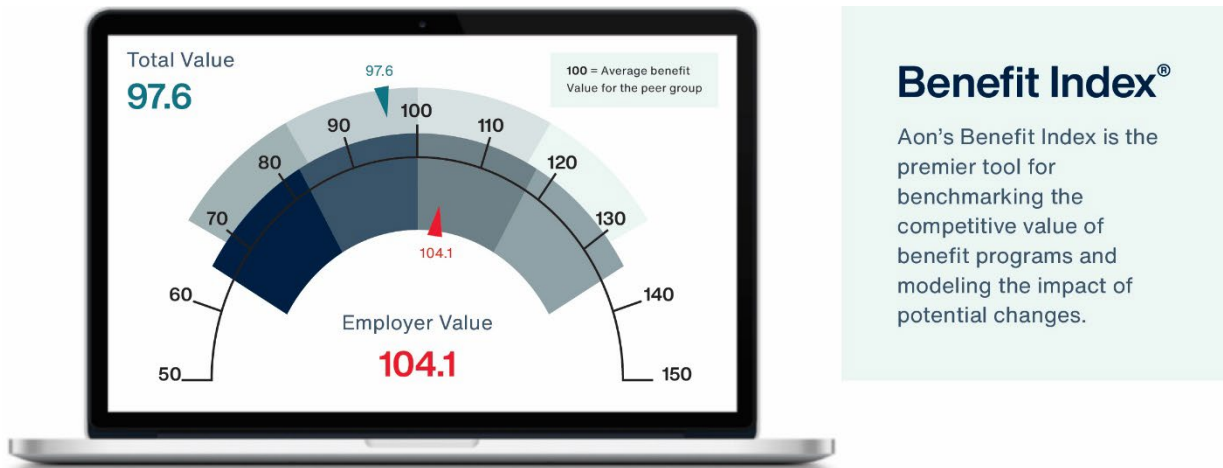
Aon’s Health Value Initiative (HVI) database is the premier compendium of employer healthcare cost, design, and demographic data. It is the largest healthcare study of its kind, collecting data from over 500 organizations, representing 11 million participants, 1,200 plans, and \$60 billion in healthcare expenditures.

HVI helps clients benchmark for competitive total plan cost and employee cost-sharing information, understand their competitive position, and quickly identify opportunities to save money.



### Benefit Index<sup>®</sup>

Benefit Index is our analytics tool for benchmarking the competitive value of benefit programs and modeling the impact of potential changes. Benefit Index is developed from one of the largest, most up-to-date benefit plan specifications database in the U.S. and contains summaries of benefit plans from more than 1,000 organizations across a variety of industries, geographies, and employment populations. By comparing your organization's benefit program to our vast database, you gain invaluable insights and information.



Benefit Index uses actuarial techniques to compare your organization's benefits to the programs of your selected peer group. The methodology is based on relative values calculated from plan specifications — net cost — eliminating a common source of bias. The resulting analysis details all major benefit areas, including healthcare, retirement, disability, death, and paid time off.

## Aon Survey Results

Aon's Surveys have become industry standards for gathering directional data about cost trends, strategy, and design features of employer-provided healthcare and other benefits. We will use the results of these surveys to give Henrico County & Public Schools perspectives on what employers are currently doing and what they are planning in broad and specific areas of healthcare – to craft your strategy and multiyear roadmap. In addition, we are able to filter these results by industry type and provide industry-specific perspective. The key surveys we will use on Henrico County & Public Schools's behalf include our Annual Healthcare Survey and our Annual Retiree Healthcare Survey. Henrico County & Public Schools will also have access to the Technology Industry Survey.

## Innovation

Aon believes that innovation is imperative – and we act to support this belief through significant investments and a focused strategy to develop solutions that shape the healthcare marketplace. Aon has demonstrated this commitment to innovation via the development of a global health innovation team (launched in 2016) and the creation of the Aon Center for Innovation and Analytics, with resources in Singapore, Ireland, and the U.S.

## Our Specialty Teams Provide the Sparks

We anchor our approach to innovation on the deep experience and insights from our subject matter experts. Aon's U.S. Health Solutions practice includes 200+ colleagues developing and delivering specialty solutions to clients.

## Specialty Solutions

 Time Away & Life Solutions	 Health Transformation	 Health Analytics Intelligence
 Legal & Compliance	 Voluntary Benefits	 Pharmacy
 Audits	 Executive Benefits	 Delivery System Transformation

These experts provide specialty consulting to clients. While doing so, they learn firsthand of new challenges arising for employers in the environment and consequently identify related gaps in the employer-provided healthcare marketplace. They work to create solutions – often in a cross-team integrated fashion – that can be applied across clients, yet customized to individual client needs. Their solutions are backed by comprehensive data analytics.



## Our Innovation Team Adds the Rigor Necessary for Success

Adding to the on-the-groundwork of our Specialty Solutions teams, Aon places an emphasis on and rigor around our innovation activities by:

- Proactively identifying and understanding disruptive trends occurring in healthcare
- Developing key digital and business model innovation and partnerships that are relevant to and benefit our clients
- Arming our consultants with information and evaluations of key players in areas of emerging interest

## The Resulting Innovation

Aon has a continually growing, extensive group of solutions that we can use to help Henrico County & Public Schools achieve its goals, such as HEAT Tool (Health Equity and Affordability), MSK Integrated Solution, and Surgery Network Solution. In fact, Aon has legacies of innovation we have been building for decades, including reinventing benefits choice delivery ahead of the market (flexible benefits, consumer choice models, exchanges, etc.) and bringing first-to-market health data analytics (including our Health Value Initiatives (HVI)<sup>™</sup> tool, Integrated Analytics Intelligence (IAI), and Aon Architect<sup>®</sup>).

### **12 Assist the County in preparing projections on the impact of a changing employee/retiree population mix on County healthcare expenditures.**

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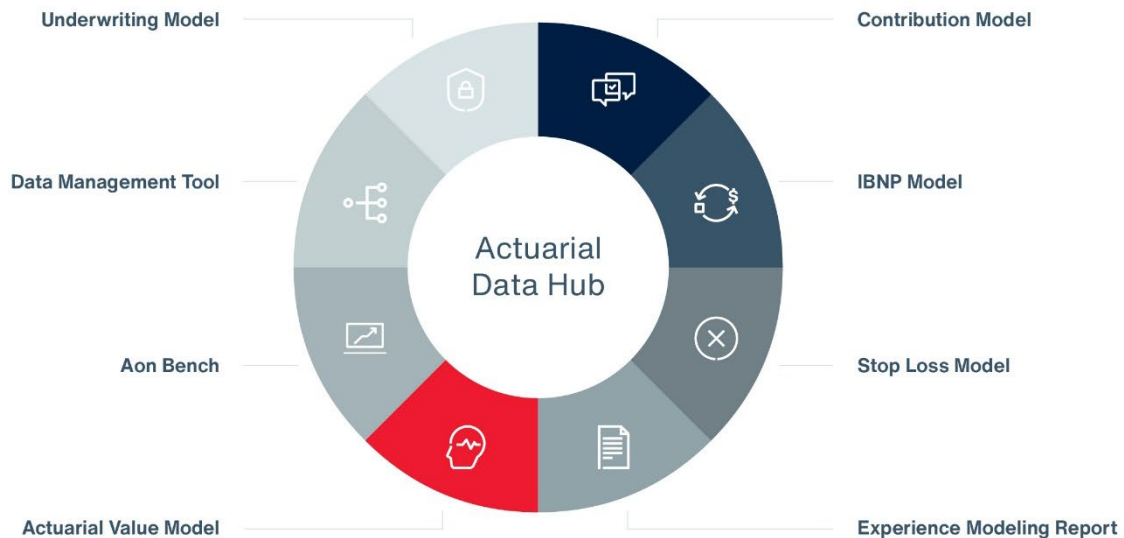
Aon has more than 300 healthcare actuarial consultants and actuarial students who provide consulting services to many of our nation's state and local government entities and Fortune 500 companies. In addition to having a broad understanding of the dynamics within the healthcare industry, our healthcare actuaries are responsible for modeling employee contributions, health plan pricing, the impact of plan design changes, and other actuarial calculations. This combination of health knowledge and actuarial mechanics makes our actuaries a valuable resource in assisting organizations with solving their human resources and financial challenges.

A number of our proprietary actuarial tools and models are considered the leading tools in the industry. These tools and models are used in our consulting work with hundreds of major organizations to evaluate costs, set budgets, model plan changes, analyze risk thresholds for large medical claims, compare benefit plan designs, produce financial reports, and establish contribution requirements across all benefits and health plan designs for active and retired employees. The data supporting these models represent more than 17.4 million members and over \$63 billion in claims data.

All of Aon's tools and models are proprietary tools owned by Aon. They are developed alongside software developers by Aon actuaries with a unique skill set of both actuarial expertise and model building. Maintenance and enhancements are performed by the teams dedicated to supporting these actuarial models. Our overarching objective is to allow our actuaries to devote more time to analyzing risk, examining alternative strategies, and consulting with our clients.

## Actuarial Modeling Suite

Our web-based Actuarial Modeling Suite (AMS) platform is the new market-leading standard in the industry, and it takes actuarial consulting to the next level. This proprietary technology was developed by Aon, and we are the only consulting firm using this platform. The AMS platform streamlines actuarial modeling, enhances our consulting capabilities, minimizes the risk of errors, and provides deeper insights for more meaningful and strategic discussions with our clients.



Highlights of the platform include:

- Web-based platform with interconnected models
- **Actuarial data hub** – One repository that holds input and output for all of the models
- Powerful, easy-to-use interface that enables consultants to run multiple scenarios quickly and accurately
- Built-in safeguards, data and quality checks
- Robust benchmarking to identify emerging benefit and pricing trends
- **Automated generation of output** – From analyst-level to executive client summaries
- Integrated workflow and peer review documentation

These features of our new AMS platform empower Aon to access our full analytical capabilities to resolve client issues faster and more effectively than ever before.

## Actuarial Value Model

The Actuarial Value (AV) Model tool allows us to develop consistent relative value factors associated with unique plan designs. Using this proprietary tool, we are able to establish a baseline of current plan value and quantify the plan cost impact of potential design changes over time. Plan relative values are fundamental to projecting future plan costs and are incorporated into our pricing model when developing gross cost forecasts for plan year budgeting.

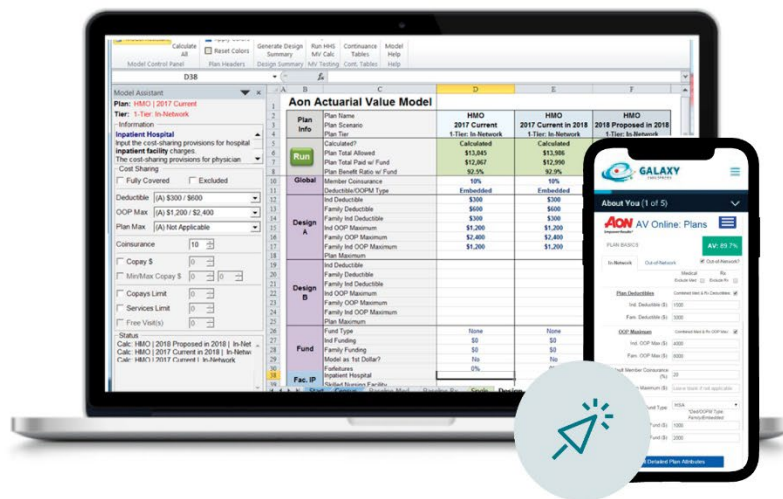
This relative value model is built on a base of \$50 billion of self-insured claims data across 12 million members. Claims are organized by service category into various continuation tables to support the valuation of plan design changes.

The AV Model helps to create and refine costs for medical, prescription drug, behavioral health, vision, dental, and disability plans. One of its most significant features is its ability to model the financial implications of any plan design changes. It can determine the impact of moving from copays to coinsurance, of changing deductibles, of out-of-pocket costs, or of changing drug designs.

The AV Model offers unparalleled benefit valuation flexibility and contains the following features:

- **Cloud-based solution** evaluates plan design based on a representative sample of 12+ million members in a matter of milliseconds
- **Evaluates complex multilayer plan** designs and interactions between deductibles, out-of-pocket maximums, and cost-sharing provisions
- **Calibrated and customized to match** any underlying population or claims distribution through granular demographic, geographic, utilization, and price adjustments
- **Advanced sharing features** allow each consultant to work with the same designs without passing around Excel files, thereby eliminating document control concerns
- **Full integration** with all our benchmark reporting tools

## Actuarial Value Modeler



## Health and Benefits Actuarial Pricing Model

This model provides cost estimates for pricing (as well as strategy) purposes. The model supports the development of gross per capita claim costs for medical and prescription drug plans. Claims are analyzed and projected to the targeted period to develop overall program budgets and actual budget rates. The model can apply variable trend rates and incorporate plan design impact factors derived from our proprietary Actuarial Value Model, along with adjustments to reflect the demographic and risk characteristics of the covered population.



Highlights of the new pricing model include:

- Part of a web-based platform with interconnected models
- Access to our Actuarial Data Hub—A single repository that holds inputs and output for all of the models
- Powerful, easy-to-use interface that enables consultants to run multiple scenarios quickly and accurately
- Built-in safeguards, data and quality checks
- Automated generation of output, from analyst-level to executive client summaries
- Integrated workflow and peer review documentation

Aon's new Actuarial Pricing Model is part of our recently launched web-based Actuarial Modeling Suite (AMS) platform. The AMS platform empowers Aon to quickly and efficiently access our full analytical capabilities.

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### **13 Provide regular GASB/OPEB reports as needed for compliance. Advise as needed regarding GASB/OPEB from an actuarial and compliance perspective.**

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As a client team and as a firm, we have extensive experience with GASB OPEB and relevant issues specific to OPEB plans. Our team has been involved in analysis of GASB OPEB since before GASB 45 was issued in 2004, and we are on top of the latest breaking developments in this area, including changes through GASB 75.

While many firms perform basic GASB OPEB services, we do more than simply provide actuarial valuation results. Our actuaries and consultants are not only experienced technical professionals, but we also clearly and effectively communicate with plan sponsors to enable them to efficiently manage their benefit programs. This involves an understanding of actuarial concepts, financial management, accounting, and administration issues.

In contrast to many of our competitors who also provide GASB OPEB actuarial services, we offer expertise in both retirement and health disciplines, which enables us to address specific issues as soon as they arise. For example, we can address current and evolving issues (e.g., Affordable Care Act, healthcare market changes) without reliance on external sources.

In summary, we feel our experience with GASB allows us to provide the most comprehensive services that are necessary for leaders to effectively manage Henrico County & Public Schools's benefit programs.

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### **14 Model contribution scenario analyses as needed to demonstrate the financial impact of various levels of employee, retiree, and/or family plan participation and healthcare coverage subsidies.**

---

Confirmed – we can model any number of different contribution scenarios; percent of total premium, salary-banded, fixed employer cost, etc.

## **Budget Rate Development and Employee Contribution Setting**

Aon's approach to rate development and contribution modeling is to first understand Henrico County & Public Schools' programs, populations, and rate development philosophy. We have found that without a complete understanding of these issues, the inputs and assumptions can be inaccurate and the corresponding results undesirable. We will develop a comprehensive understanding of Henrico County & Public Schools, your business, culture, and employees to support our strategic conversations and financial discussions.



The budget rate and contribution development process includes the following steps:

- Develop self-insured premium rates using historical claims experience
- Model alternative scenarios, if needed, that incorporate strategic direction and risk tolerance
- Present and discuss preliminary results to Henrico County & Public Schools
- Finalize contribution structure based on Henrico County & Public Schools team philosophy (how much to subsidize one plan vs another) and budgetary goals
- Document final premium rates and key assumptions used in developing the rates

**15 Assigned staff shall promptly respond to requests, offer reasonable turn-around times and deliver projects on time.**

---

We use a number of tools to communicate with our clients, and track needs, and address any issues and concerns. These include:

- Project timetables and issue logs for sharing written information
- Our annual Client Experience Survey
- Tools such as videoconferencing and WebEx meetings as needed

In addition, email correspondence is archived, and our team members will routinely confirm key verbal conversations and decisions in writing to ensure proper documentation.

However, and most importantly, we will use the approach and technology that best fits your needs.

**On an annual/monthly basis:**

Having a plan of action in place to support the many and varied activities needed to effectively manage your benefits program is key. Establishing a calendar of activities will help drive activities and timeliness. We will develop a proposed timeline; we anticipate reviewing it as well as related project plans in detail with Henrico County & Public Schools and partnering to make any necessary adjustments.

**On a daily/weekly basis:**

“We act as an extension of your team.” This is a phrase we use often and embody more often. If you have any questions about your plans or an issue with a vendor, just pick up the phone and give your Aon project manager (or any member of the team) a call. Your goals are our goals. And, beyond responding to inquiries, we bring ideas to you as well as information and recommendations.

In addition to having a plan of action in place, having processes in place to support the many and varied activities needed to effectively manage your benefits program is key. Aon has been providing health and benefits consulting for decades, and the processes we have in place to mitigate problems have been time-tested for success.

## Responding to Questions

Your lead Aon contact, Brady Cregg, is the right place to start, but please know you should feel completely comfortable contacting anyone on your team. Everyone, from receptionists to senior leadership, will be committed to getting you what you need when you need it.



In most cases, your Aon team will respond to your inquiry on the same business day. We often are able to provide immediate resolution or provide the requested information. However, in instances when we are relying on others to provide detail (e.g., carrier claims issues), we may require additional time to provide the appropriate answers. In those instances where an answer is not available within 24 hours, we will provide you with an estimated turnaround time.

## B. Other Required Services

While the majority of the work associated with this contract will relate to group health benefit issues, the County desires that the Offeror be able to provide assistance in the following areas when requested:

### **1 Post Retirement Earning Plans (PREP) for school employees.**

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[See Addendum 1 – N/A]

### **2 Flexible benefit plans, and their tax implications.**

---

We have worked with a number of clients on flexible benefits strategy/design projects. In most situations, the employer is interested in offering greater choice and flexibility without increasing the amount of money spent by the employer. This goal can be accomplished by offering a combination of pre-tax and post-tax benefit options.

The challenge from a design standpoint is to determine how much choice is desired and where the “savings” will come from. In most cases, employers elect to maintain a core level of benefits that are mandatory for everyone, but allow participants to use any remaining flex credits to buy additional coverage or take as cash.

We have a proven three-phase process to assist employers in evaluating and designing cafeteria/flexible benefit programs. The project timeline is approximately four to six months and entails:

- **Phase I**—Begins with an in-depth assessment of the employer’s current environment—benefits, costs, demographics, business needs, and goals and objectives
- **Phase II**—Involves the development of the design framework, including employee preference analysis, strawman design scenarios, and administrative requirements
- **Phase III**—Includes the development of an implementation roadmap, including identifying any investment/technology requirements, change management strategy, and administrative/vendor needs

### **3 Dental benefits**

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As we do with all areas of employee benefit programs, Aon has the expertise and resources to help the County with your dental plan—from developing plan strategy to providing benchmarking information, to helping you design and price these programs.

### **4 Use of an actuary to prepare incurred but not reported (IBNR) claim reserves and other analysis as needed.**

---



While there are many different approaches that can be used to calculate Incurred But Not Report (IBNR) reserves, Aon's model has been proven across hundreds of clients and decades of experience. Reserve estimates for the medical plans are developed by evaluating incurred and paid claims history as reported by you and your health plans. This analysis includes a series of actuarial calculations designed to predict future claim payments. Our tool develops the IBNP claims liability by projecting the outstanding amounts payable for claims that have already occurred but have not yet been settled.

Liabilities for medical, dental, and prescription drug benefits are estimated based on the Development Method. The underlying principle of the Development Method is that the progression of claim payments follows runoff patterns that are assumed to remain stable over time. The results are then adjusted for months where data is deemed non-credible. These adjustments are made using the Projection Method, which is based on the change in costs per exposure unit over time.

The IBNR liability is further adjusted to reflect actuarial assumptions related to a number of factors/contingencies that could affect reserve adequacy. Such factors/contingencies include changes in claim payment cycles, plan design, insurance carriers, large dollar shock claims, emerging claim trends, enrollment shifts, differences in the number of days in the projection period versus the baseline period, and other factors.

## C. The Successful Offeror Requirements:

**1 The Successful Offeror and Principal in Charge of this project shall be experienced in the analysis of governmental entities as related to employee benefits in general and with group health benefit programs specifically.**

---

Your lead contact, Brady Cregg, has over 20 years of experience working with governmental entities, from city and county governments like Henrico County to regional quasi-governmental organizations such as Metropolitan Washington Airports Authority. In addition to the experience of your local team led by Brady, Aon also has the Public Entity practice group, which is focused entirely on consulting and advising governmental organizations. This practice group is a great resource for your consulting team and for Henrico County & Public Schools as well. More on our Public Sector practice below.

We also have colleagues in our centers of expertise, physicians, pharmacists, behavioral health, communications, compliance, data analysis, absence management, disability, life, and voluntary benefits that have experience and knowledge in governmental organizations. These specialists are embedded in our Health Solutions Consulting practice; they work with clients across industries and functional areas.

Please see the Appendix section of our proposal for a team chart and biographies of team members.

### Public Sector Expertise

Aon's Health Solutions Consulting Public Sector practice has a mission to **leverage our firm's considerable expertise and intellectual capital to:**

- Enhance delivery of our specialty services and products to all clients
- Facilitate sharing of ideas, information, best practices, and resources
- Anticipate and communicate challenges and opportunities in the market
- Develop innovative HR/benefits solutions of value for our clients

Aon's size of public sector health business is our second largest industry sector. Our practice consists of more than 100 practitioners with expertise in actuarial, legal, underwriting, accounting, clinical, data analytics, customer service, information technology, and management. We provide advice and develop solutions for over 280 public sector clients of all sizes across the country, representing a broad array of entities: If the graphic is included, please delete the bullets below.

- States
- Counties
- Education
- Municipalities
- Transportation Authorities
- Public Utilities
- Pools
- Trusts



Over **100** consultants and actuaries from across the country



### Public sector entities:

- States
- K-12 School Districts
- Municipalities
- Transportation authorities
- Public utilities
- Consortiums and Pools
- Retiree Trusts
- Federal Government
- Medicaid

Provides consulting services to

Over **225** states, cities, counties, and public agencies around the country



Our team is committed to partnering with Henrico County & Public Schools. We will help you keep pace with the continually changing healthcare marketplace and lead the way with solutions that connect your long-term health strategy to broader objectives. Our team of industry experts can help you solve challenges in every area of health and wellbeing. With our big-picture perspective, we work with you to shape Henrico County & Public Schools' programs and benefits to best support your organization and workforce.

This group connects to share information on topics of particular interest in the public sector, such as techniques for reducing OPEB liabilities, strategies for addressing the Excise Tax, successful trends and designs for wellness programs, benchmarking, retiree healthcare strategies, and population health improvement. The goal is to share best practices with each other and with our public sector clients when appropriate, always striving to maximize the value, impact, and long-term sustainability of our clients' benefit programs for their employees and retirees.

Aon works with its public sector clients as a trusted advisor. We understand that public sector employers are facing greater budgetary pressures, labor issues, political pressures, competition for staff, and the ongoing need to provide valued services to taxpayers. We recognize these pressures in how we structure our engagements and set fees with our public sector clients.

**2 The Successful Offeror shall complete projects within specified time frames and within agreed costs.**



As your current Employee Benefits Consultant, we are very sensitive to meeting your time frames and expectations for deliverables. We believe we have demonstrated this during the course of our relationship by completing all projects within the timeframe given; projections/budget in May/June, to each quarterly meeting with the EHBC. We recommend ongoing status calls with Henrico County & Public Schools to give both of us an opportunity to discuss completed work and activities as well as plan for upcoming activities. At the close of each meeting, we will have a clear understanding of items such as specific issues with each health and benefits plan, project plan milestones, key deliverable dates, and a clear definition of a satisfactorily completed project task.

We establish project plans for all activities, and we manage our team closely to deadlines without compromising the quality of deliverables. In addition, we provide regular communication (primarily via email) on developments in the health and benefits industry and relevant federal legislation.

Aon's objective is to provide you world-class support, leading to peace of mind, which ultimately allows you to effectively focus your resources on delivering superior benefit programs to your employees.

**3 The Successful Offeror shall not be presently engaged in the sale or underwriting of insurance. If your firm is awarded this contract and during the term of your contract you begin work for benefit providers, the County will require notification of that arrangement.**

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Aon is not presently engaged in the sale or underwriting of insurance. With over 2,100 health and benefits clients in the United States, Aon's client list includes benefit providers such as insurance companies and benefit administrators. Due to the confidential nature of our work, we are unable to provide the names of these clients. None of the key personnel provide consulting services to these clients.

## D. HIPAA Requirements

**1 The Successful Offeror will be required to execute a HIPAA Business Associate Agreement. (Attachment H)**

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Confirmed.



## 7. Tab 6 – Pricing / Cost Proposal

In the tab, offerors must provide an annual retainer fee and clearly define any fees required to perform the services requested in the scope of services of this RFP. In addition offerors shall provide hourly rates and labor category of person performing the services for any project or services outside of the scope.  
(Attachment I- separate Excel Spreadsheet)

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Please see Pricing – Attachment I for proposed fees.

## 8. (if needed) Tab 7 – Exceptions

In this tab, Offerors shall list any exceptions taken to the Scope of Services and General Terms and Conditions of this Request for Proposals. The County intends to make the RFP and the Successful Offeror's proposal a part of the contract between the parties, so Offerors should list any exceptions for purposes of negotiating the contract.

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**Aon Consulting, Inc.**  
**Contracting Overview Prepared for County of Henrico**  
**RFP 23-2590-9EMF**

Aon Consulting, Inc. (“Aon” or “we” or “our” or “us”) and County of Henrico (“[CLIENT]” or “you” or “your” or “yours”) previously entered into Contract #1773A (the “Agreement”) dated March 5, 2019 (attached). The Agreement includes negotiated terms and conditions between Aon and County. Our proposal assumes that if we are selected for your new contract, Aon and County will leverage previously negotiated language wherever possible. The negotiated terms and conditions are customary for such services provided by Aon to similar organizations. We present the following terms as reclarification of our standard position.

### **Termination**

Aon requests all terminations provisions are reciprocally mutual.

### **Indemnification and Limits of Liability**

Aon will perform corrective services that are practical and reasonably necessary to the extent that we have made an error in the performance of the contracted services. We will accept liability for such errors up to an agreed annual cap. For other breaches of the Agreement, such as intellectual property infringement, criminal misconduct, willful misconduct, etc., Aon accepts total liability. We accept direct liability only in connection with the Agreement. Therefore, to the extent permitted by law, we expect to be indemnified by you from and against all third-party claims (including, most significantly, claims by your plan's participants) relating to Aon's services. To the extent that any third-party claims cause losses, damages, etc. to you, we will be liable for such losses, damages, etc., subject to the limitations described above. We expect mutual exclusion for any consequential and indirect damages.

### **Insurance**

Aon maintains insurance coverages that are applicable to and appropriate for our operations. We find some insurance requirements requested by our clients may be disproportionate for the services rendered and will generally not be agreed to by our insurance carriers.

### **Proprietary Information and Confidentiality**

Subject to applicable FOIA obligations impose upon the County, Aon recognizes and is highly sensitive to the confidential nature of the information we are provided regarding our clients and their participants.

Accordingly, we impose stringent confidentiality obligations on our personnel and technology. Aon employs numerous procedures and safeguards to ensure that such information remains confidential, and upon being named a finalist, we are happy to discuss the safeguards in place.

Given the value of our proprietary information, we expect any Agreement to include mutual confidentiality provisions. We do require some flexibility around the use of our client's information in a de-identified and aggregate format and would need to keep a copy of all information for archival purposes.





### **Ownership**

In order to continue Aon's brand of consulting services for our clients, current or prospective, we must retain sufficient ownership rights of our proprietary information and methods. We build upon our proprietary know-how to distinguish ourselves from our competitors. This enables us to provide world-class service to our clients. Consequently, we retain ownership of Aon's underlying technology (whether pre-existing or newly developed), while our clients are granted a license to use such materials as embedded in any contracted deliverables. Our clients continue to own all information that they provide to Aon to perform the services, and any final deliverable, subject to the licensing rights of embedded in Aon proprietary information.

### **Audit**

Aon is willing to support annual financial audits, at cost and expense, upon reasonable notice. For additional audits, depending on the nature and frequency, we reserve the right to discuss and negotiate at the time of the request or have any additional audits considered as additional services, billed at our then standard billing rates. Any audit provision will ensure that confidentiality is maintained in regard to any documents that are inspected or subject to audit.

### **Assignment**

Aon reserves the right to subcontract or assign tasks under an agreement to an Aon affiliate and/or subsidiary in common control with Aon.

### **Payment Terms**

Aon requests that any payment terms apply an interest rate of 9% per annum to late payments. In addition, Aon requires its clients to pay a miscellaneous expense amount at Aon's then standard rate (currently 7%), to cover miscellaneous client-related expenses.



## 9. (if needed) Tab 8 – Assumptions

In this tab, offerors shall list any assumptions made when responding to this Request for Proposals.

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Not Applicable.

## **10. (if needed) Tab 9 – Appendices**

Optional for Offerors who wish to submit additional material that will clarify their response.

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## Appendix A: Team Biographies

[Team Bios Redacted]

# Appendix B: Addendum 1



DEPARTMENT OF FINANCE  
Oscar Knott, CPP, CPPO, VCO  
Purchasing Director

## COMMONWEALTH OF VIRGINIA County of Henrico

### Addendum No. 1

**Date:** October 6, 2023  
**Request for Proposal:** #23-2590-9EMF – Consulting Services Employee Benefits Program  
**Receipt Date/Time:** October 17, 2023; 2:00 p.m.  
**Subject:** Revision of Section II.B and Sec. IV of RFP. Questions and Answers attached.

Ladies/Gentlemen,  
Please make the following corrections, deletions and/or additions to the above referenced RFP:

**Sec. II. B. Scope of Services**  
**Remove Item B.1 – Post Retirement Earning Plans (PREP) for school employees.**

**Sec. IV. Anticipated Schedule**  
**Conduct Oral Interviews with Offerors – October 30, 2023**

All other specifications and General Terms and Conditions shall remain the same.

Offerors must take due notice and be governed accordingly. Failure to acknowledge this addendum may result in your bid being declared non-responsive.

Sincerely,  
Eileen M. Falcone, CPPB  
Assistant Division Director  
Fal51@henrico.us

**ACKNOWLEDGEMENT:**

Signature: \_\_\_\_\_ *Brady Cregg* \_\_\_\_\_  
Print Name: \_\_\_\_\_ Brady Cregg \_\_\_\_\_  
Company: \_\_\_\_\_ Aon \_\_\_\_\_  
Date: \_\_\_\_\_ 10/12/2023 \_\_\_\_\_

8600 Staples Mill Road / P.O. Box 90775 / Henrico, VA 23273-0775  
Phone: (804)501-5660

**RFP 23-2590-9EMF**  
**Consulting Services Employee Benefits**  
**Questions and Answers**  
**October 6, 2023**

1. How many GASB/OPEB reports are produced a year?  
**Answer:** *Typically, we produce one of the GASB report every 2 years and currently the OPEB as requested. Both are produced in-house and we would request the consultants assistance if necessary.*
2. How many hours did AON bill in 2022?  
**Answer:** *The number of billable hours is dependent upon the services requested/provided by the consultant.*
3. Can you provide examples of typical out of scope projects performed in the past by AON?  
**Answer:** *There have not been any out of scope projects required during the term of the current contract.*
4. Is the consultant required to participate in open enrollment meetings? If so, are they required to be in person? If so, how many open enrollment meetings are held each year?  
**Answer:** *The consultants are not required to participate in Open Enrollment meetings.*
5. In regards to the Post Retirement Earnings Plan. Section II, B. Other Required Services list the PREP. Can you please provide a description of this plan and precisely what services the County may need?  
**Answer:** *See Addendum 1*



## About Aon

Aon plc (NYSE: AON) exists to shape decisions for the better – to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

[www.aon.com](http://www.aon.com)

**ATTACHMENT I  
23-2590-9EMF  
FEE STRUCTURE**

Offeror's Name: Aon Consulting, Inc.

<b>Annual Retainer Fee</b>	
Cost for up to 200 hours of consulting and/or brokerage services	\$75,000
GASB Actuarial Services (biennial)	\$15,000
<b>Request for Proposal Services</b>	
Medical	\$75,000
Pharmacy	\$65,000
Dental	\$30,000
Life/Disability (assume market together)	\$30,000
Vision	\$15,000
Hybrid Disability	\$15,000
Other (FSA, HAS, etc.)	varies - if needed, we can discuss fee or hourly rate
<b>Total</b>	<b>\$320,000.00</b>
<b>Additional Project Pricing listed by job title</b>	
	<b>Hourly Rate</b>
Vice President	\$446.00
Assistant VP / Sr. Consultant	\$343.00
Consultant	\$286.00
Analyst	\$229.00
Specialist	\$194.00
Administration	\$114.00