



CITY OF CHICAGO

DEPARTMENT OF PROCUREMENT SERVICES

MEMORANDUM

To: Dr. Allison Arwady
Chicago Department of Public Health

From: Shannon E. Andrews
Shannon E. Andrews
Chief Procurement Officer

Cc: Tonya Tucker, CDPH
Monica Jimenez, DPS

Re: Emergency Procurement Request – Pharmaceutical Prescription

Date: April 15, 2020

Specification No.: 1202458
PO/Contract No.: 128536
Amount: \$1,000,000.00

Pursuant to Section 65 ILCS 5/8-10-5 of the Municipal Purchasing Act, Section 2-92-644 of the Municipal Code of Chicago, and City of Chicago Executive Order No. 2020-1, your request to enter into an emergency contract for pharmaceutical prescription is approved. Based on the information provided by your department, we have determined that this procurement is necessary to address the COVID-19 crisis.

You are hereby authorized to purchase pharmaceutical prescription from **Walgreen Company** for **\$1,000,000.00** as requested in your memo dated April 15, 2020. Any amount in excess of \$1,000,000.00 will require additional authorization and will be limited so as not to exceed the \$1,000,000.00 limit established by Executive Order 2020-1.

If you have any questions, please contact me Shannon.Andrews@cityofchicago.org.

SEA/mj

**CITY OF CHICAGO
BLANKET PURCHASE ORDER**

Original (DPS)
Reprint

Furnish the supplies and/or services described below in conformance with conditions set forth herein and in your offer.

DATE OF AWARD	DEPT #	PURCHASE ORDER	SPECIFICATION NUMBER	VENDOR NUMBER	SITE NAME	PO START DATE	PO END DATE	PAGE NUMBER
4/15/2020	41	128536	1202458	50153040	J (EFT XX0693)	4/15/2020	4/15/2021	1

BUYER:

399902 MAGDALENA TOUSSAINT 3127441681

ORDERED FROM:

WALGREEN COMPANY
1901 E. Voorhees
Danville, IL 61834

PO DESCRIPTION:

EMERGENCY REQUEST FPR PHARMACY SERVICES WITH WALGREEN'S SPEC 1202458

COMMODITY INFORMATION

Line	Item	Item Description	UOM	Unit Cost
1	94872	EMERGENCY REQUEST FOR PHARMACY SERVICES WITH WALGREEN'S	USD	0.00

Payment on this order will be made upon receipt of an original vendor invoice form referencing this order and associated Receipt(s). Submit the original invoice to the Office of the City Comptroller, Invoice Intake Division, 33 N. LaSalle, Room 700, Chicago, IL 60602.
Mark all packages and papers with the purchase number. Any deliveries containing overshipments will be reflected unless otherwise authorized in this purchase. This purchase is subject to the City of Chicago General Conditions for Supplies, Work, or Professional Consulting Services; Special Conditions, Disclosure Ownership, Acceptance Page, as applicable, which are attached hereto or incorporated herein by reference.



INFORMATIONAL MEMORANDUM

Re: Emergency Procurement – Walgreen Co. (Pharmaceutical Prescription Fulfillment)

From: Dr. Allison Arwady, Commissioner, Chicago Department of Public Health

Date: April 15, 2020

The purpose of this memo is to request the emergency procurement of pharmaceutical prescription fulfillment services from Walgreen Co. (“Walgreens”). In this capacity, Walgreens will allow clinical staff to quickly fill the wide range of prescription drugs that may be needed by patients at the McCormick ACF (as defined below).

In light of the global pandemic caused by COVID-19 and in expectation of a surge of patients in the coming weeks, the City is making preparations to increase bed capacity to decompress area hospitals. This plan includes the temporary conversion of McCormick Place Convention Center into an alternative care facility (“ACF”) with capacity for up to 3,000 patients.

The ACF is open as of Tuesday, April 14, 2020, and patients are beginning to arrive. Medical care for these patients by the City and other coordinating agencies will necessitate ongoing access to a wide range of pharmaceuticals, including those related to the pre-existing conditions of COVID-19 patients. The duration of this need is currently estimated to be approximately three months but is contingent on the progression of the pandemic and hospital capacity in Chicago. The City has not previously been in the position of having to procure or access a wide range of pharmaceuticals and does not have existing contracts that would cover this need.

Plans for the operating structure of the ACF were developed in the last days of March and beginning of April, and the City entered into an agreement with the State of Illinois on April 6, 2020, regarding the same. During this time, the City undertook intense preparations to ensure that the ACF would be ready to receive the first wave of patients. This included executing an emergency contract with Vizient, Inc. on April 10, 2020 for access to pharmaceuticals which will be stocked on-site, needed to treat COVID-19 patients. However, many patients at the ACF may need pharmaceuticals to manage pre-existing medical needs (“maintenance medicine”) that are not stocked or obtainable through the Vizient agreement. Though patients are instructed to enter the ACF with a 14-day supply of maintenance medication, in the event they do not or their stay at the ACF is longer than anticipated, the Walgreens contract will be able to meet the need. It is essential for the functioning of the ACF that there be a way to access this wider range of prescriptions.

At the time this need was identified, Walgreens had already approached the City about services that they could provide. The City began a dialog with Walgreens as well as CVS Health (“CVS”).



Walgreens was immediately responsive while CVS took longer to reply. CVS is the largest and Walgreens is the second-largest pharmacy store chain in the United States, and both specialize in filling retail prescriptions. Through this dialog, it was determined that Walgreens was best suited to fill this need – Walgreens has more retail locations in the vicinity of the ACF and is known for its mobile pharmacy units, demonstrating an ability to provide flexible solutions to meet this type of pharmaceutical need. In addition, clinical experts volunteering at and staffing the ACF report familiarity and satisfaction with Walgreens as a pharmacy services provider.

The City continued discussions with Walgreens based on this information. Negotiations resulted in the following proposed pricing.: If Walgreens is able to obtain patient insurance information, Walgreens will submit a prescription drug claim to the patient's primary insurer. If there is a remaining balance due, including co-payment, co-insurance, deductibles, or ancillary charges, Walgreens will collect that amount from the patient, and the City will reimburse Walgreens for any remaining balance due. If Walgreens is not able to obtain patient insurance information, such as when patient is uninsured, or if the claim is rejected by the insurer, then the City will pay for the prescription as follows: For over-the-counter products and compound drugs, the City would pay the amount charged to customers at the dispensing pharmacy. (The City does not intend to use compound drugs.) For Federal Legend Drugs, the City would pay the lesser of (i) 11.5% and 66.0% off the Average Wholesale Price for brand name and generic drugs, respectively, or (ii) the amount charged to customers at the dispensing pharmacy. (Average Wholesale Prices are based on nationally recognized sources such as Medi-Span and commonly used for pharmaceutical pricing.) For over-the-counter products, the City would pay the amount charged to customers at the dispensing pharmacy. No dispensing fee will be charged to the City. Based on advice received from a Director of Pharmacy in the Northwestern hospital network who is volunteering his services to the City, as well on the City's own market research, Walgreens' proposed pricing for these services was determined to be reasonable and in line with like services in the industry. No known conflicts of interest exist and the City's standard "Conflict of Interest" provisions are part of the proposed contract. Walgreens has acknowledged and accepted the FEMA terms and conditions set out in the proposed contract.

Based on input from experts and review of the negotiated pricing, the City believes this emergency procurement is necessary and appropriate to achieve a fully functional ACF.



EXHIBIT 1

Department of Procurement Services
Emergency Contract Request Form

Requesting Department: Department of Public Health Date: April 15, 2020

Description of Operational Emergency (use Attachment 1 attached)
Anticipated duration of emergency (include justification for how you arrived at the duration):
While it is uncertain how long and acutely the COVID-19 pandemic will impact Chicago, the current assumption for the needs described in this request is three months, based on the experience of other regions and the curve the virus generally follows.

Justification for continued duration if this is a request for an additional emergency contract beyond the anticipated duration of emergency identified in an earlier request:
N/A

Emergency Requirements (check one):
Commodities X Equipment Services X
(NOTE: Services, such as debris removal, are provided through equipment rental)

Details (describe the required commodities, equipment, or services (referred to hereafter as "requirements") in detail; attach additional pages as necessary):
The proposed contract is for prescription fulfillment services that will allow clinical staff to quickly fill the wide range of prescription drugs that may be needed by patients at the McCormick Alternative Care Facility (ACF).

Are the requirements available through an existing City contract? N (Y/N)
Contract No. (if available): N/A Vendor: N/A
Vendor Contact Information: Please see notes in Attachment 2 regarding existing contracts and prior agreements with Walgreens.

Explanation of why normal contracting procedures, including small orders, are not feasible in this instance:
The urgency of the need to provide the pharmaceuticals necessary to the McCormick ACF rendered normal contracting procedures infeasible.

Are the requirements available through U.S. Communities or GSA Schedules? N (Y/N)
Contract No. (if available): N/A Vendor: N/A

Description of anticipated vendor solicitation process: Please see information provided in the memorandum regarding how the vendor was identified.

Department Contact Person: Sudip Singh Phone: 972-567-5631
E-mail: sudip.singh@chicagopolice.org Date Requirements Required: April 14, 2020

Point of Delivery for Requirements: McCormick Place ACF

Consequences/Costs of not granting request: The McCormick Place ACF would be without access to the
pharmaceuticals necessary to care for patients. The facility has capacity for up to 3,000 patients.

Commissioner's Signature*: _____
*If the Commissioner is not available to execute this request, the second in command in the department may execute this form in the Commissioner's absence.

ATTACHMENT 1

Description of Operational Emergency

In light of the global pandemic caused by COVID-19 and in expectation of a surge of patients in the coming weeks, the City of Chicago is making preparations to increase bed capacity to decompress area hospitals. One prong of this strategy is the temporary conversion of the McCormick Place Convention Center into an Alternative Care Facility (ACF) with capacity for up to 3,000 patients. The ACF is open as of Tuesday, April 14, and patients are beginning to arrive. Medical care for these patients by the City and other coordinating agencies will necessitate ongoing access to a wide range of pharmaceuticals, including those related to the pre-existing conditions of COVID-19 patients.

ATTACHMENT 2

Note regarding current contracts: The City has a current contract with CVS for certain pharmaceuticals. However, this contract covers only refills for certain formularies, which would not meet the current needs. The City also has a current contract with CVS/Caremark for City employee pharmaceuticals. However, this contract could not be used for needs outside of City employee prescriptions. Walgreens is part of the CVS/Caremark network, which enables City employees to go to a Walgreens to fill their City employee prescriptions.

Note regarding prior agreements with Walgreens: The City previously had a contract with Walgreens to provide area-wide biometric screening services and screening locations for City employees. That contract (PO # 27619) expired on March 2013.



DATE: July 1, 2012 and continuous until cancelled

FROM: Walgreens, its Affiliates, and Subsidiaries

TO: To Whom It May Concern

RE: **LIABILITY SELF-INSURANCE**

This letter is being provided in lieu of a certificate of insurance.

Walgreens and its subsidiaries maintains a comprehensive program of commercial insurance above significant self-insured retentions. Many of our signed contracts, leases, and/or other agreements allow us the option to meet our liability insurance requirements by self-insuring rather than purchasing insurance in the commercial insurance market. This allows us to invest our premium dollars, enhancing shareholder value, while maintaining the ability to respond to our financial obligations on our own rather than through an insurance company.

Our obligations to the business partners with whom we have contracted remain unchanged as if insurance is in place. Walgreens' Vendors, Clients, Customers, Owners, Landlords, Landlords Agent(s), Landlords Lender(s), Ground Lessor(s), and any other party who requires it, per the terms of a signed contract, lease, and/or agreement, are treated as Additional Insureds and when applicable, Loss Payee, as their interests may apply. A Waiver of Subrogation also applies, where applicable.

Walgreens will not issue individualized evidence of insurance. The information posted on our website meets our obligations to provide insurance information under the terms of our contracts.

PLEASE NOTE THAT THE TERMS OF OUR SIGNED CONTRACTS DETERMINE OUR FINANCIAL OBLIGATIONS TO COUNTERPARTIES WHETHER INSURANCE IS IN FORCE OR NOT.

Please forward this letter to any party that may require the information as part of a signed contract, lease, and/or agreement with Walgreens.

Sincerely,

**Walgreens
Insurance & Risk Management Department**

MEMORANDUM OF LIABILITY INSURANCE

Current as of:
July 31, 2019

PRODUCER

MARSH USA INC
540 W. MADISON
CHICAGO, ILLINOIS 60661
UNITED STATES OF AMERICA

THIS MEMORANDUM IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON ANY RECIPIENT OF THIS MEMORANDUM. THIS MEMORANDUM DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE DESCRIBED BELOW. ANY USE, DUPLICATION OR DISTRIBUTION OF THIS MEMORANDUM WITHOUT PRIOR WRITTEN CONSENT IS PROHIBITED.

INSURED

WALGREEN CO. AND SUBSIDIARIES
300 WILMOT RD., MS #3228
DEERFIELD, ILLINOIS 60015-5223
UNITED STATES OF AMERICA

COMPANIES AFFORDING COVERAGE

NAIC

COMPANY A	ZURICH AMERICAN INSURANCE COMPANY	16535
COMPANY B	INDIAN HARBOR INSURANCE COMPANY	36940
COMPANY C	AMERICAN ZURICH INSURANCE COMPANY	40142
COMPANY D	SELF INSURANCE	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
					LIMITS IN USD UNLESS OTHERWISE INDICATED	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Blanket Additional Insured <input checked="" type="checkbox"/> Per Policy <input checked="" type="checkbox"/> Blanket Contractual Liability <input checked="" type="checkbox"/> Liquor Liability	GLO 9310091 16 GLO 9310184 16 (Puerto Rico)	7/1/2019 7/1/2019	7/1/2020 7/1/2020	GENERAL AGGREGATE	\$ 5,000,000
					PERSONAL & ADV INJURY	\$ 4,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BAP 9310096 16 BAP 9310183 16 (Puerto Rico)	7/1/2019 7/1/2019	7/1/2020 7/1/2020	COMBINED SINGLE LIMIT	\$ 5,000,000
					BODILY INJURY (Per Person)	\$
					BODILY INJURY (Per Accident)	\$
					PROPERTY DAMAGE	\$
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	US00079295LI19A	8/1/2019	7/1/2020	PER CLAIM	\$ 5,000,000
					AGGREGATE	\$ 5,000,000
C A A A	WORKERS COMPENSATION/ EMPLOYERS LIABILITY PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL. <input type="checkbox"/> EXCL.	WC 9310092 16 (AOS) WC 9310094 16 (WI) EWS 9310448 16 (MA)	7/1/2019	7/1/2020	WORKERS COMPENSATION LIMITS	STATUTORY
					EL EACH ACCIDENT	\$ 2,000,000
					EL DISEASE - POLICY LIMIT	\$ 2,000,000
					EL DISEASE - EACH EMPLOYEE	\$ 2,000,000
D	PRODUCT LIABILITY	Self-Insured	7/1/2019	7/1/2020	EACH OCCURRENCE	\$ 2,000,000
					AGGREGATE	\$ 2,000,000

ADDITIONAL INFORMATION

OWNERS/LESSORS/LANDLORDS AND THEIR RESPECTIVE AGENTS, LENDERS, MORTGAGEES, GROUND LESSORS, VENDORS, CUSTOMERS, CLIENTS, AND ANY OTHER PARTIES ARE AUTOMATICALLY ADDED AS ADDITIONAL INSURED AND/OR LOSS PAYEE AS REQUIRED BY A SIGNED LEASE, CONTRACT OR OTHER WRITTEN AGREEMENT.

THE ABOVE POLICIES INCLUDE AN AUTOMATIC WAIVER OF SUBROGATION AS REQUIRED BY A SIGNED LEASE, CONTRACT OR OTHER WRITTEN AGREEMENT.

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

MEMORANDUM OF PROFESSIONAL LIABILITY INSURANCE

Current as of:
July 31, 2019

PRODUCER

MARSH USA INC
540 W. MADISON
CHICAGO, ILLINOIS 60661
UNITED STATES OF AMERICA

This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of this Memorandum other than those provided for in the policy. This Memorandum does not amend, extend or alter the coverage described below. This Memorandum may only be copied, printed and distributed within an authorized viewer and may only be used and viewed by an authorized viewer for its internal use. Any other use, duplication or distribution of this Memorandum without prior written consent is prohibited.

INSURED

WALGREEN CO. AND SUBSIDIARIES
300 WILMOT RD., MS #3228
DEERFIELD, ILLINOIS 60015-5223
UNITED STATES OF AMERICA

COMPANIES AFFORDING COVERAGE

NAIC #

COMPANY		NAIC #
COMPANY A	Market Bermuda Ltd.	N/A
COMPANY B		
COMPANY C		
COMPANY D		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
					LIMITS IN USD UNLESS OTHERWISE INDICATED	
A	HEALTHCARE PROFESSIONAL LIABILITY	1395562-10740-CLM-2019	8/1/2019	7/1/2020	EACH MEDICAL INCIDENT	\$ \$5,000,000
	UMBRELLA FORM				AGGREGATE	\$ \$5,000,000
	<input checked="" type="checkbox"/> EXCESS LIABILITY				SELF-INSURED RETENTION	\$ \$5,000,000
						\$
A	DRUGGIST PROFESSIONAL LIABILITY	1395562-10740-CLM-2019	8/1/2019	7/1/2020	EACH MEDICAL INCIDENT	\$ \$5,000,000
	<input checked="" type="checkbox"/> EXCESS LIABILITY				AGGREGATE	\$ \$5,000,000
					SELF-INSURED RETENTION	\$ \$20,000,000
						\$
						\$
						\$
						\$
						\$

ADDITIONAL INFORMATION

Coverage applies to Walgreen Co. and its subsidiaries, including but not limited to Healthcare Clinic Solutions, LLC and its wholly owned subsidiary, Take Care Health Systems, LLC, with respect to services provided in the United States, Puerto Rico and the United States Virgin Islands.

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.



PRESCRIPTION SERVICE AGREEMENT

This **PRESCRIPTION SERVICE AGREEMENT** (“**Agreement**”) entered into by and between the undersigned client (“**Client**”) and Walgreen Co. (“**Walgreens**”) is effective as of the date set forth on the signature page (the “**Effective Date**”).

A. Client desires to arrange for the provision of prescription services to individuals eligible to receive such services (“**Participants**”), and Walgreens agrees to provide prescription services to Participants.

B. Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Client and Walgreens hereby agree as follows:

I. CLIENT’S RESPONSIBILITIES

1.1 Authorization. Client or its representative will provide Walgreens with Client’s authorization for a Participant to receive prescription services (“**Authorization**”). The form and content of the Authorization must be acceptable to Client and Walgreens and include, at a minimum, the Participant’s full name; the identification code assigned to Client by Walgreens; and, if applicable, the amount that Client directs Walgreens to collect from the Participant at the time a prescription service(s) is provided (“**Participant Payment Amount**”). Each party shall provide the other party no less than fifteen (15) days’ prior written notice of any requested changes in the form or content of the Authorization.

1.2 Coordination. The Authorization will be provided to Walgreens or each eligible Participant, as applicable, via telephone and/or facsimile, or an Authorization form. Receipt of Authorization by Walgreens will serve as evidence of Client’s authorization for the Participant to receive prescription services hereunder. Subject to the terms and conditions of this Agreement, Client is responsible for payment of all amounts due for prescription services provided by Walgreens pursuant to receipt of Authorization.

II. WALGREENS’ RESPONSIBILITIES

2.1 Covered Services. Upon Walgreens’ receipt of a prescription; Authorization; and, the Participant Payment Amount, if any, Walgreens will dispense the prescription in quantities as prescribed, subject to legal restrictions, professional ethics and the dispensing pharmacist’s professional judgment. In addition, if applicable, Walgreens will collect the Participant Payment Amount from Participants. Notwithstanding the foregoing, Walgreens may withhold prescription services to a Participant for good cause, including, but not necessarily limited to, Client’s nonpayment for prescription services provided to Participants; nonpayment of the Participant Payment Amount, if applicable; requests by a Participant for quantities of drugs in excess of prescribed

amounts or refill limitations; or where, in the professional judgment of the dispensing pharmacist, the prescription should not be filled.

III. CLAIMS PROCESS

3.1 Primary Insurance Coverage. Upon receipt of evidence from a Participant at the time of dispensing that such Participant has prescription drug coverage by a primary insurer, Walgreens will submit a prescription drug claim to the Participant’s primary insurer at the Average Wholesale Price for each Covered Product dispensed by Walgreens to such Participant. Following adjudication, if there is a remaining balance due from the Participant, including, but not limited to, co-payment, co-insurance, deductibles, or ancillary charges, Walgreens will collect the Participant Payment Amount, if any, from the Participant and Client will reimburse Walgreens for any remaining balance due Walgreens. Such remaining balance due to Walgreens by Client shall in no event exceed the amount for which Client would have been responsible to reimburse Walgreens had Participant not presented evidence of prescription drug coverage by a primary insurer at the time of dispensing, in accordance with Section 3.2 below. For purposes of clarity, the parties acknowledge and agree that evidence of prescription coverage by a primary insurer must be presented at the time the prescription is dispensed and that Walgreens will not retroactively adjust claims. In the event the primary insurer retroactively denies a previously adjudicated claim, Client will reimburse Walgreens in full for such claim, in accordance with Section 3.2.

3.2 Secondary Coverage.

3.2.1 In the event that a Participant does not present evidence of prescription drug coverage by a primary insurer at the time of dispensing, Client will reimburse Walgreens the applicable reimbursement amount set forth in Article IX below, minus any Participant Payment Amount collected directly from the Participant.

3.2.2 In addition, if this sub-paragraph is checked, in the event that a prescription drug claim described in Section 3.1 above is rejected by the Participant’s primary insurer, Client will reimburse Walgreens the applicable reimbursement amount set forth in Section IX below, minus any Participant Payment Amount collected directly from the Participant.

3.2.3 Participants described in subsection Section 3.2.1 and, as applicable, subsection 3.2.2, are referred to in this Agreement as “**Secondary Coverage Participants**”.

IV. PAYMENT/BILLING

4.1 Payment. Client will pay Walgreens all amounts due under this Agreement, including but not limited to

reimbursement amounts for prescription services provided to Participants, any fees or interest charges due hereunder, and, subject to Section 4.4 below, any amount arising out of the Tax. Payment shall be due within thirty (30) days from Client's receipt of Walgreens' invoice. Client will make payment to Walgreens' designated bank account via an electronic funds transfer or via check to Walgreens' remittance address. At the time of payment, Client will provide Walgreens with (i) a written explanation of the specific claims for which payment is made; and (ii) notice (in accordance with Section 4.2 below) of amounts subject to bona fide dispute, if any. Notwithstanding anything to the contrary in this Agreement, any claim of overpayment must be made by Client within twelve (12) months from the date of services.

4.2 Disputed Amounts. In the event Client in good faith disputes any amount invoiced by Walgreens, Client will notify Walgreens in writing within the time period specified in Section 4.1. The notice will identify the specific claims in dispute and include supporting documentation. Upon review of Client's notice of dispute, if Walgreens (i) agrees with Client that an amount(s) is not properly billable to Client hereunder, Walgreens will adjust, as appropriate, the next invoice sent to Client; or (ii) rejects a disputed amount, Walgreens will provide written notice and documentation to support Walgreens' rejection notice. Payment for rejected claims will be due within thirty (30) days' of Client's receipt of Walgreens' rejection.

4.3 Late Payment. All sums owed by Client to Walgreens will bear interest of 1.0% per month from the date payment is due until paid; however, in no event will such interest rate be greater than the rate permitted by law. Client shall be solely responsible for any and all costs incurred by Walgreens in seeking collection of any delinquent amounts. Walgreens may invoice Client for interest and costs due under this Section 4.3 on a monthly basis and payment will be due within the time period set forth in Section 4.1.

4.4 Client's Tax Exempt Status. In the event that Client provides Walgreens with a valid tax exemption certificate or other such documentation required under applicable law, to the extent allowable under applicable law, Client will not be responsible hereunder for the payment of Taxes to Walgreens. In the event Client loses its Tax exempt status, Client will promptly notify Walgreens in writing and Client shall be responsible for any Tax imposed in conjunction with this Agreement as of the date that Client lost its tax exempt status.

V. TERM AND TERMINATION

5.1 Term. This Agreement will become effective on the Effective Date and shall continue in full force and effect for an initial term of one year. Upon expiration of the initial term, this Agreement may be renewed only upon written agreement of the parties.

5.2 Termination Without Cause. Either party may terminate this Agreement at any time without cause by

giving at least thirty (30) days' prior written notice to the other party.

5.3 Termination for Breach. Either party may terminate this Agreement in the event of a material breach by the other party and such termination will be effective thirty (30) days after written notice of such breach has been provided to the breaching party, unless such breach has been cured to the satisfaction of the non-breaching party prior to expiration of the thirty (30) day notice period. Notwithstanding the foregoing, in the event that Client fails to pay Walgreens amounts due hereunder, Walgreens may, in Walgreens' sole discretion: (j) terminate this Agreement upon ten (10) days' prior written notice to Client, unless full payment of the outstanding amount is received by Walgreens prior to expiration of the ten (10) day notice period; or (ii) suspend providing prescription services to Participants without terminating this Agreement until such time that the Client has cured the breach to Walgreens' satisfaction.

5.4 Additional Termination Rights. In addition to termination rights contained elsewhere in this Agreement, either party may immediately terminate this Agreement at any time upon written notice to the other party in the event the other party becomes insolvent or bankrupt.

5.5 Effect of Termination. Termination will have no effect upon the rights or obligations of the parties arising out of any transactions occurring prior to the effective date of such termination.

VI. LIABILITY

6.1 Limitation of Liability. In no event shall either party be liable to the other party under this Agreement for any special, incidental, indirect, exemplary, or consequential damages, whether based on breach of contract, warranty, tort (including negligence), lost profits or savings, punitive damages, injury to reputation, loss of customers or business, product liability, or otherwise, and whether or not such party has been advised of the possibility of such damage. Each party acknowledges and agrees that the foregoing limitations of liability are a condition to and material consideration for its entry into this Agreement.

VII. GENERAL TERMS

7.1 Advertising. Neither party may advertise or use any trademarks, service marks, or symbols of the other party without first receiving the written consent of the party owning the mark and/or symbol with the following exceptions: either party may use the name and the addresses of the other party in materials to inform Participants that Walgreens provides prescription services.

7.2 Regulatory Compliance. This Agreement shall be construed to be in accordance with, and each party will comply with, all applicable laws, rules, and regulations. Client represents and warrants that its program to provide prescription services to Participants complies with applicable state and federal anti-kickback and beneficiary inducement prohibitions.

Walgreens represents that it and all its employees performing services pursuant to this Agreement hold all appropriate licenses to perform the services contemplated hereunder and will perform such services in compliance with all applicable pharmacy laws. Each party will cooperate with reasonable requests by the other party for information that is needed for its compliance with applicable laws, rules, and/or regulations.

7.3 Confidentiality of Protected Health Information. Each party warrants that it will protect and respect each Participant's right to privacy and confidentiality concerning their medical and pharmaceutical records, and protect all individually identifiable health information as protected health information ("PHI") from misuse or disclosure in compliance with all applicable state and federal laws, including the Health Insurance Portability and Accountability Act of 1996, as amended. Failure by either party to abide by these requirements shall be a basis for immediate termination of this Agreement. The parties acknowledge and agree that nothing herein will limit either party's use of any aggregated Participant information that does not contain PHI. This Section will survive termination of this Agreement.

7.4 Non-Exclusivity/Patient Choice. The parties acknowledge that this Agreement does not create an exclusive relationship, and that either party may freely enter into similar agreements with other parties. The parties also acknowledge that Participants are free to choose a pharmacy provider of his or her choice, and nothing herein shall be construed to require an individual to obtain services from Walgreens.

7.5 Entire Agreement. This Agreement, which includes any and all documents, attachments, exhibits and schedules referenced herein or attached hereto, constitutes the entire and full agreement between the parties relating to the subject matter of this Agreement. Any prior negotiations, agreements, documents, understandings, or representations relating to the subject matter of this Agreement not expressly set forth herein or referred to or incorporated herein by reference are of no force or effect. Except as otherwise set forth herein, no changes, amendments, or alterations to this Agreement will be effective unless reduced to writing signed by a duly authorized representative of each party.

7.6 Covered Products and Exclusions. This Agreement is only applicable to Covered Products. Client may provide written notice of requested changes to the list set forth in Section 9 below and such changes will become effective if Walgreens provides Client with written notice of agreement and acceptance. Notwithstanding the foregoing, in no event may Client retroactively change the Covered Products list. The parties further acknowledge and agree that the following services are specifically excluded from this Agreement: starter dose services, Indian tribal, mail-order, specialty, specialty at retail, clinical, ancillary, immunization and 340B services.

7.7 Force Majeure. The performance by either party hereunder will be excused to the extent of circumstances beyond such party's reasonable control, such as flood, tornado, earthquake, or other natural disaster, epidemic, war, material

destruction of facilities, fire, acts of terrorism, acts of God, etc. In such event, the affected party will use its best efforts to resume performance as soon as reasonably possible under the circumstances giving rise to the party's failure to perform. Notwithstanding the foregoing, the parties agree that the COVID-19 pandemic does not currently impact the parties' ability to perform the respective obligations described herein.

7.8 Insurance. Each party will self-insure or maintain at its sole expense, and in amounts consistent with industry standards, insurance for general and professional liability and such other insurance as may be necessary to insure the party, its employees, and agents against any claim or claims for damages arising out of or in connection with its duties and obligations under this Agreement. Upon request from Walgreens, Client will provide a memorandum of insurance or certificate of insurance. Walgreens' insurance information is available at www.walgreens.com/insurance. Walgreens will name the Client as an additional insured under its Commercial General Liability policy. Walgreens hereby waives its rights of subrogation and agrees to require their insurers to waive their rights of subrogation against the Client for any loss arising from or related to this Agreement.

7.9 Notices. All notices provided for herein must be in writing sent by U.S. certified mail, return receipt requested, postage prepaid, or by overnight delivery service providing proof of receipt to the applicable address set forth following the signature blocks below. Notices will be deemed delivered upon receipt or upon refusal to accept delivery.

7.10 Third Party Rights. This Agreement is solely between Walgreens and Client and may not be construed to create any rights or remedies in favor of any third party, including, but not limited to, any Participant.

7.11 Signatory Authority. Each party represents and warrants that the individual signing this Agreement on its behalf is duly authorized to bind such party to all terms and conditions herein.

7.12 Waiver. No waiver by either party with respect to any breach or default of any right or remedy and no course of dealing may be deemed to constitute a continuous waiver of any other breach or default of any other right or remedy unless such waiver is expressed in writing by the party to be bound.

7.13 FEMA Provisions. The Additional Provisions Applicable to Federal Emergency Management Agency Funded Agreements attached hereto as Exhibit 1 shall be incorporated herein by reference.

7.14 City of Chicago Requirements. The City of Chicago Terms and Conditions attached hereto as Exhibit 2 shall be incorporated herein by reference.

7.15 Procurement Cap. The parties agree that the costs incurred by Client in performance of this

Agreement shall not exceed One Million Dollars (\$1,000,000.00) without written agreement by the parties.

VIII. DEFINED TERMS

8.1 "Average Wholesale Price" means the Average Wholesale Price for each drug product in the database as defined by Medi-Span or another nationally recognized source used by Walgreens.

8.2 "Compound Drug" means a prescription medication which would require the dispensing pharmacist to produce an extemporaneously produced mixture containing at least one Federal Legend drug, the end product of which is not available in an equivalent commercial form. For purposes of this Agreement, a prescription drug will not be considered a Compound Drug if it is reconstituted or if the only ingredient added to the prescription is water, alcohol or a sodium chloride solution.

8.3 "Covered Product(s)" means any product(s) specifically agreed to in Article IX.

8.4 "Federal Legend Drug" means any drug product that may only be dispensed pursuant to a prescription.

8.5 "Tax" means any sales tax, imposition, assessment, excise tax, or other government levied amount based on purchase at wholesale or Walgreens' sale of prescriptions to Participants either on gross revenues or by transaction, whether such tax is designated a sales tax, gross receipts tax, retail occupation tax, value added tax, wholesaler distributor tax, health care provider tax, transaction privilege tax, assessment, pharmacy user fee, or charge otherwise titled or styled. It includes any tax in existence or hereafter created whether or not the bearer of the tax is the retailer or consumer.

8.6 "Usual and Customary Charge" means the amount charged by the dispensing pharmacy at the time of dispensing of a pharmaceutical product or service to a customer with no coverage by a third party payor, exclusive of: (i) Tax; (ii) discounts claimed; or (iii) discounts provided for prescription drug savings card or other similar discounts.

IX. COVERED PRODUCTS AND REIMBURSEMENT RATES

9.1 Covered Products. The parties agree that Covered Products are those products checked below:

- Federal Legend Drugs
 - Brand Name Drugs
 - Generic Drugs
- Over-the-Counter Products and Medications
- Compound Drugs

9.2 Reimbursement Rates. For each Federal Legend Drug dispensed to a Secondary Coverage Participant under this Agreement, Client will reimburse Walgreens in accordance with the reimbursement rates set forth below. Client will reimburse Walgreens the Usual and Customary charge for all other Covered Products dispensed under this Agreement.

9.2.1 Brand Name Drugs: the lesser of the Average Wholesale Price of the dispensed medication minus 11.5% plus a dispensing fee of \$0.00, or dispensing pharmacy's Usual and Customary.

9.2.2 Generic Drugs: the lesser of the Average Wholesale Price of the dispensed medication minus 66.0% plus a dispensing fee of \$0.00, or dispensing pharmacy's Usual and Customary.

[Signature Page Follows Immediately]

EFFECTIVE DATE: April 15, 2020

IN WITNESS WHEREOF, Client and Walgreens have executed this Agreement.

CLIENT: City of Chicago

SIGNATURE: Shannon E. Andrews

NAME: Shannon E. Andrews

TITLE: CPO

DATE: 15 April 2020

Legal Notice Address:

Office of the Mayor of the City of Chicago
City Hall
121 N. LaSalle St., 5th Floor
Chicago, IL 60602
Attn.: Michael Frisch, Senior Advisor and Legal Counsel

WALGREEN CO.

SIGNATURE: ASA Digitally signed by
Scott A Schuler

NAME: _____ Date: 2020.04.15
07:28:07 -05'00'

TITLE: GVP- Contracting, Pricing, and Ops

DATE: _____



Legal Notice Address:

Walgreen Co.
104 Wilmot Road, MS 1446
Deerfield, IL 60015
Attn: Health Law (KJO)

EXHIBIT 1

ADDITIONAL PROVISIONS APPLICABLE TO FEDERAL EMERGENCY MANAGEMENT AGENCY FUNDED AGREEMENTS

Contractor acknowledges that the source of some of the fees it will receive for performing the Services may be financial assistance or grant funds the City will obtain from the Federal Emergency Management Agency ("FEMA"). As such, the following acknowledgements and provisions are hereby made part of this Agreement, and the Contractor agrees to comply, and require its subcontractors to comply, with the following provisions as well as all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

A. General Civil Rights Provision

The contractor agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractors from the bid solicitation period through the completion of the contract.

B. Title VI Solicitation Notice

The City, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

C. Equal Employment Opportunity

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

D. Contract Workhours And Safety Standards Act Requirements

This provision applies to professional service agreements that exceed \$100,000 and employ laborers, mechanics, watchmen and guards. This includes but is not limited to members of survey crews and exploratory drilling operations.

(1) Overtime Requirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph 1 above, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum

of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

(3) Withholding for Unpaid Wages and Liquidated Damages.

FEMA and/or the City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

(4) Subcontractors.

The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 (above and this paragraph) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 above.

E. Clean Air and Water Pollution Control

Because of 24 CFR 85.36(i)(12) and federal law, including 42 U.S.C. 7401-7671q and 33 U.S.C. 1251-1387, the Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 1857h-4 transferred to 42 USC § 7607, section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), as amended, on all contracts, subcontracts, and subgrants of amounts in excess of \$100,000.

Contractors and subcontractors agree:

- a. That any facility to be used in the performance of the contract or subcontract or to benefit from the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- b. To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;
- c. That, as a condition for the award of this contract, the contractor or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;
- d. To include or cause to be included in any construction contract or subcontract which exceeds \$ 100,000 the aforementioned criteria and requirements.

F. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

The bidder/offeree certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where

the bidder/offeror/contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

G. Lobbying and Influencing Federal Employees

No Federal appropriated funds shall be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

H. Preference for Recycled Products

To the extent practicable and economically feasible and to the extent that it does not reduce or impair the quality of the work, the Contractor agrees to use recycled products in the Project pursuant to U.S. Environmental Protection Agency (U.S. EPA) guidelines at 40 C.F.R. Parts 247-253, which implement section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962.

I. Access to Records and Reports

The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the City, the Federal Emergency Management Agency and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period that is the longer of five years or as required by relevant retention schedules after final payment is made and all pending matters are closed.

J. DHS Seals, Logo, and Flags

The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

K. No Obligation by Federal Government

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

K. Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract."

L. Energy Conservation Requirements

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

M. The Drug-Free Workplace Act of 1988, Pub. L. No. 200-690

Contractor is obligated to keep its work place free of illegal drugs and must take steps such as the following to ensure compliance with The Drug-Free Workplace Act:

(1) publish a statement and notify employees in writing that illegal drugs are prohibited in the work place; (2) publish and notify employees of the action the Contractor will take against violators of the drug prohibition policy; (3) establish a drug-free awareness program for employees; (4) notify employees that compliance with the drug prohibition is a condition of employment, and that employees must notify the Contractor of any violation of Federal or state drug abuse statutes occurring in the work place within 5 days of conviction; (5) notify the City within 10 days of receipt of an employee conviction notice; (6) take appropriate personnel action within 30 days of receipt of an employee conviction notice; (7) require that the convicted employee participate in an approved drug abuse assistance or rehabilitation program; and (8) make a good faith effort to maintain a drug-free work place during the term of this Agreement.

N. Federal Fair Labor Standards Act (Federal Minimum Wage); Occupational Safety and Health Act of 1970 (OSHA)

This Contract, and any subcontracts, incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee.

The Contractor retains full responsibility to monitor its compliance and its subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

O. Prohibition of Segregated Facilities

(a) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(b) "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

P. Conflict of Interest

No member of the governing body of the City or other units of government and no other officer, employee, or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Work or Services to which this Contract pertains, will have any personal interest, direct, or indirect, in this Contract. No member of or delegate to the Congress of the United States (pursuant to 41 U.S.C. Section 22) or the Illinois General Assembly and no alderman of the City or City employee will be permitted to any share or part of this Contract or to any financial benefit to arise from it.

The Contractor covenants that it, its officers, directors and employees, and the officers, directors and employees of each of its members if a joint venture, and subcontractors, presently have no interest and will acquire no interest, direct or indirect, in the Project, which would conflict in any manner or degree with the performance of the Work hereunder. The Contractor further covenants that in the performance of this Contract, no person having any such interest will be employed. The Contractor agrees that if the City, by the Commissioner in his or her reasonable judgment, determines that any of Contractor's work for others conflicts with the Work, the Contractor will terminate such other services immediately upon request of the City.

Q. Compliance with Law and Regulations

The Contractor shall comply, and shall require any subcontractors to comply, with all the provisions of FEMA regulations, and all federal, state, and local laws, ordinances and executive orders, including, but not limited to, 44 C.F.R. Part 13; DHS Standard Terms and Conditions Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d et seq.); Fair Housing Act (42 U.S.C. § 3601 et seq.); Executive Order 11063, as amended by Executive Order 12259; Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07); Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-33 as supplemented by 29 C.F.R. Part 5, and the regulations at 29 C.F.R. Part 1926); National Environmental Policy Act of 1969 (24 C.F.R. Part 58); all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15); Clean Air Act (42 U.S.C. § 7401 et seq.); Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 et seq.); Flood Disaster Protection Act of 1973 (42 U.S.C. §§ 4106-07); Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601); Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831); Executive Order 12372; mandatory standards and policies relating to energy efficiency which are contained in the State of Illinois energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163); Program Fraud Civil Remedies Act of 1986, as amended, 49 U.S.C. §3801 et seq. (in accordance therewith, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, or it may make pertaining to this Agreement); and Debarment and Suspension (49 C.F.R. § 18.35 and Executive Orders 12549 and 12689). Additionally, the Contractor shall comply with the applicable provisions of OMB Circulars A-133, A-102, A-122, A-110, A-87, and 2 C.F.R. Part 200 as amended, succeeded or revised.

term of this Contract or any Other Contract between City and Contractor, and/or (iii) any period in which an extension of this Contract or Other Contract with the City is being sought or negotiated.

Contractor represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Contractor or the date the Contractor approached the City, as applicable, regarding the formulation of this Contract, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Contractor shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Contract, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Contractor violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Contract resulting from this specification, the CPO may reject Contractor's bid.

For purposes of this provision:

"Other Contract" means any agreement entered into between the Contractor and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended.

Firms Owned or Operated by Individuals with Disabilities

The City encourages consultants to use Subcontractors that are firms owned or operated by individuals with disabilities, as defined by Section 2-92-586 of the Municipal Code of the City of Chicago, where not otherwise prohibited by federal or state law.

Ineligibility to do Business with City

Failure by the Contractor or any Controlling Person (defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code shall render this Contract voidable or subject to termination, at the option of the Director. Contractor agrees that Contractor's failure to maintain eligibility (or failure by Controlling Persons to maintain eligibility) to do business with the City in violation of Section 1-23-030 of the Municipal Code shall constitute an event of default.

Duty to Report Corrupt or Unlawful Activity

Pursuant to §2-156-018 of the Municipal Code, it is the duty of the Contractor to report to the Inspector General, directly and without undue delay, any and all information concerning conduct which it knows to involve corrupt activity. "Corrupt Activity" means any conduct set forth in Subparagraph (a)(1), (2) or (3) of §1-23-020 of the Municipal Code. Knowing failure to make such a report will be an event of default under this Agreement. Reports may be made to the Inspector General's toll free hotline, 866-IG-TIPLINE (866-448-4754).

Right to Offset

As provided under Section 2-92-380 of the Municipal Code, the City may set off from Contractor's compensation under this Agreement an amount equal to the amount of the fines and penalties for each *outstanding parking violation complaint* and the amount of any *debt* owed by Contractor to the City as those italicized terms are defined in the Municipal Code.

City Hiring Plan Prohibitions

(i) The City is subject to the June 16, 2014 the “City of Chicago Hiring Plan” (the “2014 City Hiring Plan”) entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(ii) Contractor is aware that City policy prohibits City employees from directing any individual to apply for a position with Contractor, either as an employee or as a subcontractor, and from directing Contractor to hire an individual as an employee or as a subcontractor. Accordingly, Contractor must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Contractor under this Agreement are employees or subcontractors of Contractor, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Contractor.

(iii) Contractor will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual’s political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual’s political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(iv) In the event of any communication to Contractor by a City employee or City official in violation of Section (ii) above, or advocating a violation of Section (iii) above, Contractor will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City’s Office of the Inspector General, and also to the head of the relevant City Department utilizing services provided under this Agreement. Contractor will also cooperate with any inquiries by OIG Hiring Oversight related to the contract.

Compliance with Laws

Contractor must observe and comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later and whether or not they appear in this Agreement.

No Third Party Rights

This Agreement is not intended to grant any beneficiary rights to third parties.