

**Solicitation Number: RFP #012722****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Habit Design, Inc., 310 3<sup>rd</sup> Ave. NE, Suite 103, Issaquah, WA 98027 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Digital Health Products and Solutions from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

**1. TERM OF CONTRACT**

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires March 29, 2026, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

**2. EQUIPMENT, PRODUCTS, OR SERVICES**

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

### **3. PRICING**

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

#### **4. PRODUCT AND PRICING CHANGE REQUESTS**

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

## **5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS**

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

## **6. PARTICIPATING ENTITY USE AND PURCHASING**

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

## **7. CUSTOMER SERVICE**

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Participating Entity inquiries; and
- Business reviews to Sourcwell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

## **8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT**

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcwell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Supplier will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

## **9. AUTHORIZED REPRESENTATIVE**

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

## **10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE**

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.



E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

### **11. INDEMNITY AND HOLD HARMLESS**

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

### **12. GOVERNMENT DATA PRACTICES**

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

### **13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT**

#### **A. INTELLECTUAL PROPERTY**

1. *Grant of License.* During the term of this Contract:
  - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
  - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,



resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

*3. Use; Quality Control.*

- a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

*5. Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. **ENDORSEMENT.** The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

#### **14. GOVERNING LAW, JURISDICTION, AND VENUE**

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

#### **15. FORCE MAJEURE**

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

#### **16. SEVERABILITY**

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

#### **17. PERFORMANCE, DEFAULT, AND REMEDIES**

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

## 18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:

\$2,000,000 per claim or event

\$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcwell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcwell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcwell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcwell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. **ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE.** Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

## **19. COMPLIANCE**

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

## **20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION**

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcwell if this certification changes at any time.

## **21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS**

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with

the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).



Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and

records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

**22. CANCELLATION**

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

Habit Design, Inc.

DocuSigned by:  
*Jeremy Schwartz*  
By: C0FD2A139D06489...  
Jeremy Schwartz  
Title: Chief Procurement Officer  
Date: 3/24/2022 | 9:24 PM CDT

DocuSigned by:  
*Michael Kim*  
By: D55FCA3242014F6...  
Michael Kim  
Title: Founder & CEO  
Date: 3/28/2022 | 2:45 PM CDT

Approved:

DocuSigned by:  
*Chad Coquette*  
By: 7E42B8F817A64CC...  
Chad Coquette  
Title: Executive Director/CEO  
Date: 3/28/2022 | 3:09 PM CDT

# RFP 012722 - Digital Health Products and Solutions

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## Vendor Details

Company Name: Habit Design  
Address: 310 3rd Ave NE, Ste. 103  
Issaquah, Washington 98027  
Contact: Michael Kim  
Email: michael@habitdesign.com  
Phone: 650-485-3648  
Fax: 650-485-3648  
HST#: 47-3315687

## Submission Details

Created On: Monday December 13, 2021 13:01:16  
Submitted On: Thursday January 27, 2022 12:48:50  
Submitted By: Michael Kim  
Email: michael@habitdesign.com  
Transaction #: 21e17699-fe8c-4519-a883-f3161a224f42  
Submitter's IP Address: 73.157.42.100

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## Specifications

**Table 1: Proposer Identity & Authorized Representatives**

**General Instructions** (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Habit Design
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	N/A
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A
4	Provide your CAGE code or DUNS number:	079107845 (DUNS)
5	Proposer Physical Address:	310 3rd Ave NE, Ste. 103 Issaquah, WA 98027
6	Proposer website address (or addresses):	habitdesign.com
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Michael Kim
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Michael Kim
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	N/A

**Table 2: Company Information and Financial Strength**

Line Item	Question	Response *
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>Founded in 2013 outside Seattle, WA, Habit Design® is the fastest way to create new healthy habits and the only corporate health company backed by the National Institutes of Health. Over 100,000 trainees have created over 1 million new daily habits - in an average of just 9 days per habit – that were clinically proven to lower their stress and increase their physical activity, nutrition, mental and social wellbeing.</p> <p>Recently, we became the first behavior change company to ever receive the largest federal Small Business Innovation Research (SBIR) grant bestowed by the National Institutes of Health (\$2 million, with an additional \$6 million contingent upon successful corporate partnerships).</p> <p>The Problem We Solve:</p> <p>According to the U.S. Centers for Disease Control, 98% of Americans have failed to achieve the four basic healthy lifestyle habits of healthy eating, regular physical activity, smoking cessation, and healthy body fat percentage; and 80% of heart disease, 80% of diabetes, and 40% of cancers could be prevented if Americans mastered just the first three. Yet, commitment and motivation are not the problem; more than 80% of us still make New Year's resolutions to improve our health, stress, or productivity each year. Why then are 80% of these resolutions abandoned after just 8 weeks?</p> <p>Habits are the ONLY way to do healthy behaviors repeatedly, automatically, without</p>

consciously thinking about them, without using willpower. Contrary to the conventional wisdom that it takes only "21 days", new published scientific research proves that new healthy habits take months to create (typically at least 66-88 days), but we burn out way before then. In an already stressful day, attending to new wellness goals takes too much of our willpower, which gets depleted quickly.

#### Our Unparalleled Expertise:

We are the only corporate health company in the U.S. founded by licensed, certified, and peer-review published clinical psychologists (i.e., from Stanford Medical School, Harvard, Yale, Johns Hopkins, and the University of Washington). Our company distinguishes itself dramatically from other corporate health companies by having over 100 cumulative years of pioneering clinical research and training into healthy habit training and coaching. We have led the field in terms of peer-reviewed published clinical research for over a decade. Under the direction of licensed and certified clinical psychologists, we conduct evidence-based research at every step of the development process in order to evaluate the usability, engagement, effectiveness, and clinical impact of our habit training. Through continuous quality improvement, we keep our training fresh, relevant, and optimally functional for our target audience, which ranges from clinicians and healthcare professionals to employees and patients.

In addition, we are the only corporate health company co-founded by senior digital health technologists with over 50 cumulative years of digital health expertise, creating some of the most successful digital health and tele-health services in the market including at Aetna, Kaiser Permanente, Apple, Amazon, Google, Fitbit, Nike, Microsoft, et al. Our previous digital and corporate health contributions have reached over 110 million patients/individuals in the U.S.

Habit Design, Inc. is the only behavior change company to leverage Artificial Intelligence (AI) as a core technological asset in the facilitation of accelerating new, healthy habits. Habit formation researchers believe AI (e.g., machine learning and natural language processing in particular) has become an increasingly critical ingredient in the development of successful behavior change programs as advances in context cue-detection and behavior detection, will broaden our understanding of what sorts of cues act as response triggers for different types of behaviors, which can feed into our models of what sorts of cues should be used as habit triggers. Our technology platform applies natural language processing to combine behavioral steps and metadata that are optimal for accelerating the automaticity of daily habits. As performance data grows across all our enrolled client organizations and their individual employees/trainees, we are then capable of increasing the effectiveness and automaticity of our trainee's healthy habits.

#### Our Corporate Values:

Our central mantra is to "just be better than we were yesterday" across three core values:

1. **Scientific Integrity & Leadership:** According to RAND, over 80% of corporate health initiatives fail because they fail to apply the best available scientific research. Typically, this is simply due to the fact that most corporate health companies were not founded by reputable scientific experts in the field of behavior change. Evidence-based, clinically validated behavior change methods are shown to produce superior results, and scientific research in clinical and behavioral psychology is constantly changing and growing.
2. **Empathy:** We go beyond simple platitudes of "the customer is always right" or "know your customer". Since behavior change is based on human and organizational psychology, we distinguish ourselves through continuously improving our skills at identifying what our customers are really trying to get at, to anticipate and advocate for their unmet or unarticulated needs, and act proactively on behalf of those interests. We are passionate about knowing each of our trainees' needs in a deep and proactive way.
3. **Simplicity:** We believe behavior change and corporate health industries are polluted with pop psychology, snake oil, and intentional obfuscation. Our challenge and opportunity is to integrate our unique collective clinical wisdom and advanced digital health development skill sets to cutting out all that is unnecessary for each client's success. "A stitch in time saves nine", as they say!

11	What are your company's expectations in the event of an award?	<p>In the absence of more details of the needs of Sourcwell's members, here are some generic expectations we have in the event of an award through this Sourcwell bidding process:</p> <ol style="list-style-type: none"> <li>1. We expect to be fully capable of supporting any necessary demand for coaching requested by Sourcwell members. We are confident in this given our success in supporting over 100 public and non-profit organizations and 500,000 employees/trainees in the past. Our unique integration of digital platforms and AI allows us to quickly and easily support the individual coaching needs of each of our clients but also to scale support to even the largest of public agencies (i.e., more than 100,000 eligible employees).</li> <li>2. We expect collaboration on marketing to drive increased contract usage and growth. We will generate spotlight media detailing the Sourcwell partnership that can be shared through various channels, participate in co-branding marketing, continue sales enablement and training activities, and generate awareness of the agreement through key events and collateral primarily distributed electronically but also with printed releases.</li> <li>3. We expect to customize to the unique needs of each Sourcwell member, as necessary: A key capability we have is the high degree of customization we can apply to each and every Sourcwell member. We have a saying, "You're unique, just like everyone else." Leveraging our extensive history in training over 1 million new habits, we've pretty much seen everything and there are definitely patterns of best practices across clients. But, given the high degree of flexibility we have in both the pedagogical curriculum (e.g., the "syllabus"/"lessons" of the training) and the means by which clients engage with that curriculum and coaching (e.g., via numerous potential configurations of digital platforms), we are confident from our 98% Net Promoter Score to be capable of supporting the diverse needs of the Sourcwell member community.</li> </ol>	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	<p>Although as a privately-held small business it is not our practice to publicly distribute consolidated financial information, we are capable of sharing the following financial data disclosed to the U.S. National Institutes of Health of our past three-year revenue growth (see "Line Item 12 – Habit Design Commercial Training Income"). Note: An additional \$5.8 million in training engagements between 2020-2022 have been contracted yet delayed due to COVID-19 related constraints.</p> <p>Also, attached to this application is a copy of the \$2 million NIH Small Business Innovation Research (SBIR) grant/contract bestowed by the National Institutes of Health (see "Line Item 12 – NIH SBIR Grant Notice to Habit Design").</p>	*
13	What is your US market share for the solutions that you are proposing?	Habit Design, Inc. has grown to become the leading healthy habit training company in the U.S., based on data from McKinsey & Company.	*
14	What is your Canadian market share for the solutions that you are proposing?	Market share information for Canada is not currently available.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.	*
16	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	Habit Design, Inc. is best described as a service provider. All training, sales and service support efforts are conducted by employees and part-time employees of Habit Design, Inc.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	N/A	*



18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	N/A	*
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**Table 3: Industry Recognition & Marketplace Success**

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>In the past five years, Habit Design has received 14 industry and scientific awards, the most in the behavior change field. An abridged sample of the awarding organizations includes:</p> <ul style="list-style-type: none"> <li>National Institutes of Health Fast Track Innovation Research Award (SBIR)</li> <li>Keynote Speaker, American Psychological Association (APA)</li> <li>TED "Healthcare Innovator to Watch"</li> <li>Board of Advisors, White House Advisory Committee on Behavior Science</li> <li>World Bank/IMF "Global Healthcare Innovation Award"</li> <li>Stanford Medical School Adjunct Lecturer appointment (Michael Kim)</li> <li>Society of Behavioral Medicine "Innovation of the Year"</li> <li>Health Enhancement Research Organization (HERO) "Innovation of the Year"</li> <li>America's Health Insurance Plans Institute (AHIP) "Behavior Change Innovation of the Year"</li> <li>Association of Behavior Analysis International (ABAI) B.F. Skinner Award for Organizational Behavior Management</li> <li>Apple, Inc.'s "Employer Healthcare Innovation of the Year"</li> </ul> <p>Some selected quotes are below:</p> <ul style="list-style-type: none"> <li>"... they're the leading authority in how to create sustainable behavior change." - Jim Collins, The New York Times bestselling author of Built to Last and Good to Great and the world's leading change management scholar</li> <li>"... required training for anyone in healthcare or public health." - The American Journal of Health Promotion</li> <li>"To our knowledge, no other habit training has matched their success." - - Terri Hanlon-Bremer, SVP Employer Solutions &amp; Population Health, TriHealth (a Catholic Health Services subsidiary)</li> <li>"Their approach to sustainable behavior change is truly innovative and impactful for population health" – Dr. Chad Morris, University of Colorado Anschutz Medical Center, Behavioral Health &amp; Wellness Program</li> </ul> <p>In addition, we are the only behavior change training company to have been selected by the world leading management consultancy, McKinsey &amp; Company, to sub-license our training for their prestigious executive leadership program.</p>	*
20	What percentage of your sales are to the governmental sector in the past three years	Over the last three years, our public sector sales has accounted for 37% of our total gross revenue, growing over 300%.	*
21	What percentage of your sales are to the education sector in the past three years	Over the last three years, our educational sector sales has accounted for 16% of our total gross revenue, growing over 80%.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Although we have trained thousands of state and local public sector employees, these were purchased by each trainee/individual (via our website) as opposed to an organization/site/cooperative purchasing agreement via their employer.	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	N/A	*

**Table 4: References/Testimonials**

**Line Item 24.** Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
International Foundation of Employee Benefit Plans	Patti Weber	262-373-7626	*
TriHealth (subsidiary of Catholic Health Initiatives)	Maureen ("Moe") Swift	513-977-0009	*
State of Colorado Department of Public Health	Aimee Voth Siebert	303-692-2686	*
University of Colorado Anschutz Medical Center Behavioral Health & Wellness Program	Dr. Chad Morris	303-724-3709	
The World Bank	Barbara Bitondo	202-473-7648	

**Table 5: Top Five Government or Education Customers**

**Line Item 25.** Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
The World Bank	Non-Profit	District of Columbia - DC	We conducted a one-day "Habit Design Training Workshop" (a condensed version of the "Habit Design Training Course") for over 1,000 World Bank employees. Due to COVID, this has been suspended recently.	\$200-\$300K	\$500,000	*
National Institutes of Health	Government	District of Columbia - DC	We are training 500 healthcare employees on the Habit Design Training Course, customized for those at risk of Metabolic Syndrome (funded by our NIH SBIR grant/contract). This employs our unique companion smartphone app, SMS/Text, digital video, and other digital platforms.	\$2,000,000	\$2,000,000	*
International Foundation of Employee Benefit Plans	Non-Profit	Wisconsin - WI	Over several years, we have conducted a two-day intensive training seminar as a pre-conference training for the annual "Art & Science of Health Promotion Conference". Due to COVID, we have not been able to conduct this recently.	\$75-\$100K	\$0 (suspension of availability due to Covid)	*
American Psychological Association	Non-Profit	District of Columbia - DC	We have conducted intensive training seminars as a pre-conference training for the annual APA conference. Due to COVID, this has been suspended recently.	\$50-\$100K	\$0 (suspension of availability due to Covid)	*
Association of Talent Development	Non-Profit	Virginia - VA	Over several years, we have conducted a one-day "Habit Design Training Workshop" (a condensed version of the "Habit Design Training Course") for over 500 pre-registered worldwide conference attendees. Due to COVID, this has been suspended recently.	\$120-\$200K	\$0 (suspension of availability due to Covid)	*

**Table 6: Ability to Sell and Deliver Service**

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
26	Sales force.	<p>Although we are a small business, Habit Design, Inc. is fully capable and committed towards serving the needs of Sourcewell participating entities across the US and Canada, has proven by our record of successfully training over 500 companies &amp; organizations, representing over 100,000 individual employee trainees.</p> <p>As a digital-first training company (e.g., due to COVID, while we are capable of providing in-person/on-site training, we prefer the advantages of delivering our training digitally using telecoaching, digital platforms, etc.), all sales personnel are capable of supporting any region of the US or Canada from our headquarters outside Seattle, WA. We currently have 4 sales FTEs, who are not designated by sector. We do not have any overlap between the sales and service functions.</p>
27	Dealer network or other distribution methods.	<p>As organizations and their employees continue to seek clinically validated, evidence-based solutions to lower stress, help mitigate healthcare costs, and increase engagement and sustainability of physical activity and other healthy habits, we expect to continue to see a commensurate increase in demand for distribution, licensing, and reseller partnerships. To date, indirect sales methods have generated 21% of Habit Design's cumulative commercial income. Three primary promotional activities have already proven to be effective and efficient towards engaging these channel partners (in decreasing order of efficacy): 1) Habit Design® Trainer Certification (Train-the-Trainer), 2) Affiliate/Reseller revenue-sharing, and 3) Co-marketing agreements:</p> <p>1. Habit Design® Trainer Certification (Train-the-Trainer): Offered once per quarter, this online course, directed by Habit Design clinical staff, provides the means for healthcare professionals (e.g., health coaches, wellness program staff, nurses, etc.) to become certified to train others on the Habit Design protocol. Upon certification, they are authorized as an independent sub-contractors of Habit Design, Inc. and serve as a trainer for their clients and those referred to them by Habit Design, Inc. As compensation, certified trainers receive a percentage of the net revenue generated from these mutual clients, depending on their training package, number of trainees, time commitment, etc. Trainer certification tuition may also be waived if they successfully refer an organizational client for Habit Design training before their training begins. Since its inception in 2016, we have certified over 200 trainers, most of whom recouped their tuition cost within 12 months.</p> <p>2. Affiliate/Reseller Program: This channel sales initiative enables commercial partners of Habit Design, Inc. to resell or license Habit Design training programs, tools, and services for their own organizational customers, co-branding the offering if they desire; examples of these resellers include corporate wellness vendors, healthcare providers, hospital systems, etc. Typically, these organizations receive a bounty/commission for each successful sales referral to Habit Design, Inc. To date, Habit Design has initiated seven affiliate/reseller agreements which have in turn generated over 15,000 trained participants. In addition, over the past three years, six healthcare professional accreditation associations have authorized Habit Design training as a pre-requisite for certain advanced certification and accreditation programs, increasing Habit Design's marketability to over 100,000 corporate wellness professionals (i.e., AAOHN, AAFP, ACSM, CDR, NCHES, NCHES, etc.).</p> <p>3. Co-Marketing Agreements: Healthcare industry associations, industry conferences, insurance brokerage firms, and other ecosystem players have increased their efforts to expand their branding and portfolio offerings to include digital therapeutic and behavior change programs. To date, Habit Design has initiated over 15 co-marketing agreements with industry organizations who have committed to integrate our commercial offerings and marketing with their existing marketing and promotional initiatives (e.g., Society of Behavioral Medicine, Health Enhancement &amp; Research Organization, The Employee Health &amp; Wellness Association, Association of Washington Cities, etc.). Typically, Habit Design pays an upfront marketing placement fee or is paid "in-kind" through a mutual exchange of services (e.g., Habit Design agrees to present a keynote at an annual conference).</p>

28	Service force.	One of the many unique advantages of our habit training program is the integration of AI, digital technologies (e.g., SMS/Text, video, online diagnostic tools), and expert clinical psychologists combined in real-time to ensure the personalized success of each and every trainee/client. This allows us to easily scale to provide customized, live, in-person, real-time support to thousands of trainees each and every day from our team of 8 clinical psychologists, unlike other digital coaching solutions which rely on outsourced and unlicensed health coaches who may each support hundreds of clients (e.g., Noom, Vida Health, Omada Health, et al.) and lack the professional and academic pedigree and expertise to know what's best for each individual client's needs based on the best of what the scientific research has to offer. Importantly, this is not formally considered medical support, it does not require state-by-state licensure and we are very explicit and careful with each client to seek the medical advice of a healthcare professional if they feel that there are medical issues requiring attention.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	All orders are handled and processed directly by Habit Design, Inc. Our PEPM, PPPY, and Case Rate fee options (see the attached "Habit Design Training Course Pricing Proposal") are typically based on employee size billed monthly. For each client, our contract will include a statement of work that will reflect the Sourcewell contract pricing and any additional client requests. Contracts will also reflect scope of services, net-30 terms, and any additional requirements necessary to implement, invoice, and collect payment for the services we provide. All of this is tracked in our Salesforce CRM and financial systems in order to report back to Sourcewell.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	All customer service inquiries are managed by employees of Habit Design, Inc. via email and SMS/Text. All such inquiries receive a response within 24 business hours (excluding national holidays).	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Since part of our training platform is delivered live, in real-time to each trainee each weekday over the term of their training with the support of live, licensed, certified clinical psychologists, we support thousands of simultaneous clients (representing hundreds of thousands of employees) each weekday using our proprietary AI platform, however we do have certain operational constraints, including: 1)Clients must be located in the Pacific, Mountain, Central, or Eastern timezones, 2)Clients must be fluent in written English, and 3)Clients must use a smartphone capable of sending photos and SMS/Text.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Habit Design, Inc. is fully capable and committed to supporting contractual engagements to Sourcewell participating entities in Canada, contingent upon these operational constraints: 1)Clients must be located in the Pacific, Mountain, Central, or Eastern timezones, 2)Clients must be fluent in written English, and 3)Clients must use a smartphone capable of sending photos and SMS/Text.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Habit Design, Inc. may have limited availability in Puerto Rico, Hawaii, and certain U.S. territories and parts of Canada given our response to Line Item #31 above.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	N/A	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	See our response above to Line Item #31.	*

**Table 7: Marketing Plan**

Line Item	Question	Response *
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Based on past successful training engagements with public sector clients, we believe there are, at a minimum, three core marketing strategies that effectively and efficiently create the greatest number of training engagements/registrations, in order of decreasing priority: 1. Direct email from the employer: We will partner with each Sourcewell member to create a personalized, targeted email invitation campaign. Importantly, this will leverage the existing and continuously improving direct email targeting heuristics we already conduct ongoing every day to identify how best to convert prospective leads (e.g., what time of day is best to send successful invitations, A/B testing different kinds of formatting & promotional language, which employee demographics & psychographics are most likely to convert, etc.). To date, this method alone has generated 69% of our cumulative commercial revenue. 2. 100% Money-Back Guarantee: If any client's progress does not improve over the course of their engagement with the Habit Design Training Course, we provide a 100% money-back guarantee (minus any administrative costs, such as sales tax). We are the only corporate health company to offer this. Every Sourcewell member purchasing manager is then assured that 100% of their contracted expense for our training results in positive, demonstrable behavior change among their employees/trainees. 3. Shareable, custom, social media case studies & webinars: In collaboration with Sourcewell and its affiliates, we believe providing a portfolio of bite-sized, social media-optimized content most effectively promotes word-of-mouth among work colleagues (i.e., intra-organization) and across industry peers (i.e., inter-organization). A simple example is a dedicated co-branded Instagram channel dedicated to the Sourcewell member's success stories in applying our Habit Design training; we have previously successfully done this on Youtube, for example, for the benefit of our client Stanford Medical School, creating the most popular behavior change course in the university history.
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	See our response to Line Item #36 above, especially regarding targeting heuristics, A/B testing, and social media-optimized content.
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	As it did with its "Population Health Management" RFP in 2019, our expectation is that Sourcewell would similarly promote awardees of this RFP via press releases, social media, etc.
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	All organizational sales for Habit Design training offerings is facilitated, managed, and processed directly by Habit Design sales personnel, rather than via an external, third-party e-procurement service.

**Table 8: Value-Added Attributes**

Line Item	Question	Response *
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Habit Design's core digital habit coaching program is entirely conducted and managed by Habit Design, Inc. Supplementary (optional) certification of individuals from Sourcewell participating entities to become certified Habit Design trainers is available and negotiable upon request (see our response to Line Item #27).

41	Describe any technological advances that your proposed products or services offer.	<p>We have developed three, patent-pending technological innovations that, when integrated through our habit training platform, have been clinically proven to accelerate new, healthy habits faster than any other solution (a live online demo may be scheduled upon request):</p> <ol style="list-style-type: none"> <li>1. An A.I.-based health coaching system delivered through SMS/Text or our companion smartphone app elegantly integrates over 20 key, clinically validated habit formation techniques which are customized to each individual trainee using our proprietary artificial intelligence algorithms (see our response to Line Item #10 for more details on our AI innovations).</li> <li>2. Live, real-time coaching from licensed, clinical psychologists is targeted to optimal moments in the patient's daily routines when specific, new habits are most likely to succeed.</li> <li>3. Finally, we provide positive reinforcement through real-time, geo-targeted monetary rewards, delivered via a unique virtual currency (much like Bitcoin) that is financed by the employer, the individual herself, or other entity.</li> </ol>	*
42	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	N/A	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	N/A	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Habit Design is a Washington State-certified micro business enterprise and minority business entity (see attached documents)	*



45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>Four core, unique differentiators combined have led to our success as the market leader in habit training:</p> <ol style="list-style-type: none"> <li>1. We are the scientific leaders in the field: We are the only behavior change company in the U.S. founded by licensed, certified, and peer-review published clinical psychologists (i.e., from Stanford Medical School, Harvard, Yale, Johns Hopkins, and the University of Washington). Our company distinguishes itself dramatically from other behavior change companies in that we have over 100 cumulative years of pioneering clinical research and training into habit coaching, and currently lead the academic field in terms of peer-reviewed published research. We're honored to have received our industry's highest accolade for scientific achievement in the field when we became the first behavior change company to ever receive the largest federal Small Business Innovation Research (SBIR) grant bestowed by the National Institutes of Health (\$2 million, with an additional \$6 million contingent upon successful corporate partnerships).</li> <li>2. We are the only clinically proven way to accelerate new habits: According to RAND, most wellbeing programs suffer from poor engagement, with only 18% of employees applying their training on a daily basis after just two months. In contrast, our training has averaged a 94% daily engagement rate over the same two-month period, as documented by the American Journal of Health Promotion. Furthermore, the same study showed 97% of employees automating at least one target habit of their own design within just 9 days after completing the course, the highest success rate of any habit training program, according to NIH. As the market leaders in habit training, our track record is unparalleled with over 100,000 trainees creating over 1 million new healthy habits (and counting). No other behavior change program, whether it's Alcoholics Anonymous or Weight Watchers – even comes close.</li> <li>3. Highest in healthcare savings, ROI, and satisfaction in the field: Habit Design trainees who successfully complete our Training Course have been found to experience double the amount of weight loss, compared to a control group and 1-2 points of BMI improvement, as documented by the American Journal of Health Promotion. McKinsey &amp; Company estimates that these improved biometric results can save over \$3,600 per employee in total healthcare cost savings alone (not including productivity improvements, see below) per year through Habit Design®. Unfortunately, typical corporate lifestyle wellness programs have performed poorly, averaging -50% return-on-investment, according to RAND. In contrast, McKinsey &amp; Company has documented our company's return-on-investment well above this industry benchmark, reaching an average of 190% or 1.9X. For example, at Aetna, one of the country's largest healthcare insurers, our training was used by over 2,000 employees to build effective sleep hygiene habits, which resulted in an average of 69 extra minutes of productivity per employee per day, equivalent to a 172% return-on-investment. Finally, our Net Promoter Score®, an industry-standard survey diagnostic for measuring one's willingness to recommend a product or service to a colleague, has consistently scored 9.8 (out of 11), in the top 5% of organizational wellness training, according to McKinsey &amp; Company.</li> <li>4. 100% Money-Back Guarantee: If any client's progress does not improve over the course of their engagement with the Habit Design Training Course, we provide a 100% money-back guarantee (minus any administrative costs, such as sales tax). We are the first, and still only, behavior change company to offer this. Every one of our clients is assured that 100% of their contracted expense for our training results in positive, demonstrable behavior change among their employees/trainees.</li> </ol>
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**Table 9: Performance Standards or Guarantees**

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
46	Describe any performance standards or guarantees that apply to your services	<p>Each of our organizational contracts includes a mutually agreed upon standard service level agreement (SLA), whose terms are negotiable and customizable upon request.</p> <p>100% Money-Back Guarantee: If any client's progress does not improve over the course of their engagement with the Habit Design Training Course, we provide a 100% money-back guarantee (minus any administrative costs, such as sales tax). We are the only behavior change company to offer this. Every one of our clients is assured that 100% of their contracted expense for our training results in positive, demonstrable behavior change among their employees/trainees.</p>
47	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	We provide organizational clients quarterly reports on all program activity, including enrollment, engagement, and various behavior change/health-improvement performance metrics, as customized in advance upon request.



**Table 10: Payment Terms and Financing Options**

Line Item	Question	Response *	
48	Describe your payment terms and accepted payment methods.	All fees are due and payable within thirty (30) days of the date of our invoices. We prefer EFT/ACH wire transfer of payment to our commercial U.S. Bank account. We do not accept credit card payments for organizational-level purchases.	*
49	Describe any leasing or financing options available for use by educational or governmental entities.	We do not provide leasing or financing options, which we understand are typically intended to support large physical capital purchases rather than training/coaching programs of this nature.	*
50	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Please refer to the attached "Habit Design Terms & Conditions Sample (Habit Design Training Course Companion App Version)" document.	*
51	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	No. We do not accept corporate purchasing card or credit card payments for organizational clients.	*

**Table 11: Pricing and Delivery**

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcwell Price and Product Change Request Form.

Line Item	Question	Response *
52	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Please refer to the attached "Habit Design® Training Course Pricing Proposal for Sourcwell Members".
53	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Implementation prices represent a unique 50% discount.
54	Describe any quantity or volume discounts or rebate programs that you offer.	To support the diverse requirements of the Sourcwell member community, we offer our deepest discounts on a variety of pricing and implementation fee configurations, as a client population grows. Please refer to the attached "Habit Design® Training Course Pricing Proposal for Sourcwell Members".
55	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	The integration and provisioning of unforeseen potential sourced, open market, or non-standard options will be provided on a case by case basis upon request.
56	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	N/A
57	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	N/A
58	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	N/A
59	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Unlike other corporate or digital health offerings, Habit Design's patent-pending habit training program can be delivered via a wide variety of engagement platforms, including a dedicated smartphone app, SMS/Text, asynchronous voicemail, and email. This ensures organizations can reach higher engagement of their employees by allowing Sourcwell members to choose whichever configuration that works best for their organization's needs and constraints.

**Table 12: Pricing Offered**

Line Item	The Pricing Offered in this Proposal is: *	Comments
60	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	If awarded, our company is willing to provide exclusive pricing not provided to other clients due to efficiencies provided by the Sourcwell contracting process.

**Table 13: Audit and Administrative Fee**

Line Item	Question	Response *
61	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Habit Design's finance department has specific and detailed audit controls to verify compliance with its contracts. Finance team members will report sales and the proper administrative fees to Sourcewell on a quarterly basis or as otherwise agreed.
62	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	<p>On a weekly basis, we typically track over a dozen top priority contract metrics, an abridged selection listed below:</p> <ul style="list-style-type: none"> <li>- % eligible employees registered</li> <li>- % of those who started the training course</li> <li>- % of those who finished the training course</li> <li>- daily (weekday) check-in performance/engagement data per trainee</li> <li>- self-reported automaticity rating per trainee per week</li> <li>- amount of virtual &amp; monetary currency earned per trainee per week (if this reward option is selected by the client)</li> <li>- coach's weekly performance rating per trainee</li> <li>- Net Promoter Score rating for each course completion</li> </ul> <p>The actual full roster of key performance indicators (KPIs) are collaboratively detailed and agreed upon with each Sourcewell member client during the contracting process and before any training engagement begins.</p>
63	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	<p>We propose a sliding scale for the administrative fee, based on the total actual annual revenue derived from Sourcewell clients, as follows:</p> <ul style="list-style-type: none"> <li>- \$1.00-\$500,000 Total Actual Revenue to Habit Design: 2% Administrative Fee % to Sourcewell</li> <li>- \$500,001-\$3,000,000 Total Actual Revenue to Habit Design: 3.5% Administrative Fee % to Sourcewell</li> <li>- \$3,000,001+ Total Actual Revenue to Habit Design: 5% Administrative Fee % to Sourcewell</li> </ul>

**Table 14A: Depth and Breadth of Offered Equipment Products and Services**

Line Item	Question	Response *
64	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>Science indicates the reason most of us fail at creating lasting healthy habits is that our willpower and grit run out before the habits can become automatic. The "Habit Design® Training Course" is the only clinically proven program to accelerate healthy habits and the first behavior change program ever backed by the U.S. National Institutes of Health. Over 100,000 employees/trainees have created over 1 million new healthy habits in an average of just 9 days per habit using the course, five-times faster than the best previously available clinically tested alternative.</p> <p>As the only behavior change program designed and clinically validated by leading clinical psychologists (i.e., from Harvard, Yale, Stanford Medical School, Johns Hopkins University, and the University of Washington), this patent-pending, self-paced habit training is simple yet extremely powerful:</p> <ul style="list-style-type: none"> <li>• 5 brief, tutorial videos elegantly synthesize over 20 clinically proven cognitive behavioral psychological techniques, each accompanied by a self-diagnostic survey (5 in all).</li> <li>• Each and every individual trainee receives a personalized email or SMS/Text response with their diagnostic results and clinical recommendations within 24-48 business hours from our clinical staff.</li> <li>• The last lesson includes trainees practicing their your initial 2 "habit designs" live, in real-time with their own personal, dedicated clinical psychologist or certified coach, via SMS/Text or a companion smartphone app.</li> </ul> <p>Together, these are delivered into 5 key lessons:</p>

		<p>1. Diagnose and evaluate your readiness for behavior change by identifying self-destructive misconceptions about the science of habits and the key reasons people fail at their wellbeing, stress management, and productivity resolutions</p> <p>2. Prioritize 2 new wellbeing or productivity goals and quantitatively measure their likelihood of success based on diagnostic factors shown to most effect success, based on our patent-pending AI algorithm and the performance of our more than 100,000 past trainees</p> <p>3. Transform these 2 initial personal goals down into daily behavioral action plans called "Habit Designs" using the behavioral science of Shaping, Reinforcement, our "Minimum Viable Behavior Checklist"™, and "The Five Enablers"™</p> <p>4. Starting on a Monday, each weekday for just 10 weekdays (with more coaching days supported upon client request) practice these 2 habit designs in just 1 minute each, applying the scientific methods of deliberate practice, in live, real-time collaboration with your dedicated clinical psychologist or certified coach.</p> <p>5. Apply clinically proven tactics that ensure long-term success of each of your habit designs while still lowering stress overall beyond the conclusion of the training course.</p> <p>Client Results</p> <p>Based on our successful track record of training over 100,000 employees across 500 companies/organizations who have applied this course to create over 1 million new healthy habits, our measurable training outcomes have included, on average:</p> <ul style="list-style-type: none"> <li>• Success rate: According to RAND, most corporate wellbeing programs suffer from poor engagement, with only 18% of employees applying their training on a daily basis after just two months. In contrast, our training has averaged a 83% daily engagement rate over the same two month period, as documented by the American Journal of Health Promotion. Furthermore, the same study showed 93% of employees automating at least one target habit of their own design within just 9 days after completing the course, the highest success rate of any habit training program, according to TriHealth.</li> <li>• Healthcare cost savings through improved biometrics (after one year): Habit Design trainees who successfully complete the course have been found to experience double the amount of weight loss, compared to a control group and 1-2 points of BMI improvement, as documented by the American Journal of Health Promotion. McKinsey &amp; Company estimates that these improved biometric results can save over \$3,600 per employee in total healthcare cost savings alone (not including productivity improvements, see below) per year through Habit Design.</li> <li>• Return-on-investment &amp; increased productivity: Unfortunately, typical corporate lifestyle wellness programs have performed poorly, averaging -50% return-on-investment, according to RAND. In contrast, McKinsey &amp; Company has documented our company's return-on-investment well above this industry benchmark, reaching an average of 190% or 1.9X. For example, at Aetna, one of the country's largest healthcare insurers, our training was used by over 2,000 employees to build effective sleep hygiene habits, which resulted in an average of 69 extra minutes of productivity per employee per day, equivalent to a 172% return-on-investment.</li> <li>• Customer Satisfaction: Our Net Promoter Score®, an industry-standard survey diagnostic for measuring one's willingness to recommend a product or service to a colleague, has consistently scored 9.8 (out of 11), in the top 5% of organizational wellness training, according to McKinsey &amp; Company.</li> </ul>
65	<p>Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.</p>	<p>Behavior Change; Stress Management; Mindfulness; Time Management; Change Management; Human Performance; Coaching; Training; Habits; Healthy Habits; Habit Formation; Cognitive Behavioral Therapy;</p>

**Table 14B: Depth and Breadth of Offered Equipment Products and Services**

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
66	Physical point solutions	<input type="radio"/> Yes <input checked="" type="radio"/> No	Physical point solutions are unnecessary for training and coaching the acceleration of new, healthy habits.
67	Digital health coaching	<input checked="" type="radio"/> Yes <input type="radio"/> No	Please refer to our detailed response to questions above in "Table 14A".
68	Engagement and utilization applications and platforms	<input checked="" type="radio"/> Yes <input type="radio"/> No	Since our technology platform is hosted by Amazon Web Services (AWS) and the Salesforce cloud, we are able to utilize multiple cloud-based applications to track engagement and utilization by our trainees.
69	Risk management solutions	<input checked="" type="radio"/> Yes <input type="radio"/> No	Our training program includes a self-diagnostic survey that has predicted the likelihood of success by each participant with an accuracy of 87%. This can be administered by the Sourcewell member client in advance of delivery of our training if desired so as to proactively target those employees most likely to create the greatest ROI from the training.
70	Condition specific solutions, including, but not limited to: i. Musculoskeletal health; ii. Diabetes prevention and management; iii. Hypertension; iv. Weight loss; and, v. Infertility (Use the Comment field to specify what conditions apply)	<input checked="" type="radio"/> Yes <input type="radio"/> No	According to the U.S. Centers for Disease Control, 98% of Americans have failed to achieve the four basic healthy lifestyle habits of healthy eating, regular physical activity, smoking cessation, and healthy body fat percentage, and 80% of heart disease, 80% of diabetes, and 40% of cancers could be prevented if Americans mastered just the first three. So, our Habit Design Training Course is universally applicable.
71	Services and technology related to the offering of the solutions described in Lines 66-70 above.	<input checked="" type="radio"/> Yes <input type="radio"/> No	Please refer to our detailed response to questions above in "Table 14A".

**Table 15: Exceptions to Terms, Conditions, or Specifications Form**

**Line Item 72. NOTICE:** To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

**Documents**

**Ensure your submission document(s) conforms to the following:**

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- [Pricing](#) - Habit Design® Training Course Pricing Proposal for Sourcewell Members.pdf - Wednesday January 26, 2022 19:08:29
- [Financial Strength and Stability](#) - Line Item 12 - Habit Design Training Commercial Income (NIH).png - Tuesday January 25, 2022 14:10:28
- [Marketing Plan/Samples](#) - Sample Direct Email Marketing (Habit Design).pdf - Tuesday January 25, 2022 19:36:37
- [WMBE/MBE/SBE or Related Certificates](#) - WA State OWMBE and MBE Certifications (Habit Design).pdf - Tuesday January 25, 2022 18:58:25
- Warranty Information (optional)
- [Standard Transaction Document Samples](#) - Habit Design Terms & Conditions Sample (Habit Design Training Course Companion App Version).pdf - Tuesday January 25, 2022 19:16:25
- [Upload Additional Document](#) - Line Item 12 - NIH SBIR Grant Notice to Habit Design.pdf - Tuesday January 25, 2022 14:00:22

## Addenda, Terms and Conditions

### PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
  1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
  2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
  3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated



by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Michael Kim, CEO, Habit Design, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

Yes  No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
<b>Addendum_4_Digital_Health_Products_Solutions_RFP_012722</b> Thu January 20 2022 04:00 PM	<input checked="" type="checkbox"/>	4
<b>Addendum_3_Digital_Health_Products_Solutions_RFP_012722</b> Wed January 19 2022 08:35 AM	<input checked="" type="checkbox"/>	5
<b>Addendum_2_Digital_Health_Products_Solutions_RFP_012722</b> Mon December 27 2021 10:56 AM	<input checked="" type="checkbox"/>	3
<b>Addendum_1_Digital_Health_Products_Solutions_RFP_012722</b> Tue December 21 2021 03:03 PM	<input checked="" type="checkbox"/>	2