

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
BY: Maryellen Peters, Deputy County Executive Officer
DATE: December 13, 2011
SUBJECT: RFP No. 10125, Third Party Administrator Services – Award and Contract Recommendation

ACTION REQUESTED: Award RFP No. 10125 to Intercare Holdings Insurance Services, Inc. (Intercare), of Rocklin, CA, authorize staff to negotiate and enter into a three year contract for third party administrative services for Workers' Compensation administration in an amount not to exceed \$840,198; and authorize the Department Head to sign the resulting contract.

BACKGROUND: At the request of Placer County CEO/Risk Management, RFP No. 10125 solicited proposals from qualified firms to perform Third Party Administrator Services for the County's Workers' Compensation claims administration. The resulting contract will become effective January 1, 2012, and will remain in effect for three (3) years, with the option of renewal for two (2) additional years based upon mutual agreement.

The RFP issued on October 6, 2011, resulted in eleven (11) proposals being submitted by the advertised deadline. A three-member evaluation panel representing Risk Management, East Bay Parks District and CSAC-EIA reviewed the proposals, and rated each firm on their specialized experience, qualifications, familiarity with associated issues, methodology and proposed project approach. On November 15, 2011 the evaluation panel conducted interviews with the top ranked two firms. The panel concluded that the proposal submitted by Intercare was most advantageous, considering the evaluation factors set forth in the Request for Proposals and the interview process. The Final Contract awarded to Intercare is included as Attachment A.

FISCAL IMPACT: The contract resulting from this recommendation will total \$840,198.00 for the three-year renewal period. The payment schedule will be \$281,594.00 the first year to include conversion costs; \$269,752.00 the second year; and \$277,602.00 the third year. Additional funding of \$11,250 is set aside for production of ad hoc reports for the life of the contract as needed. The CEO/Risk Management Office is adequately funded for these ongoing services.

Attachments:

A: Final Contract
Cc: Brett Wood, Purchasing Manager

Administering Agency: Placer County Risk Management Division

Contract No. _____

Contract Description: Workers Compensation Administration Services

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made at Auburn, California, as of _____, 20____, by and between the County of Placer, ("County"), and **Intercare Holdings Insurance Services, Inc.** ("Contractor"), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide the services described in Exhibit A and **RFP No. 10125**, and Consultant's response to said document. Consultant shall provide said services at the time, place, and in the manner specified in Exhibit A.
2. **Payment.** County shall pay Consultant for services rendered pursuant to this Agreement at the time and in the amount set forth in Exhibit B. The payment specified in Exhibit B shall be the only payment made to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all billings for said services to County in the manner specified in Exhibit B; or, if no manner be specified in Exhibit B, then according to the usual and customary procedures which Consultant uses for billing clients similar to County. **The amount of the contract shall not exceed EIGHT HUNDRED FORTY THOUSAND ONE HUNDRED NINETY-EIGHT Dollars (\$840,198.00).**
3. **Facilities, Equipment and Other Materials, and Obligations of County.** Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.
4. **Exhibits.** All exhibits referred to herein will be attached hereto and by this reference incorporated herein.
5. **Time for Performance.** Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A shall constitute material breach of this contract.
6. **Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent Contractor and shall not be an employee of the County. County shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement. County shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.
7. **Licenses, Permits, Etc.** Contractor represents and warrants to County that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Contractor to practice its profession. Contractor represents and warrants to County that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.
8. **Time.** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

9. **Insurance.** Contractor shall file with County concurrently herewith a Certificate of Insurance, in companies acceptable to County, with a Best's Rating of no less than A-VII showing.

WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to Contractor's employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer".

Contractor shall require all Subcontractors to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

GENERAL LIABILITY INSURANCE:

- A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of Contractor, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:
- (1) Contractual liability insuring the obligations assumed by Contractor in this Agreement.
- B. One of the following forms is required:
- (1) Comprehensive General Liability;
 - (2) Commercial General Liability (Occurrence); or
 - (3) Commercial General Liability (Claims Made).
- C. If Contractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
- One million dollars (\$1,000,000) each occurrence
 - Two million dollars (\$2,000,000) aggregate
- D. If Contractor carries a Commercial General Liability (Occurrence) policy:
- (1) The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) for Products-Completed Operations
 - Two million dollars (\$2,000,000) General Aggregate

- (2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

E. Special Claims Made Policy Form Provisions:

Contractor shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

- (1) The limits of liability shall not be less than:
- One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) aggregate for Products Completed Operations
 - Two million dollars (\$2,000,000) General Aggregate
- (2) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- A. "The County of Placer, its officers, agents, employees, and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
- B. "The insurance provided by the Consultant, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."
- C. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than \$ one million dollars (\$1,000,000).

If Contractor sub-contracts in support of Contractor's work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the sub contractor in an amount not less than one million dollars (\$1,000,000) in aggregate.

The insurance coverage provided by the consultant shall contain language providing coverage up to one (1) year following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

10. **Indemnity**. The Contractor hereby agrees to protect, defend, indemnify, and hold Placer County free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by Placer County arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the County) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the contract or agreement. Contractor agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Contractor. Contractor also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against Contractor or the County or to enlarge in any way the Contractor's liability but is intended solely to provide for indemnification of Placer County from liability for damages or injuries to third persons or property arising from Contractor's performance pursuant to this contract or agreement.

As used above, the term Placer County means Placer County or its officers, agents, employees, and volunteers.

11. **Contractor Not Agent**. Except as County may specify in writing Contractor shall have no authority, express or implied, to act on behalf of County in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to this Agreement to Bind County to any obligation whatsoever.
12. **Assignment Prohibited**. Contractor may assign its rights and obligations under this Agreement only upon the prior written approval of County, said approval to be in the sole discretion of County.
13. **Personnel**.
- A. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that County, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Contractor shall remove any such person immediately upon receiving notice from County of the desire of County for removal of such person or persons.
- B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit A, Contractor agrees to perform the work under this agreement with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Contractor without the prior written consent of County shall be grounds for cancellation of the agreement by County, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.
14. **Standard of Performance**. Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to County pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner

and conform to the standards or quality normally observed by a person practicing in Contractor's profession.

15. **Termination.**

A. County shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Contractor. In the event County shall give notice of termination, Contractor shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event County shall terminate this Agreement:

- 1) Contractor shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostating, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.
- 2) County shall have full ownership and control of all such writings delivered by Contractor pursuant to this Agreement.
- 3) County shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Agreement not to exceed the amount documented by Contractor and approved by County as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in Exhibit B, and further provided, however, County shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Agreement. In this regard, Contractor shall furnish to County such financial information as in the judgment of the County is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which County may have in law or equity.

B. Contractor may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the County.

16. **Non-Discrimination.** Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.

17. **Records.** Contractor shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to County, and County shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this agreement, no payments shall be made to Contractor until County is satisfied that work of such value has been rendered pursuant to this agreement. However, County shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

18. **Ownership of Information.** All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of County, and Contractor agrees to deliver reproducible copies of such documents to County on completion of the services hereunder. The County agrees to indemnify and hold Contractor harmless from any claim arising out of reuse of the information for other than this project.

19. **Waiver.** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.
20. **Conflict of Interest.** Contractor certifies that no official or employee of the County, nor any business entity in which an official of the County has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Contractor agrees that no such person will be employed in the performance of this agreement without immediately notifying the County.
21. **Entirety of Agreement.** This Agreement contains the entire agreement of County and Contractor with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
22. **Alteration.** No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 15, Termination.
23. **Governing Law.** This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California, and Contractor hereby expressly waives those provisions in California Code of Civil Procedure §394 that may have allowed it to transfer venue to another jurisdiction.
24. **Notification.** Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

COUNTY OF PLACER:

Placer County Risk Management
 Attn: Maryellen Peters,
 Deputy CEO
 145 Fulweiler Avenue, Suite 100
 Auburn, CA 95603

Phone: (530) 886-2600
 Fax: (530) 886-2609

CONSULTANT:

Intercare Holdings Insurance Services, Inc.
 Attn: Susan Legare,
 VP Business Development
 6020 West Oaks Blvd., Suite 100
 Rocklin, CA 95765

Phone: (916) 667-2503
 Fax:

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

Executed as of the day first above stated:

COUNTY OF PLACER

By: _____

Printed Name/Title: _____

Approved As to Form – County Counsel:

By: _____

CONSULTANT Intercare Holdings Insurance Services, Inc.

By: _____

Name: _____

* Title: _____

By: _____

Name: _____

* Title: _____

**If Consultant is a corporation, this agreement must be signed by two corporate officers; one of which must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation (California Corporations Code Sec. 313).*

Exhibits

- A. Scope of Services
- B. Payment for Services Rendered

EXHIBIT A

SCOPE OF SERVICES

1.1 GENERAL WORK REQUIREMENTS

Consultant shall assure specific compliance with the Workers' Compensation Laws of California, Industry Best Claims Practices and Workers Compensation Claims Administration Guidelines of CSAC-EIA. Specific duties include:

- a. Review on behalf of the County all reports of injury as defined by Labor Code 3208 and 3208.1.
- b. Maintain a diary that supports review of each file every 30 days, but in no event to exceed 45 days.
- c. Establish prompt phone contact with risk management each injured employee, the employee's supervisor, and the medical provider.
- d. Determine the benefits, if any, which should be paid or rendered under the California Workers' Compensation Laws upon receipt of each injury report.
- e. Three-point contact shall be concluded within 24 hours after receipt or knowledge of a claim, including obtaining recorded statements of injured workers.
- f. All return calls must be made within 24 hours.
- g. Establish and maintain orderly, up to date, physical and electronic claims file on each reported claim. Each file shall be available to the County for inspection with or without prior notice.
- h. Maintain an estimate of the total cost of all reasonably foreseeable benefits and related expenses on each case.
- i. Pay on behalf of the County from County funds, those sums that should reasonably be paid under the California Workers' Compensation Laws for each reported claim.
- j. Assign with risk management approval an attorney where appropriate, and make a substantial effort to settle claims without assigning it to legal counsel.
- k. Pay on behalf of the County out of the County's fund all allocated loss adjustment expenses.
- l. Fully cooperate with all audit requests by the County or other associated agencies.
- m. At the TPA's expense, maintain claim file storage for the period of time required by law.
- n. All claims administration services performed shall comply with those provisions set forth in the CSAC-EIA Standards for Workers' Claims Administration Services (<http://www.csac-eia.org/>).

1.2 CLAIMS MANAGEMENT INFORMATION SYSTEM

Consultant shall perform the following data management and reporting requirements:

- a. Assemble and submit data as required for State and County reports including the annual report to Industrial Relations, Self-Insurance Program Report, and annual actuarial studies performed on the Workers' Compensation program.
- b. Report appropriate claims to The Centers for Medicare and Medicaid Services (CMS) in accordance with the MMSEA Act of 2007. Reference No. 4 in Exhibit B.
- c. Reports generated by the Consultant shall be furnished to the County in electronic form. Summary reports may be provided in PDF format (or equivalent). The County may require detailed data to be provided in spreadsheet format (Excel) for analysis purposes, depending on the criteria of the request.
- d. Provide at a minimum the following reports to Risk Management electronically on a weekly basis:

- Disability report outlining the status of all open cases with employees off on disability or newly returned to work.
 - Appearance, hearing, trial, and important date calendar.
 - Claims in "delay" status or newly accepted or denied claims.
 - Check register, preferably in Excel format.
 - All claims open by claim type.
- e. Provide at a minimum the following reports to Risk Management on a monthly basis:
- Detailed report of all open claims, listed by department, for dissemination to each agency.
 - Report listing all claims, including name, claim number, location codes, work comp class code, description of claim, injury and mechanism of injury, amounts paid, reserved and incurred for medical expenses and indemnity.
 - Lag report listing all claims reported in the last month, per department, and the dates of knowledge and reporting dates.
 - Administrative report containing number of claims, medical only, indemnity and reporting only; number of closed claims; number active files assigned to each claims examiner; amount paid for medical, expense and indemnity for each agency; amount reserved for medical expense and indemnity for each agency; indemnity paid in: 4850 benefits, Temporary Disability, Permanent Disability, Death Benefits, expenses paid for: U.R., Nurse Case Management, Investigators, and attorneys; cases assigned to counsel, investigators, nurse case managers; amounts recovered in apportionment and subrogation; number of litigated cases; list of cases settled during the month, indicating the amount of the settlement and method of settlement (stipulation, C&R, dismissal); penalties paid, indicating whether attributable to TPA or County; ad hoc reports upon request.
- f. Provide at a minimum the following reports to Risk Management on an annual basis:
- Annual Self-Insurance Report as required by the State of California.
 - Vendor report in spreadsheet form, listing amounts paid to each vendor.
 - 1099 reports to each vendor.
- g. Maintain loss data for claims reporting to State.
- h. Maintain loss data for OSHA Log 300 annual reporting.
- i. Consultant shall provide access and use of the iVOS claims system to the County of Placer for an annual user fee of \$2,400 (\$1,200 per user) and a one-time conversion fee of \$7,500. This additional payment is for access to the General Liability claims system as an additional service. Reference No. 3 in Exhibit B.

1.3 CLAIMS TEAM

Consultant shall utilize personnel who possess and maintain the following qualifications. Persons who do not meet these qualifications shall not be utilized on Placer County's contract. The contractor shall not substitute personnel without the County's prior approval.

- a. Claims examiners assigned to the County's account must have a minimum of three years active claims adjusting experience as a claims examiner. A claims assistant may not be substituted for an experienced examiner. Each examiner should have a claims case load of no more than 150 open indemnity claims at any one time. In addition, it is preferred that a 2-to-1 ratio be maintained between claims assistants and claims examiner. The County prefers the claims examiner(s) be assigned to the County's account exclusively.

- b. Examiners must have a Self-Insured Competency Certificate and must be supervised by an experienced claims person who has passed the State of California test for Administrator, Self-Insurance Plans issued by the Self Insurance Plans Division of the Department of Workers' Compensation.

1.4 CLAIMS ADMINISTRATION SERVICES

- a. Consultant shall provide sufficient claim examiners to maintain a case load of no more than 150 open indemnity claims per examiner.
- b. Consultant must utilize claims administration policies to assure "Industry Best Claim Practices" are applied.
- c. Consultant must have access to the claims Index system and Index all new claims filed and re-Index existing claims no less than annually.
- d. All claim denials require prior consultation and consideration by Placer County's Risk Management Division.
- e. Consultant shall establish and maintain reserves for indemnity, medical care, expenses and future medical benefits.
- f. The Consultant must perform timely review and appropriate payment of benefits and bills.
- g. The Consultant must provide bills to the County's chosen Bill Review provider within seven (7) days of receipt of billing, and allow for electronic transfer of bill review results and charges to claims files.
- h. The Consultant must assist and facilitate the enforcement of the County's aggressive return-to-work (RTW) program.
- i. The Consultant with Risk Management approval will be responsible for controlling the referral and assignment of outside service providers, such as investigators, nurse case managers, and attorneys.
- j. Penalties paid by the Consultant through no fault of the County shall be reimbursed to the County, with reimbursement made on a quarterly basis. Overpayment of benefits that occurs due to no-fault of County shall be reimbursed to the County as well. The Consultant shall employ measures to mitigate penalties and overpayments and ensure that the County does not incur expense related due to no fault of the County.
- k. The Consultant shall submit a written analysis of the case, including settlement options and recommendations to Risk Management at least ten (10) work days prior to any settlement offers or conferences. The Consultant will not have authority to settle the County's cases.
- l. The Consultant will be responsible to identify subrogation opportunities and, in consultation with Risk Management, will be called upon to pursue subrogation. Legal action will require specific authority from the County.
- m. The Consultant shall employ measures to protect the County from abuse of the workers' compensation system or suspected fraud.

- n. The Consultant shall investigate every indemnity claim using three point contact, recorded statements, with the approval of Risk Management assignment to independent outside investigators and the Index Bureau.
- o. The Consultant shall utilize the Workers' Compensation Claim Administration Guidelines standards established by the County's excess insurance carrier, CSAC-EIA.

1.5 ASSURANCE OF DESIGNATED STAFF

Departure or reassignment of, or substitution for, any member of the designated staff or sub-consultant(s) shall not be made without the prior written approval of the County.

EXHIBIT B

PAYMENT FOR SERVICES RENDERED

Maximum Limit & Fee Schedule

Consultant's compensation shall be paid at the schedule shown below. Reimbursement of travel, lodging and miscellaneous expenses is not authorized. All expenses of Consultant, including any expert or professional assistance retained by Consultant to complete the work performed under this contract shall be borne by the Consultant.

Total of all payments made under this agreement shall not exceed \$840,198.00, the amount shown in Section 2 of this contract.

1. Flat annual fee includes all claims administrative services relating to indemnity, medical, future medical, and first aid claims. Also included in first year fee is data conversion.
 - Year 1 - \$262,194 + \$7,500 (one time data conversion fee) = \$269,694
 - Year 2 - \$266,852
 - Year 3 - \$274,702

The above annual fees shall be divided into 12 payments and paid monthly to a maximum of the annual contract amount per year.

2. Two (2) IT user fees included for workers compensation access (\$0)
 - Ad hoc report fees - \$125/hour up to 90 hours, not to exceed \$11,250 for the life of the contract, paid based on need.
3. General Liability (GL) data conversion as an additional service– iVOS System
 - Year 1 - \$7,500 (one-time fee)
 - Years 1 – 3: \$2,400 - two (2) additional user fees (annual fee) - paid annually
4. MMSEA set-up fee (GL & WC)
 - Year 1 - \$1,500 (one-time set up fee)
 - Years 1 – 3: \$500 paid annually divided into 4 quarterly payments

Invoices

Invoices shall be submitted to County in a form and with sufficient detail as required by County. Work performed by Consultant will be subject to final acceptance by the County.

Submit all invoices to: Placer County Risk Management
Attn: Maryellen Peters, Deputy CEO
145 Fulweiler Avenue, Suite 100
Auburn, CA 95603

Payment Schedule

Payments shall be made to Consultant within thirty (30) days after the billing is received and approved by County.

Year 1		Year 2		Year 3	
262,194.00	Claims Administration	266,852.00	Claims Administration	274,702.00	Claims Administration
7,500.00	WC Data Conversion	2,400.00	Annual GL User Fee	2,400.00	Annual GL User Fee
7,500.00	GL Data Conversion	500.00	MMSEA Annual Fee	500.00	MMSEA Annual Fee
1,500.00	MMSEA	269,752.00		277,602.00	
2,400.00	Annual GL User Fee				
500.00	MMSEA Annual Fee				
281,594.00					
828,948.00	Total three years				
11,250.00	Ad Hoc Reports, as needed for life of contract				
840,198.00					