

## George Hills Company, Inc.

### THIRD AMENDMENT TO AGREEMENT FOR SERVICES #275-S1611

**THIS THIRD AMENDMENT** to that Agreement for Services #275-S1611 made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and George Hills Company, Inc., a corporation duly qualified to conduct business in the State of California, whose principal place of business is 75 Iron Point Circle, Suite 175, Folsom, California 95630, and whose mailing address is Post Office Box 278, Rancho Cordova, California 95741 (hereinafter referred to as "Contractor").

#### RECITALS

**WHEREAS**, Contractor has been engaged by County to provide liability claims administrative services for the Human Resource Department, Risk Management Division pursuant to Agreement for Services #275-S1611, dated December 15, 2015, First Amendment to Agreement for Services #275-S1611, dated December 8, 2020, and Second Amendment to Agreement for Services #275-S1611, dated December 14, 2021, incorporated herein and made by reference a part hereof (hereinafter referred to as "Agreement");

**WHEREAS**, the parties hereto desire to amend the Agreement to extend the expiration date of December 31, 2024 for three (3) additional years, amending **ARTICLE II, Term**;

**WHEREAS**, the parties hereto desire to amend the Agreement to increase the not-to-exceed compensation amount of the Agreement by \$601,928.64, for the extended term of the Agreement for a total not-to-exceed amount of \$2,231,044.64, and to include a new fee schedule for the extended term of the Agreement, amending **ARTICLE III, Compensation for Services**;

**WHEREAS**, the parties hereto desire to amend the Agreement to update County's notice recipients and addresses, amending **ARTICLE XII, Notice to Parties**;

**WHEREAS**, the parties hereto desire to fully-replace specific Articles and add a new Article to include updated contract provisions, adding **Exhibit B, California Levine Act Statement**;

**NOW, THEREFORE**, in consideration of the foregoing and the mutual promises and covenants hereinafter contained, County and Contractor mutually agree to amend the terms of the Agreement in this Third Amendment to Agreement for Services #275-S1611 on the following terms and conditions:

I. **ARTICLE II, Term**, of the Agreement is amended in its entirety to read as follows:

#### **ARTICLE II**

**Term:** This Agreement shall become effective upon final execution by both parties hereto and shall cover the period of January 1, 2016, through December 31, 2027.

II. **ARTICLE III, Compensation for Services**, of the Agreement is amended in its entirety to read as follows:

**ARTICLE III**

**Compensation for Services:** For services provided herein, County agrees to pay Contractor a monthly flat rate for claims administration services including, but not limited to those detailed in ARTICLE I - Scope of Services.

For the purposes of this Agreement, the monthly billing rate shall be as follows:

For the term:

2016	\$13,518.00	(\$162,216.00 annualized)
2017	\$13,788.00	(\$165,456.00 annualized)
2018	\$14,063.00	(\$168,756.00 annualized)
2019	\$14,344.00	(\$172,128.00 annualized)
2020	\$14,630.00	(\$175,560.00 annualized)
2021	\$15,000.00	(\$180,000.00 annualized)
2022	\$15,000.00	(\$180,000.00 annualized)
2023	\$15,416.66	(\$185,000.00 annualized)
2024	\$15,833.33	(\$190,000.00 annualized)
2025	\$16,268.75	(\$195,225.00 annualized)
2026	\$16,716.14	(\$200,593.68 annualized)
2027	\$17,175.83	(\$206,109.96 annualized)

For the period beginning January 1, 2022, through December 31, 2027, compensation for subrogation services will be issued as follows:

For the purposes of this Agreement, the fee for subrogation claim services shall be thirty percent (30%) for each and every recovery obtained, which fee is to be deducted from the recovery obtained by Contractor on a contingency basis. The minimum amount to be paid to Contractor will be \$250 per claim upon recovery. For any claim collected, Contractor shall provide documentation used to corroborate the amount collected.

For costs for services not covered by the contingent thirty percent (30%) fee, Payment shall be made within forty-five (45) days following County's receipt and approval of itemized invoices identifying the services rendered, and shall be compensated as follows:

In the event County recalls a subrogation claim, County shall be responsible for payment to Contractor for any and all time at \$92 per hour and expenses incurred by Contractor's subrogation claim adjuster and/or other subrogation division staff up to the time wherein the claim has been recalled by County. There shall be no markup on any expenses for Contractor. Any invoices that include expenses shall be accompanied by backup documentation to substantiate Contractor costs for the services billed on those invoices.

Each small claims court appearance shall be an additional fee of \$150. All costs for the handling of small claims court actions (i.e., service of process of documents on the responsible parties, mileage, parking, and tolls) shall be an additional cost and will be the responsibility of the Contractor.

Additional allocated costs shall be billed separately upon the cost being incurred, such as, at a minimum: skip tracing, service of process, and third-party subcontracted investigation services. There shall be no markup on any additional allocated costs for Contractor. Any invoices that include additional allocated costs shall be accompanied by backup documentation to substantiate Contractor costs for the services billed on those invoices.

The total amount of this Agreement shall not exceed \$2,231,044.64 as amended inclusive of all costs, taxes, and expenses. Costs for services not covered by the contingent thirty percent (30%) fee shall not exceed \$50,000.

It is agreed and understood that the dedicated adjuster is a George Hills employee and is afforded all insurance coverage and employee benefits by Contractor.

**III. ARTICLE XII, Notice to Parties**, of the Agreement is amended in its entirety to read as follows:

**ARTICLE XII**

**Notice to Parties:** All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in triplicate and addressed as follows:

To County:

County of El Dorado  
Human Resources Department  
Risk Management Division  
330 Fair Lane  
Placerville, California 95667

Attn.: Joseph Carruesco  
Director Human Resources

County of El Dorado  
County Counsel  
330 Fair Lane  
Placerville, California 95667

Attn.: David Livingston  
County Counsel

With a copy to:

County of El Dorado  
Chief Administrative Office  
Procurement and Contracts Division  
330 Fair Lane  
Placerville, California 95667

Attn.: Michele Weimer, MPA, CPPO  
Procurement and Contracts Manager

or to such other location as County directs.

Notices to Contractor shall be addressed as follows:

George Hills Company, Inc.  
Post Office Box 278  
Rancho Cordova, California 95741

Attn.: John E. Chaquica  
Chief Executive Officer

or to such other location as Contractor directs.

**IV. The following Articles of the Agreement are fully replaced in their entirety to read as follows:**

**ARTICLE XI  
Default, Termination, and Cancellation:**

A. 1. Termination by Default: If either party becomes aware of an event of default, that party shall give written notice of said default to the party in default (notice) that shall state the following:

- a. The alleged default and the applicable Agreement provision, and
- b. That the party in default has ten (10) days upon receiving the notice to cure the default (Time to Cure).

If the party in default does not cure the default within ten (10) days of the Time to Cure, then such party shall be in default and the party giving notice may terminate the Agreement by issuing a Notice of Termination. The party giving notice may extend the Time to Cure at their discretion. Any extension of Time to Cure must be in writing, prepared by the party in default for signature by the party giving notice, and must specify the reason(s) for the extension and the date in which the extension of Time to Cure expires.

2. If County terminates this Agreement, in whole or in part, for default:
  - a. County reserves the right to procure the goods or services, or both, similar to those terminated, from other sources and Contractor shall be liable to County for any excess costs for those goods or services. County may deduct from any payment due, or that may thereafter become due to Contractor, the excess costs to procure from an alternate source.
  - b. County shall pay Contractor the sum due to Contractor under this Agreement prior to termination, unless the cost of completion to County exceeds the funds remaining in the Agreement. In which case the overage shall be deducted from any sum due Contractor under this Agreement and the balance, if any, shall be paid to Contractor upon demand.

- c. County may require Contractor to transfer title and deliver to County any completed work under the Agreement.
- 3. The following shall be events of default under this Agreement:
  - a. Failure by either party to perform in a timely and satisfactory manner any or all of its obligations under this Agreement.
  - b. A representation or warranty made by Contractor in this Agreement proves to have been false or misleading in any respect.
  - c. Contractor fails to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement, unless County agrees, in writing, to an extension of the time to perform before that time period expires.
  - d. A violation of ARTICLE XVIII, Conflict of Interest.
- B. Bankruptcy: County may terminate this Agreement immediately in the case of bankruptcy, voluntary or involuntary, or insolvency of Contractor.
- C. Ceasing Performance: County may terminate this Agreement immediately in the event Contractor ceases to operate as a business or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. Termination or Cancellation without Cause: County may terminate this Agreement, in whole or in part, for convenience upon thirty (30) calendar days' written Notice of Termination. If such termination is effected, County will pay for satisfactory services rendered before the effective date of termination, as set forth in the Notice of Termination provided to Contractor, and for any other services that County agrees, in writing, to be necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the Agreement, as applicable. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the Notice directs otherwise.

#### **ARTICLE XIV**

**Indemnity:** To the fullest extent permitted by law, Contractor shall defend at its own expense, indemnify, and hold the County harmless, its officers, employees, agents, and volunteers, against and from any and all liability, claims, suits, losses, damages, or expenses of every name, kind and description, including attorney's fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the acts or omissions of Contractor or its officers, agents, or employees in rendering the services, operations, or performance hereunder, except for liability, claims, suits, losses, damages or expenses arising from the active negligence, sole negligence, or willful

acts of the County, its officers and employees, or as expressly prescribed by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in Civil Code section 2778.

The insurance obligations of Contractor are separate, independent obligations under the Agreement, and the provisions of this defense and indemnity are not intended to modify nor should they be construed as modifying or in any way limiting the insurance obligations set forth in the Agreement.

Nothing herein shall be construed to seek indemnity in excess of that permitted by Civil Code section 2782, et seq. In the event any portion of this Article is found invalid, the Parties agree that this Article shall survive and be interpreted consistent with the provisions of Civil Code section 2782, et seq.

#### **ARTICLE XV**

**Insurance:** Contractor shall provide proof of a policy of insurance satisfactory to County's Risk Management Division and documentation evidencing that Contractor maintains insurance that meets the following requirements:

- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of Contractor as required by law in the State of California.
- B. Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01) of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage and a \$2,000,000 aggregate limit. County, including, without limitation, its officers, officials, employees, and volunteers shall be named as an additional insured on ISO form CG 2010 1185, or its equivalent.
- C. Automobile Liability Insurance of not less than \$1,000,000 is required in the event motor vehicles are used by Contractor in performance of the Agreement.
- D. In the event Contractor is a licensed professional or professional Contractor and is performing professional services under this Agreement, Professional Liability Insurance is required with a limit of liability of not less than \$1,000,000.
- E. Contractor shall furnish a certificate of insurance satisfactory to County's Risk Management Division as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to County's Risk Management Division or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
- G. Contractor agrees that the insurance required herein shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor

agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Risk Management and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

- H. The certificate of insurance must include the following provisions stating that:
  - 1. The insurer will not cancel the insured's coverage without thirty (30) days prior written notice to County; and
  - 2. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured, on an additional insured endorsement, but only insofar as the operations under this Agreement are concerned. This provision shall apply to the general liability policy.
- I. Contractor's insurance coverage shall be primary insurance in respect to County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by County, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by County. At the option of County, either: The insurer shall reduce or eliminate such deductibles or self-insured retentions in respect to County, its officers, officials, employees, and volunteers; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to County, its officers, officials, employees, or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers, and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.
- N. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.

- O. The certificate of insurance shall meet such additional standards as may be determined by the contracting County department, either independently or in consultation with County's Risk Management Division as essential for protection of County.

#### **ARTICLE XVIII**

**Conflict of Interest:** The parties to this Agreement have read and are aware of the provisions of Government Code section 1090, et seq. and the Political Reform Act of 1974 (section 87100, et seq.), relating to conflict of interest of public officers and employees. Individuals who are working for Contractor and performing work for County and who are considered to be consultant within the meaning of 2 California Code of Regulations section 18700.3, as it now reads or may thereafter be amended, are required to file a statement of economic interest in accordance with County's Conflict of Interest Code. County's Contract Administrator shall at the time this Agreement is executed make an initial determination whether or not the individuals who will provide services or perform work pursuant to this Agreement are consultants within the meaning of the Political Reform Act and County's Conflict of Interest Code. Statements of economic interests are public records subject to disclosure under the California Public Records Act.

Contractor covenants that during the term of this Agreement neither it, nor any officer or employee of the Contractor, has or shall acquire any interest, directly or indirectly, in any of the following:

1. Any other contract connected with, or directly affected by, the services to be performed by this Agreement.
2. Any other entities connected with, or directly affected by, the services to be performed by this Agreement.
3. Any officer or employee of County that are involved in this Agreement.

If Contractor becomes aware of a conflict of interest related to this Agreement, Contractor shall promptly notify County of the existence of that conflict, and County may, in its sole discretion, immediately terminate this Agreement by giving written notice of termination specified in ARTICLE XI, Default, Termination, or Cancellation.

Pursuant to Government Code section 84308 (SB 1439, the Levine Act), Contractor shall complete and sign the attached Exhibit B, marked "California Levine Act Statement," incorporated herein and made by reference a part hereof, regarding campaign contributions by Contractor, if any, to any officer of County.

**V. The following Article of the Agreement is added to read as follows:**

#### **ARTICLE XXXIV**

**Electronic Signatures:** Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement, are intended to

authenticate this writing and to have the same force and effect as manual signatures. Electronic Signature means any electronic visual symbol or signature attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures, pursuant to the California Uniform Electronic Transactions Act (Civil Code sections 1633.1 to 1633.17) as amended from time to time.

Except as herein amended, all other parts and sections of Agreement for Services #275-S1611 shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Agreement for Services #275-S1611 on the dates indicated below.

-- COUNTY OF EL DORADO --

By: Wendy Thomas Dated: 10/8/24  
Board of Supervisors  
"County"

Attest:  
Kim Dawson  
Clerk of the Board of Supervisors

By: Kyra Schouffele Dated: 10/8/24  
Deputy Clerk

-- GEORGE HILLS COMPANY, INC. --

By: John E. Chaquica Dated: 08/13/2024  
John E. Chaquica (Aug 13, 2024 16:54 PDT)  
John E. Chaquica  
Chief Executive Officer  
"Contractor"

By: John E. Chaquica Dated: 08/13/2024  
John E. Chaquica (Aug 13, 2024 16:54 PDT)  
John Chaquica  
Chief Financial Officer

**George Hills Company, Inc.**

**Exhibit B**

**California Levine Act Statement**

**California Levine Act Statement**

California Government Code section 84308, commonly referred to as the "Levine Act," prohibits any officer of El Dorado County from participating in any action related to a contract if he or she accepts, solicits, or directs any political contributions totaling more than two hundred and fifty dollars (\$250) within the previous twelve (12) months, and for twelve (12) months following the date a final decision concerning the contract has been made, from the person or company awarded the contract. The Levine Act also requires disclosure of such contribution by a party to be awarded a specific contract. An officer of El Dorado County includes the Board of Supervisors, any elected official, and the chief administrative officer (collectively "Officer"). It is the Contractor's responsibility to confirm the appropriate "Officer" and name the individual(s) in their disclosure.

Have you or your company, or any agent on behalf of you or your company, made any political contribution(s), or been solicited to make a contribution by an Officer or had an Officer direct you to make a contribution of more than \$250 to an Officer of the County of El Dorado in the twelve months preceding the date of the submission of your proposals or the anticipated date of any Officer action related to this contract?

YES  NO

If yes, please identify the person(s) by name:

Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contribution(s) of more than \$250 to an Officer of the County of El Dorado in the twelve months following any Officer action related to this contract?

YES  NO

If yes, please identify the person(s) by name:

Answering YES to either of the two questions above does not preclude the County of El Dorado from awarding a contract to your firm or any taking any subsequent action related to the contract. It does, however, preclude the identified Officer(s) from participating in any actions related to this contract.

08/13/2024

Date

John E. Chaquica  
John E. Chaquica (Aug 13, 2024 10:54 PDT)

Signature of authorized individual

George Hills Company, Inc.

Type or write name of company

John E. Chaquica

Type or write name of authorized individual

