

George Hills Company, Inc.

FIRST AMENDMENT TO AGREEMENT FOR SERVICES #275-S1611

THIS FIRST 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 10940 White Rock Road, Suite 100, Rancho Cordova, California 95670, and whose mailing address is Post Office Box 278, Rancho Cordova, California 95741 (hereinafter referred to as "Contractor");

RECITALS

WHEREAS, County has determined that it is necessary to obtain a contractor to provide services to assist its Human Resource Department, Risk Management Division with liability claims administrative services, in accordance with Agreement for Services #275-S1611 dated December 15, 2015, incorporated herein and made by reference a part hereof (hereinafter referred to as "Agreement");

WHEREAS, the parties hereto desire to amend the Agreement to augment the scope of work in accordance with current policies and procedures, amending **ARTICLE I, Scope of Services**;

WHEREAS, the parties hereto desire to amend the Agreement to extend the expiration date for one (1) additional year, to December 31, 2021, 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 \$180,000, for a total not-to-exceed amount of \$1,024,116, and incorporate the monthly rate of \$15,000 for the extended term of the Agreement, amending **ARTICLE III, Compensation for Services**;

WHEREAS, the parties hereto desire to update the notice recipients and addresses, amending **ARTICLE XII, Notice to Parties**;

WHEREAS, the parties hereto desire to amend the Agreement to update County's Contract Administrator, amending **ARTICLE XXV, Administrator**;

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 First Amendment to Agreement on the following terms and conditions:

- I. **ARTICLE I, Scope of Services**, of the Agreement is amended in its entirety to read as follows:

ARTICLE I

Scope of Services: Contractor agrees to perform as the administrator of County's self-insured liability claims program. Contractor shall provide a senior adjuster and a back-up adjuster, adequate technical, clerical staff, equipment, and software necessary to provide the claims administration services to County's account.

Contractor shall manage and administer liability claims as described below or as may be assigned by County during the term of this Agreement. Contractor shall investigate, evaluate, process, manage, and resolve bodily injury, personal injury and property damage claims, and potential claims for money damages asserted by third parties against County, its officers, agents, or employees for which County, its officers, departments, commissions, or related agencies, or any of its employees is alleged to be legally responsible. Contractor shall coordinate, consult, and fully cooperate with County personnel in the administration of those claims referred to herein.

Specific services and the guidelines for the performance of such services include, but are not necessarily limited to:

- A. County will maintain an imprest account for the payment by Contractor of proper charges against County, arising from liability claim payments and allocated claims expense. The imprest account shall be reimbursed monthly to maintain a minimum balance of \$25,000, or greater if needed, of which shall be maintained and established in compliance with Government Code Section 31000.8. Contractor shall notify County in advance when the imprest account needs to be replenished, and the amount necessary to be deposited. Contractor shall provide Risk Manager a monthly check register and report in a form satisfactory to County which details all disbursements made by Contractor on behalf of County, together with a monthly reconciliation of the imprest account, and shall make such other reports on the status of the imprest account and disbursements therefrom as may be required by County. The imprest account shall not be used for any payment to Contractor for services rendered hereunder.
- B. Contractor shall receive, examine, and investigate as warranted or may be directed by County, all reports of accidents, incidents, claims, or cases which are, or may be, the subject of liability claims. Contractor may, in its discretion or as directed by County, immediately reject claims and deny applications for leave to present late claims or otherwise act as authorized by Government Code Section 31000.8 with respect to claims which require notice of Board action.

- C. Contractor shall provide complete administration service on each accident or incident assigned which is, or may be, the subject of a liability claim. Contractor shall consult with County Counsel and Risk Manager with respect to the facts, liability, and disposition of all claims, including notices allowed or required by the Government Tort Claims Act, and authority to settle any claim by Contractor when such authority is not already granted by resolution of the Board of Supervisors or other authority. County Counsel or Risk Manager may delegate to Contractor any and all duties authorized by Government Code Section 31000.8 not specifically reserved for or retained by County herein or by resolution of the Board of Supervisors or other authority.
- D. Contractor shall ensure an internal file review is conducted at least quarterly by the appropriate management personnel to assess file completeness, timeliness, and provide the appropriate feedback to the adjuster as needed.
- E. After consultation with, and approval by, County Counsel and Risk Manager, Contractor shall engage counsel for the purposes specified in, and as authorized by, Government Code Section 31000.8. Contractor may also engage expert, appraisal, and specialized investigative or other related services as may be necessary or appropriate for the defense or other resolution of claims within Contractor's scope of services. All bills for legal fees and related costs for all claims referred to Contractor shall be reviewed by Contractor as to appropriateness, after which, the above described fees and costs will become County charges and may be paid by Contractor from the trust fund in accordance with Government Code Section 31000.8; provided that upon request of County Auditor-Controller, the proposed payments shall be submitted to Auditor-Controller for timely review prior to payment. County may provide for payment in an alternative manner, including payment directly by County, if desired.
- F. Contractor shall review and process invoices/bills for allocated expenses in accordance with the following County expectations:
- Vendor shall be notified to send invoices/bills to Contractor's Office (currently in Rancho Cordova, CA).
 - Within forty-eight (48) hours, all invoices/bills received by the assigned adjuster shall be sent to the appropriate staff member as designated by Contractor for review of possible errors, over-billing, and processing. Any questions or concerns shall be discussed and resolved by the assigned adjuster.
 - Upon receipt, two (2) unredacted copies of the invoices/bills shall be sent to County Counsel and to Risk Manager marked as "attorney-

client” and “work product”. In addition, redacted copies of the invoices/bills shall be sent to Risk Manager and Chief Administrative Office Central Fiscal Division staff along with the Request for Payment to Outside County transmittal sheet. Contractor shall not comingle multiple firms or multiple claims in a single email transmittal.

- Once the monthly payment report is received, all payments shall all be entered into the claims system within forty-eight (48) hours of receipt of the report.
 - All timeframes shall be adhered to barring any unforeseen event that would prevent the timeframe being adhered to (illness, office shutdown, or other unforeseen circumstances). If a delay prevents a timeframe from being met, Contractor shall immediately notify County of the delay, the reason for it, and the projected timeframe to complete.
- G. All claim files, documents, computation forms, and other claim data are acknowledged to be the property of County. Contractor at all times must maintain complete and detailed claim files as well as a claims log within the Claims Management Information System. Contractor shall provide, at no additional cost, monthly loss run reporting of claims information to Risk Manager no later than five (5) business days after the end of each month during the term of this Agreement. These reports must include the status of each open claim, including details of payment and outstanding reserves for the month and year covered by the report. Such report must also include a detailed listing of all claims by department, loss payments, open reserves, summary description by type of losses, and a detailed listing of all drafts or checks written. A list of monthly reports shall be agreed upon by Contractor and County. Contractor shall provide statistical and financial reports to County on all fees and costs paid on liability claims in a form acceptable to Risk Manager.
- H. Contractor provides County twenty-four (24) hours, seven (7) days a week read-only web access to the computer file records of claims within its Claims Management Information System. Contractor shall provide the necessary training for County staff.
- I. Contractor shall establish and maintain liability and expense reserves on each claim which fairly and adequately reflect County's exposure according to standard practices and County requirements. Periodic review and adjustment of reserves, if necessary, shall be performed on all open claims to reflect most recent status.

- J. Contractor shall assume all responsibility for ongoing reporting and notification to the excess carrier or self-insured pool on behalf of County in accordance with the specific requirements of the excess carrier or pool.
- K. Contractor shall keep County fully informed of all significant developments in assigned matters.
- L. Contractor shall comply with all required federal and state income forms to claim recipients.
- M. Contractor shall schedule quarterly meetings with County staff to review the claims inventory and discuss any issues or concerns.
- N. Contractor shall respond to all inquiries made by Risk Management, County Counsel, or County fiscal staff on the same day, preferably, but not later than within one (1) business day.
- O. Contractor agrees to hold in trust and confidence all confidential information disclosed to or obtained by Contractor pursuant to or in the performance of this Agreement. Contractor shall not disclose the confidential information without the prior consent of County or as otherwise required by law.
- P. Contractor and Contractor's subconsultant ExamWorks, formally Gould & Lamb (G&L), shall provide all necessary services to ensure County compliance with the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), including the retention and contracting of ExamWorks for Mandatory Insurer Reporting (MIR) for County. ExamWorks shall represent County and Contractor and shall be the designated reporting agent. County will be the Responsible Reporting Entity (RRE) for its claims. Contractor shall be responsible for gathering and timely reporting accurate claims data required by the MMSEA to ExamWorks. Contractor agrees to assume the responsibility for reporting data to ExamWorks to meet all reporting requirements in accordance to the MMSEA, on behalf of County, including assuming responsibility for any fines or penalties that are directly caused by Contractor's non-compliance and or failure of ExamWorks to comply with MMSEA. ExamWorks shall perform the MMSEA Mandatory Insurer Reporting function for Contractor and County, without charge to County, subject to the following: County will designate ExamWorks, unless otherwise requested, as its exclusive agent for all of County's "Qualified Referrals" (those claims determined to require Medicare Set Aside (MSA) or a Claim Settlement Allocation (CSA)).

In Contractor's separate contract with ExamWorks, ExamWorks shall indemnify and hold Consultant harmless from and against any claim, damage, fine, loss, and expense arising in connection with, or as a result of, any error, omission, or negligent performance of its obligations as reporting agent, which indemnity shall include all reasonable costs of litigations and attorneys' fees incurred. Without in any way limiting the indemnity set forth in this Agreement, all work performed by ExamWorks shall be done in a compliant and professional manner.

Pursuant to ARTICLE XII, Notice to Parties, Contractor shall provide appropriate notification to County of changes pertinent to the release of ExamWorks as a responsible party for Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) reporting requirements. At which time Contractor shall assume full responsibility of ensuring Counties compliance with appropriate reporting requirements as state above.

- II. **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, 2021.

- III. **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	(\$162,216 annualized)
	2017	\$13,788	(\$165,456 annualized)
	2018	\$14,063	(\$168,756 annualized)
	2019	\$14,344	(\$172,128 annualized)
	2020	\$14,630	(\$175,560 annualized)
	2021	\$15,000	(\$180,000 annualized)

The total amount of this Agreement shall not exceed \$1,024,116, inclusive of all costs, taxes, and expenses.

- IV. **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 duplicate and addressed as follows:

To County:

With a copy to:

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

County of El Dorado
Chief Administrative Office
2850 Fairlane Court
Placerville, California 95667

Attn.: Robert Schroeder
Risk Manager

Attn.: Michele Weimer
Procurement and Contracts Manager

County of El Dorado
County Counsel
330 Fairlane
Placerville, California 95667

Attn.: David Livingston
County Counsel

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.

- V. **ARTICLE XXV, Administrator**, of the Agreement is amended in its entirety to read as follows:

ARTICLE XXV

Administrator: The County Officer or employee with responsibility for administering this Agreement is Tameka Usher, Director, Human Resources Department, or successor and David Livingston, County Counsel, or successor.

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 First Amendment to Agreement for Services # 275-S1611 on the dates indicated below.

-- COUNTY OF EL DORADO --

By: _____

Dated: _____

Board of Supervisors
"County"

Attest:
Kim Dawson
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

Dated: _____

-- GEORGE HILLS COMPANY, INC. --

By:  _____

Dated: 11/9/2020

John E. Chaquica
Chief Executive Officer
and Corporate Secretary
"Contractor"