

**DRAFT**

AGREEMENT FOR SERVICES #

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**THIS AGREEMENT** made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and Alliant Insurance Services, Inc., a California Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 100 Pine Street 11<sup>th</sup> Floor, San Francisco, CA, 94111, (hereinafter referred to as "Consultant");

**WITNESSETH**

**WHEREAS**, County has determined that it is necessary to obtain a Consultant to provide employee benefits consulting services for the Human Resources Department; and

**WHEREAS**, Consultant has represented to County that it is specially trained, experienced, expert and competent to perform the special services required hereunder and County has determined to rely upon such representations; and

**WHEREAS**, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

**WHEREAS**, County has determined that the provision of these services provided by Consultant is in the public's best interest, and that these services are more economically and feasibly performed by outside independent Consultants as well as authorized by El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000;

**NOW, THEREFORE**, County and Consultant mutually agree as follows:

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## **ARTICLE I**

**Scope of Services:** Consultant agrees to furnish the personnel and equipment necessary to provide employee benefits consulting services in accordance with Exhibit “A”, marked “Core Services”, incorporated herein and made by reference a part hereof. At the request of County, Consultant may provide additional consulting services pursuant to a written proposal approved by Contract Administrator.

### Service Guarantee

Consultant and County believe that measuring the activities described below are important indicators of the quality of service provided to County. Consultant shall place 50% of Consultant’s fees at risk. Listed below are the categories of the Service Guarantee and the associated percentage they represent:

#### Assessment and Work Plan (25%)

- Review all current contracts and develop immediate areas for improvement ( i.e., compliance, SPD completeness, process)
- Provide written Work Plan

#### Financial Savings (25%)

- Alliant will work to provide financial savings on overall program

#### Enrollment Services / Administration (25%)

- Alliant will provide custom communications
- Alliant will support all employee service and transitional issues
- Alliant will propose Administrative solutions to improve workflows

#### Account Management (25%)

- Overall account management, including availability and responsiveness

### Guarantee Terms

The guarantee described herein will be effective immediately upon execution of contract and will be reviewed semi-annually. At any time, County may invoke the terms of the guarantee. All categories are based solely on County’s satisfaction.

## **ARTICLE II**

**Term:** This Agreement shall become effective upon final execution by both parties hereto and shall expire three years from the date thereof.

## **ARTICLE III**

**Compensation for Services:** For services provided herein, County agrees to pay Consultant monthly in arrears and within thirty (30) days following the County’s receipt and approval of invoice(s) identifying services rendered. For the purposes of this Agreement, the billing rate shall be a flat fee not exceeding \$10,416 per month for “Core Services” identified in Exhibit “A”. The monthly fee may be reduced by credit amounts related to compensation received by Consultant in connection with insurance placements on behalf of County.

For consulting services not included in the scope of “Core Services”, Consultant shall provide a written proposal including fees for such services, which shall be approved by the Contract Administrator prior to the commencement of work. Such additional services shall be invoiced separately upon completion of work. Total compensation for “Core Services” shall not exceed \$125,000 annually. The total amount of this Agreement inclusive of all services shall not exceed \$425,000.

Over-rides, Transparency & Disclosure and Program Management Fees

Consultant’s total compensation will not include and Consultant agrees to not accept contingent payment or allowances by insurance carriers, markets or companies based on the overall levels of insurance premiums on policies placed by Consultant and/or its affiliates.

During the time of this agreement, Consultant will disclose all compensation received by Consultant, and its affiliates, in connection with any insurance placements on behalf of the County under the Consultant’s Transparency and Disclosure policy:

Consultant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of the County. Consultant will adhere to an established conflict of interest code that rejects any form of broker incentives that would result in business being placed with carriers in conflict with the County’s interests. Consultant will operate with full transparency and disclosure and regard all aspects of our broker services and compensation arrangements to be appropriate topics for discussion. The County is encouraged to contact us with any questions regarding our policies and practices.

In addition to the compensation that Consultant receives, its related entity, Alliant Underwriting Services ("AUS") may receive compensation from Consultant and/or a carrier for providing underwriting services. Alliant Insurance Services may receive compensation for distribution services through its Insurance Brokerage Exchange (IBX) program. The financial impact of the compensation received by AUS and Alliant Insurance Services for the IBX is a cost included in the premium. Additionally, the related entities of Alliant Business Services and/or Strategic HR may receive compensation from Consultant and/or a carrier for providing designated, value-added services. Services contracted for by the County directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Consultant and/or the carrier.

**ARTICLE IV**

**Changes to Agreement:** This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

## **ARTICLE V**

**Consultant to County:** It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Consultant shall act as Consultant only to County and shall not act as Consultant to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Consultant's responsibilities to County during term hereof.

## **ARTICLE VI**

**Assignment and Delegation:** Consultant is engaged by County for its unique qualifications and skills as well as those of its personnel. Consultant shall not subcontract, delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

## **ARTICLE VII**

**Independent Consultant/Liability:** Consultant is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. Consultant exclusively assumes responsibility for acts of its employees, associates, and subConsultants, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Consultant shall be responsible for performing the work under this Agreement in a safe, professional, skillful and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Consultant or its employees.

## **ARTICLE VIII**

**Confidentiality:** All data, together with any knowledge otherwise acquired by Consultant during the performance of services provided pursuant to this Agreement, shall be treated by Consultant and Consultant's staff as confidential information. Consultant shall not disclose or use, directly or indirectly, at any time, any such confidential information. If the Consultant receives any individually identifiable health information ("Protected Health Information" or "PHI"), the Consultant shall maintain the security and confidentiality of such PHI as required by applicable State and Federal laws and regulations, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the regulations promulgated thereunder.

## **ARTICLE IX**

**Fiscal Considerations:** The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, County shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and County released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

## **ARTICLE X**

### **Default, Termination, and Cancellation:**

- A. Default: Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (time to cure), then such party shall be in default. The time to cure may be extended at the discretion of the party giving notice. 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 on which the extension of time to cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so elects in a subsequent written notice after the time to cure has expired.

In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

- B. Bankruptcy: This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Consultant.

- C. Ceasing Performance: County may terminate this Agreement in the event Consultant 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 upon seven (7) calendar days written notice by County without cause. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates as set forth in the Notice of Termination provided to Consultant, and for such other services, which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the contract. Upon receipt of a Notice of Termination, Consultant 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 XI**

**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 addressed as follows:

COUNTY OF EL DORADO  
HUMAN RESOURCES  
330 FAIR LANE  
PLACERVILLE, CA 95667  
ATTN: Allyn Bulzomi, Human Resources Director

or to such other location as the County directs.

with a carbon copy to

COUNTY OF EL DORADO  
CHIEF ADMINISTRATIVE OFFICE  
PROCUREMENT AND CONTRACTS DIVISION  
330 FAIR LANE  
PLACERVILLE, CA 95667  
ATTN: GAYLE ERBE-HAMLIN, PURCHASING AGENT

Notices to Consultant shall be addressed as follows:

ALLIANT INSURANCE SERVICES, INC.  
100 PINE STREET, 11<sup>TH</sup> FLOOR  
SAN FRANCISCO, CA 94111  
ATTN: Christine Kerns, First Vice President

or to such other location as the Consultant directs.

## **ARTICLE XII**

**Indemnity:** The Consultant shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys 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 Consultant's services, operations, or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Consultant, subConsultant(s) and employee(s) of any of these, except for the sole, or active negligence of the County, its officers and employees, or as expressly prescribed by statute. This duty of Consultant to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

## **ARTICLE XIII**

**Insurance:** Consultant shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Consultant maintains insurance that meets the following requirements:

- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of Consultant as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage.
- C. Automobile Liability Insurance of not less than \$1,000,000.00 is required in the event motor vehicles are used by the Consultant in the performance of the Agreement.
- D. In the event Consultant is a licensed professional, and is performing professional services under this Agreement, professional liability (for example, malpractice insurance) is required with a limit of liability of not less than \$1,000,000.00 per occurrence.
- E. Consultant shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to Risk Management, or be provided through partial or total self-insurance likewise acceptable to Risk Management.
- G. Consultant agrees that the insurance required above 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, Consultant 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 the 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 Consultant agrees that no work or services shall be performed prior to the giving of such approval.

In the event the Consultant 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, but only insofar as the operations under this Agreement are concerned. This provision shall apply to the general liability policy.
- I. The Consultant's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or the Consultant 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 the 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. Consultant's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
- N. In the event Consultant cannot provide an occurrence policy, Consultant 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. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with Risk Management, as essential for the protection of the County.



#### **ARTICLE XIV**

**Interest of Public Official:** No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Consultant under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.

#### **ARTICLE XV**

**Interest of Consultant:** Consultant covenants that Consultant presently has no personal interest or financial interest, and shall not acquire same in any manner or degree in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Consultant further covenants that in the performance of this Agreement no person having any such interest shall be employed by Consultant.

#### **ARTICLE XVI**

**Conflict of Interest:** The parties to this Agreement have read and are aware of the provisions of Government Code Section 1090 et seq. and Section 87100 relating to conflict of interest of public officers and employees. Consultant attests that it has no current business or financial relationship with any County employee(s) that would constitute a conflict of interest with provision of services under this contract and will not enter into any such business or financial relationship with any such employee(s) during the term of this Agreement. County represents that it is unaware of any financial or economic interest of any public officer or employee of Consultant relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement either party may immediately terminate this Agreement by giving written notice as detailed in the Article in the Agreement titled, "Default, Termination and Cancellation".

#### **ARTICLE XVII**

**California Residency (Form 590):** All independent Consultants providing services to the County must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certifying that they have a permanent place of business in California. The Consultant will be required to submit a Form 590 prior to execution of an Agreement or County shall withhold seven (7) percent of each payment made to the Consultant during term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

#### **ARTICLE XVIII**

**Taxpayer Identification Number (Form W-9):** All independent Consultants or corporations providing services to the County must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

**ARTICLE XIX**

**County Business License:** It is unlawful for any person to furnish supplies or services, or transact any kind of business in the unincorporated territory of El Dorado County without possessing a County business license unless exempt under County Code Section 5.08.070.

**ARTICLE XX**

**Administrator:** The County Officer or employee with responsibility for administering this Agreement is Janet Parnell, Principal Risk Management Analyst, Human Resources Department, or successor.

**ARTICLE XXI**

**Authorized Signatures:** The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

**ARTICLE XXII**

**Partial Invalidity:** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

**ARTICLE XXIII**

**Venue:** Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

**ARTICLE XXIV**

**Entire Agreement:** This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

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**REQUESTING CONTRACT ADMINISTRATOR CONCURRENCE:**

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Janet Parnell, Principal Risk Management Analyst  
Human Resources Department

**REQUESTING DEPARTMENT HEAD CONCURRENCE:**

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Allyn Bulzomi  
Director  
Human Resources Department

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

**-- COUNTY OF EL DORADO --**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Norma Santiago, Chair  
Board of Supervisors  
"County"

ATTEST:  
Suzanne Allen de Sanchez, Clerk  
of the Board of Supervisors

By: \_\_\_\_\_ Date: \_\_\_\_\_

Deputy Clerk

**-- CONSULTANT --**

Dated: \_\_\_\_\_

ALLIANT INSURANCE SERVICES, INC.,  
A CALIFORNIA CORPORATION

By: \_\_\_\_\_

Name  
Title  
"Consultant"

By: \_\_\_\_\_

Corporate Secretary

Dated: \_\_\_\_\_

## **EXHIBIT “A”**

### **CORE SERVICES**

- A. Advise and assist County staff for the effective management of the County’s benefits programs, including group health insurance, dental, vision, prescription drugs and employee benefit programs.
- B. Advise County staff concerning compliance with federal and state laws as they impact any benefits program provided by the County.
- C. Advise and make recommendations concerning improvement alternatives, quality and monetary, with our benefits program, especially group health care.
- D. Advise and assist with alternative options in benefits plan provisions as well as the delivery of discretionary and voluntary benefits, dominantly health care.
- E. Provide regular and ad hoc technical analysis of all benefits programs, especially group health care.
- F. Provide actuarial services necessary for renewals, trending for pricing purposes, retiree health costs, development of future benefits program strategies, etc.
- G. Provide legislative updates, newsletters, surveys, etc. needed for the effective administration of group health programs.
- H. Assist as requested with in-house communication programs for the delivery of benefit information to employees.
- I. Advise and make recommendations on internal processes that will assure privacy and reporting requirements are met, including technological advancements that enable better management of data collection and communications.
- J. Provide access to workshops and seminars in order for County staff to remain up to date on changing regulations.
- K. Make presentations and reports to the County Board of Supervisors as requested, and assist County staff with preparations of recommendation to Board of Supervisors for recommended health programs.
- L. Assist the County in administering its group health insurance plans, responding to questions from and providing information to staff representatives, settling claim disputes and other oversight services as may be reasonably necessary incidental to the scope of services provided herein during the course of the programs.

- M. Upon request by the County, conduct such independent audits of claims, claims payments, and billing records of benefits administrators as may be required to provide independent assurance of compliance by the administrator with contract terms.
- N. Review claims experience, census, claims service, and claims administration to ensure maximum benefit to the County.
- O. Assist in representing the County in negotiations with providers on all issues, including those related to premiums, benefit levels, plan design and special terms and conditions.
- P. Conduct surveys and data gathering activities as requested with employees and retirees to ascertain benefit needs, levels of satisfaction and benefit education needs.
- Q. As requested by the County, solicit bids from insurance markets which specialize in group insurance plans.
- R. Develop specification for County employee health insurance coverages based on consultant's special knowledge & abilities with respect to claims payment procedures, experience, history, reserve establishment policies, financial soundness, and assist County in identifying the most cost beneficial options.
- S. Coordinate with County staff and representatives on labor relations issues concerning group insurance and benefit programs during meet-and-confer negotiations.
- T. Assist in establishing funding and contribution rates for health benefits.
- U. Assist county in continuing oversight of its IRC Section 125 Optional Benefits Plan and related Open Enrollment communications materials.
- V. Assist County with any other aspects of plan design, funding, or administration related to health benefits, EAP benefits, disability/life insurance benefits, time off benefits, or other employee and retiree benefits issues as requested by the County from time to time.
- W. Provide annual actuarial analysis of appropriate Incurred But Not Reported (IBNR) reserve dollar amounts on account of County's self-funded health benefits.
- X. Produce routine reports including quarterly loss experience report for the self-funded health and prescription drug plan.
- Y. As requested by the county, solicit bids and make recommendations for un-bundled alternative-market insurance services in support of self-funded Workers' Compensation or General Liability Risk Management programs, including claims administration services, re-insurance, actuarial, loss control, and related services.