WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
# CHIEF EXECUTIVE OFFICE
# OPERATIONS CLUSTER

**DATE:** August 22, 2013
**TIME:** 1:00 p.m.
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

## AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.
Three (3) minutes are allowed for each item.

1. Call to order – Santos H. Kreimann

A) **Board Letter – APPROVAL OF CONTRACTS FOR WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION FOR UNIT 1 WITH YORK RISK SERVICES GROUP AND FOR UNIT 2 WITH TRISTAR RISK MANAGEMENT**
CEO Risk Mgmt. – Steve Robles or designee

2. Public Comment

3. Adjournment

County of Los Angeles
**CHIEF EXECUTIVE OFFICE**
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

*DRAFT*

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

September 10, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF CONTRACTS FOR WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION – UNITS 1 AND 2 (ALL DISTRICTS – 3 VOTES)**

**SUBJECT**

This recommendation by the Chief Executive Officer (CEO) seeks the Board's approval for contracts with York Risk Services Group (York) for Unit 1, and TRISTAR Risk Management (TRISTAR) for Unit 2, effective January 1, 2014, to provide Workers' Compensation Claims Third-Party Administration (TPA) services for the County of Los Angeles (County) Workers' Compensation Program.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find pursuant to Los Angeles County Code Section 2.121.420 that the claims administration services described herein are more economically performed by independent contractors rather than by County employees.

2. Approve and instruct the Chairman to sign the attached contracts with York and TRISTAR for a five-year term, effective January 1, 2014, with a provision to extend up to six (6) months in any increment, at a total base contract cost of $37,510,144 for York and $24,067,004 for TRISTAR.

3. Authorize the CEO or his designee to approve and execute all renewal options and change notices pursuant to the provisions of the contracts.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County's Workers' Compensation Program is organized into four units (Units 1 – 4). Each Unit is comprised of designated departments and their respective claims. The County currently utilizes three TPA contractors. The current contracts for Units 1 (Sheriff's Department) and 2 (all health services-related departments) will expire on December 31, 2013. The purpose of the recommendations is to execute the Contracts with York for Unit 1 and TRISTAR for Unit 2. The contract for Unit 4 with Sedgwick Claims Management Services, Inc., was approved by the Board on an earlier date.

### Implementation of Strategic Plan Goals

The recommended action requested herein is consistent with the County's Strategic Plan Goal 1, Operational Effectiveness; and Goal 2, Fiscal Responsibility, and allows for the continuation of high-level service to the County.

## FISCAL IMPACT/FINANCING

Under the contracts with York and TRISTAR, the contractors will be paid flat annual fees for the entire base term of the contracts. Costs for these contracts will be paid from the County's Workers' Compensation Employee Benefits Operating Budget. Funding for these contracts is included in the Fiscal Year 2013-14 Budget.

The annual base-term contract costs for York and TRISTAR are as follows:

| | York | TRISTAR |
|---|---|---|
| Year 1 | $7,207,889 | $4,578,672 |
| Year 2 | $7,316,007 | $4,693,139 |
| Year 3 | $7,462,328 | $4,810,467 |
| Year 4 | $7,648,886 | $4,930,729 |
| Year 5 | $7,875,034 | $5,053,997 |
| TOTAL | $37,510,144 | $24,067,004 |

The contract for York includes the option to increase or decrease the fees at set rates to account for any changes in workload due to unanticipated service needs/reductions at the discretion of the CEO or designee. TRISTAR did not accept any such changes to its base fee structure. In addition, both contracts are subject to performance adjustments that may result in the adjustment of fees.

Under the current contracts, the anticipated expenditures for calendar year 2013 will be $7,366,884 for Unit 1 and $4,597,499 for Unit 2. Under the new contracts, expenditures for calendar year 2014 will be $7,207,889 for Unit 1 and $4,578,672 for Unit 2, a savings of $158,995 and $18,827 respectively.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contracts contain all required Board mandated provisions.

The provision of services by York and TRISTAR under the recommended contracts is subject to Proposition A guidelines set forth in the Los Angeles County Code Section 1.121. This includes adherence to the Living Wage Program under Los Angeles County Code Section 2.201. Both contractors agreed to comply with those requirements.

The contracts have been approved as to form by County Counsel.

**CONTRACTING PROCESS**

In April 2012, the CEO sent a Notice of Intent to Release a Request for Proposals (RFP) for Workers' Compensation Claims Third-Party Administration Services for Units 1, 2, and 4 to a list of 55 vendors obtained from the Internal Services Department website, previous solicitations, and the State of California Department of Industrial Relations third party administrator website. As a result of that effort, 10 vendors responded that they were interested in receiving the RFP when released.

In May 2012, the CEO released the RFP; however, this process was cancelled due to pending workers' compensation legislation in Sacramento and subsequent enactment of SB863 and its legislation that could impact TPA procedures and requirements.

On September 24, 2012, the CEO released a revised RFP for Workers' Compensation Claims Third-Party Administration Services that took into account SB863. The RFP was posted on the County's website and advertisements were placed in the Los Angeles Times, Los Angeles Sentinel, La Opinion, San Gabriel Valley Tribune, Press Telegram, and Daily News Los Angeles. As a result, the RFP was sent to 12 vendors who expressed interest in the new solicitation.

On October 18, 2012, seven vendors attended the Mandatory Proposers Conference.

On October 23, 2012, the Board approved to extend the existing contracts for six months through June 30, 2013, in order to complete the solicitation and ensure continuous workers' compensation claims TPA services.

Proposals were originally due on November 2, 2012. However, in an effort to attract additional proposers, and at the direction of the CEO, the date to submit proposals was extended by a month, to December 7, 2012, and said extension resulted in attracting an additional proposer.

Six firms submitted proposals: ACME Administrators, Inc., AIMS Insurance Services, Intercare Insurance Services, Sedgwick CMS, TRISTAR, and York. CEO staff determined that all six proposers met the minimum requirements. The proposals were then thoroughly evaluated by representatives from the Departments of CEO, Sheriff, Children and Family Services, Public Social Services, and the Los Angeles County Office of Education.

Scores for each Unit were tabulated separately. York received the highest score and was also the lowest cost proposer for all Units; Sedgwick received the second highest scores, and TRISTAR received the third highest scores. The CEO recommends awarding Unit 1 to York and Unit 2 to TRISTAR. These two proposers are highly qualified to provide the required services. In addition, this is consistent with the CEO's preference to have multiple contractors provide workers' compensation claims third-party administration services. Unit 4 was awarded to Sedgwick, whose contract was approved by the Board on August 13, 2013.

Due to extension of the proposal submission and evaluation processes, this solicitation was not going to be completed before June 30, 2013; therefore, on April 16, 2013, the Board approved to extend the existing contracts for another six months, effective July 1, 2013 through December 31, 2013.

The Proposition A cost analyses for Units 1 and 2 (Attachments III and IV) show an estimated first year cost savings of $1,688,706.25 for Unit 1 and $1,054,200.59 for Unit 2. The Auditor-Controller reviewed the cost comparisons and concurs that the contracts are cost-effective.

**IMPACT ON CURRENT SERVICES**

Approval of the contracts will allow the CEO to continue to provide workers' compensation claims administration services to County departments and ensure delivery of statutorily mandated benefits.

Implementation of these Contracts will not have any negative impact on services currently being provided by County employees.

**CONCLUSION**

Upon approval by the Board, please return two signed originals of each contract and one adopted copy of the letter to the CEO Risk Management Branch, attention Steven T. Robles, County Risk Manager.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:BC
STR:RC:tv

Attachments

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller

DRAFT

# CONTRACT

# BY AND BETWEEN

# COUNTY OF LOS ANGELES

# AND

# YORK RISK SERVICES GROUP, INC.

# FOR

# WORKERS' COMPENSATION CLAIMS THIRD PARTY ADMINISTRATION (TPA) SERVICES

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# CONTRACT BETWEEN
# COUNTY OF LOS ANGELES
# AND
# YORK RISK SERVICES GROUP, INC.
# FOR
# WORKERS' COMPENSATION CLAIMS THIRD PARTY ADMINISTRATION SERVICES

This Contract and Exhibits made and entered into this ___ day of _____, 2014 by and between the County of Los Angeles, hereinafter referred to as County and York Risk Services Group, Inc., hereinafter referred to as Contractor. Contractor is located at 750 The City Drive, Suite 350, Orange, California 92868.

## RECITALS

WHEREAS, pursuant to Los Angeles County Code Section 2.121.295, et seq., the County may contract with private businesses for Workers' Compensation Claims Third Party Administration (TPA) Services when certain requirements are met; and

WHEREAS, the Contractor is duly licensed and certified under the laws of the State of California to engage in the business of providing Workers' Compensation Claims Third Party Administration Services as described hereunder, and possess the competence, expertise and personnel required to provide such services; and

NOW THEREFORE, the parties hereto agree as follows:

**Prop A authorization:**

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract Workers' Compensation Claims TPA Services; and

WHEREAS, this Contract is therefore authorized under Section 44.7 of the Los Angeles County Charter and Los Angeles County Codes Section 2.121.250; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

## 1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K L, M, N and O are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

**Standard Exhibits:**

1.1 EXHIBIT A - Statement of Work

1.2 EXHIBIT B - Pricing Schedule

1.3 EXHIBIT C – Intentionally Omitted

1.4 EXHIBIT D - Contractor's EEO Certification

1.5 EXHIBIT E - County's Administration

1.6 EXHIBIT F - Contractor's Administration

1.7 EXHIBIT G - Forms Required at the Time of Contract Execution

1.8 EXHIBIT H - Jury Service Ordinance

1.9 EXHIBIT I - Safely Surrendered Baby Law

**Unique Exhibits:**

**Prop A - Living Wage Program**

1.10 EXHIBIT J - Living Wage Ordinance

1.11 EXHIBIT K - Monthly Certification for Applicable Health Benefit Payments

1.12 EXHIBIT L - Payroll Statement of Compliance

1.13 EXHIBIT M – Intentionally Omitted

1.14 EXHIBIT N – Intentionally Omitted

1.15 EXHIBIT O – Intentionally Omitted

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Subparagraph 8.1 (Amendments) and signed by both parties.

## 2.0 DEFINITIONS

Definitions are provided in Exhibit A (Statement of Work), and are for convenience and reference only and not intended to define the scope of any provision thereof.

## 3.0 WORK

3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

## 4.0 TERM OF CONTRACT

4.1 The term of this Contract shall be five (5) years commencing after execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County shall have the sole option to extend this Contract term for up to six (6) months in any increment, for a maximum total Contract term of five (5) years and six (6) months. Each such option and extension shall be exercised at the sole discretion of the Chief Executive Officer or his designee as authorized by the Board of Supervisors.

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may

be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

4.3 The Contractor shall notify the Chief Executive Office (CEO) when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the CEO at the address herein provided in Exhibit E (County's Administration).

## 5.0 CONTRACT SUM

5.1 The Contractor shall be paid as set forth in Exhibit B (Payment Schedule).

5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.3 The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor shall send written notification to (Department) at the address herein provided in Exhibit E (County's Administration).

**5.4 No Payment for Services Provided Following Expiration/ Termination of Contract**

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to the County. Payment by County for services rendered after expiration/termination of this

Contract shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

**5.5 <u>Invoices and Payments</u>**

5.5.1 The Contractor shall invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work) and elsewhere hereunder. The Contractor shall prepare invoices, monthly in arrears, which shall include the charges owed to the Contractor by the County under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B (Price Schedule), and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B (Payment Schedule).

5.5.3 The Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 The Contractor shall submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.5.5 <u>Prop A - Living Wage Program:</u>

No invoice will be approved for payment unless the following is included:

- Exhibit K - Monthly Certification for Applicable Health Benefit Payments
- Exhibit L - Payroll Statement of Compliance

5.5.6 All invoices under this Contract shall be submitted in two (2) copies to the following address:

Third Party Workers' Compensation Claims Administration Services
County of Los Angeles
Chief Executive Office, Risk Management Branch
Workers' Compensation Section
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010

5.5.7 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County Contract Administrator prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld

5.5.8 Local Small Business Enterprises – Prompt Payment Program

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice.

5.6 Intentionally Omitted

## 6.0 ADMINISTRATION OF CONTRACT - COUNTY

**COUNTY ADMINISTRATION**

A listing of all County Administration referenced in the following sub-paragraphs are designated in Exhibit E (County's Administration). The County shall notify the Contractor in writing of any change in the names or addresses shown.

### 6.1 County Risk Manager

Responsibilities of the County's Project Director include:

- ensuring that the objectives of this Contract are met; and
- making changes in the terms and conditions of this Contract in accordance with Subparagraph 8.1 (Amendments); and

- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

### 6.2 County Contract Administrator (CCA)

The responsibilities of the County's Contract Administrator include:

- meeting with the Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Contract Administrator is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

### 6.3 County Monitor

The County Monitor is responsible for overseeing the day-to-day administration of this Contract. The County Monitor reports to the County Contract Administrator.

## 7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

### 7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in Exhibit F (Contractor's Administration). The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Contract and shall coordinate with County's Contract Administrator and County Monitors on a regular basis.

7.1.3 The Contractor's Project Manager must have three (3) years of experience.

## 7.2 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

## 7.3 Contractor's Staff Identification

Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

## 7.4 Background and Security Investigations

7.4.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation may include, but shall not be limited to, criminal conviction information obtained through fingerprints submitted to the California Department of Justice. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

7.4.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

7.4.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.4.4 Disqualification of any member of Contractor's staff pursuant to this Subparagraph 7.4 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

**7.5 <u>Confidentiality</u>**

7.5.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.5.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Subparagraph 7.5, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 7.5 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.5.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.5.4 Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit G2 (Contractor Employee Acknowledgment and Confidentiality Agreement).

7.5.5 Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit G3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement).

## 8.0 STANDARD TERMS AND CONDITIONS

### 8.1 Amendments

8.1.1 For any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by Board of Supervisors.

8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by the County's Risk Manager.

8.1.3 The Chief Executive Officer his designee, may at his sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and by the County's Risk Manager.

## 8.2 Assignment and Delegation

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Subparagraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

## 8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

## 8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

## 8.5 Complaints

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 Within thirty (30) business days after Contract effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.

8.5.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.

8.5.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days for County approval.

8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.

8.5.5 The Contractor shall preliminarily investigate all complaints and notify the County's Contract Administrator of the status of the investigation within five (5) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses shall be sent to the County's Contract Administrator within three (3) business days of mailing to the complainant.

**8.6 Compliance with Applicable Law**

8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by a court of competent jurisdiction. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 8.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any

such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

**8.7 Compliance with Civil Rights Laws**

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit D (Contractor's EEO Certification).

**8.8 Compliance with the County's Jury Service Program**

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or

that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Subparagraph. The provisions of this Subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to

review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

**8.9 <u>Conflict of Interest</u>**

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The

Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Contract.

**8.10 <u>Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List</u>**

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

**8.11 <u>Consideration of Hiring GAIN/GROW Program Participants</u>**

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County‘s Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor’s minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

## 8.12 Contractor Responsibility and Debarment

### 8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

### 8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

### 8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for

which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 <u>Subcontractors of Contractor</u>

These terms shall also apply to subcontractors of County Contractors.

## 8.13 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

## 8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

## 8.15 County's Quality Assurance Plan

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors.

The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

## 8.16 Damage to County Facilities, Buildings or Grounds

8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.

## 8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations

including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

**8.18 <u>Facsimile Representations</u>**

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Subparagraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

**8.19 <u>Fair Labor Standards</u>**

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor’s employees for which the County may be found jointly or solely liable.

## 8.20 Force Majeure

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Subparagraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

## 8.21 Governing Law, Jurisdiction, and Venue

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

## 8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in Sub-paragraph 7.5 (Confidentiality).

## 8.23 Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor’s acts and/or omissions arising from and/or relating to

this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of County Indemnitees.

## 8.24 General Provisions for All Insurance Coverage

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Subparagraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

### 8.24.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.

- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of

each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles, Chief Executive Office
Risk Management Operations
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
Attention: Contracts

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of

Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from

sums due to Contractor or pursue Contractor reimbursement.

8.24.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Subcontractor Insurance Coverage Requirements

Contractor shall include all Subcontractors as insureds under Contractor's own policies, or shall provide County with each Subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein, and shall require that each Sub-contractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Subcontractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

**8.25 Insurance Coverage**

8.25.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

| | |
|---|---|
| General Aggregate: | $2 million |
| Products/Completed Operations Aggregate: | $1 million |
| Personal and Advertising Injury: | $1 million |
| Each Occurrence: | $1 million |

8.25.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this

coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Professional Liability/Errors and Omissions : Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $2 million per claim and $4 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.25.5 Crime Coverage: A Fidelity Bond or Crime Insurance policy with limits of not less than $5 million per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.6 Privacy/Network Security (Cyber) liability coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of $5 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.25.7 Performance Security Requirements: Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

Performance Bond: A faithful performance bond in the sum of not less than three (3) months of the contract value payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California; or

Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County of Los Angeles upon demand in an amount not less than three (3) months of the contract value. Such CD or LOC shall comply with the minimum standards established by the County and be maintained throughout the term of the Contract.

**8.26 Liquidated Damages**

8.26.1 If, in the judgment of the Chief Executive Officer, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Chief Executive Officer, or designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Chief Executive Officer, or designee, in a written notice describing the reasons for said action.

8.26.2 If the Chief Executive Officer, or designee, determines that there are deficiencies in the performance of this Contract that the Chief Executive Officer, or designee, deems are correctable by the Contractor over a certain time span, the Chief Executive Officer, or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Chief Executive Officer, or designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages, as specified in the Contract, including Exhibit A (Statement of Work), Paragraph 13.0 (Payment and

Adjustments to Payment). Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.26.3 The action noted in Subparagraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Subparagraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in Subparagraph 8.26.2, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

**8.27 <u>Most Favored Public Entity</u>**

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

**8.28 <u>Nondiscrimination and Affirmative Action</u>**

8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit D (Contractor's EEO Certification).

8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Subparagraph 8.28 when so requested by the County.

8.28.7 If the County finds that any provisions of this Sub-paragraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently

that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

**8.29 <u>Non Exclusivity</u>**

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict the CEO from acquiring similar, equal or like goods and/or services from other entities or sources.

**8.30 <u>Notice of Delays</u>**

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

**8.31 <u>Notice of Disputes</u>**

The Contractor shall bring to the attention of the County's Contract Administrator any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Contract Administrator is not able to resolve the dispute, the County's Risk Manager or designee shall resolve it.

## 8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

## 8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

## 8.34 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E (County's Administration) and F (Contractor's Administration). Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The County's Risk Manager shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

## 8.35 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

## 8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

## 8.37 Publicity

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and

- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Risk Manager. The County shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.37 shall apply.

**8.38 <u>Record Retention and Inspection/Audit Settlement</u>**

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the

Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this Subparagraph 8.38 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38.4 In addition to the above, the Contractor agrees, should the County or its authorized representatives determine, in the County's sole discretion, that it is necessary or appropriate to review a broader scope of the Contractor's records (including, certain records related to non-County contracts) to enable the County to evaluate the Contractor's compliance with the County's Living Wage Program, that the Contractor shall promptly and without delay provide to the County, upon the written request of the County or its

authorized representatives, access to and the right to examine, audit, excerpt, copy, or transcribe any and all transactions, activities, or records relating to any of its employees who have provided services to the County under this Contract, including without limitation, records relating to work performed by said employees on the Contractor's non-County contracts. The Contractor further acknowledges that the foregoing requirement in this Subparagraph relative to Contractor's employees who have provided services to the County under this Contract is for the purpose of enabling the County in its discretion to verify the Contractor's full compliance with and adherence to California labor laws and the County's Living Wage Program. All such materials and information, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such materials and information prior to such time. All such materials and information shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such materials and information is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such materials and information at such other location.

**8.39 <u>Recycled Bond Paper</u>**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

**8.40 <u>Subcontracting</u>**

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the**

**County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.40.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.

8.40.6 The County Risk Manager is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest

arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.40.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles, Chief Executive Office
Risk Management Operations – Contracts
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

before any subcontractor employee may perform any work hereunder.

**8.41 <u>Termination for Breach of Warranty To Maintain Compliance with County's Child Support Compliance Program</u>**

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default) and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

**8.42 <u>Termination for Convenience</u>**

8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.42.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement).

**8.43 <u>Termination for Default</u>**

8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of County's Risk Manager:

- Contractor has materially breached this Contract; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Subparagraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar

goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Subparagraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Subparagraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

8.43.4 If, after the County has given notice of termination under the provisions of this Subparagraph 8.43, it is determined by the County that the Contractor was not in default under the provisions of this Subparagraph 8.43, or that the default was excusable under the provisions of Subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42 (Termination for Convenience).

8.43.5 The rights and remedies of the County provided in this Subparagraph 8.43 shall not be exclusive and are in addition to

any other rights and remedies provided by law or under this Contract.

## 8.44 Termination for Improper Consideration

8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

## 8.45 Termination for Insolvency

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal

Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this Sub-paragraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**8.46 <u>Termination for Non-Adherence of County Lobbyist Ordinance</u>**

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

**8.47 <u>Termination for Non-Appropriation of Funds</u>**

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

## 8.48 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

## 8.49 Waiver

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

## 8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

## 8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

### 8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Subparagraph 8.51 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

## 9.0 UNIQUE TERMS AND CONDITIONS

### 9.1 Compliance with the County's Living Wage Program

9.1.1 Living Wage Program

This Contract is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit J and incorporated by reference into and made a part of this Contract.

9.1.2 Payment of Living Wage Rates

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth

immediately below, for the Employees' services provided to the County, including, without limitation, "Travel Time" as defined below at Subsection 5 of this Subparagraph 9.1.2 under the Contract:

a. Not less than $11.84 per hour if, in addition to the per-hour wage, the Contractor contributes less than $2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or

b. Not less than $9.64 per hour if, in addition to the per-hour wage, the Contractor contributes at least $2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed $2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than $2.20 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this Subparagraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Subparagraph. The provisions of this Subparagraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under

the Contract. “Full-time” means a minimum of forty (40) hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than thirty-five (35) hours worked per week will not, in any event, be considered full-time.

3. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.

4. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its “exemption status” from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program’s definition of “Employer” or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the County’s satisfaction that the Contractor either continues to remain outside of the Living Wage Program’s definition of “Employer” and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Contract, “Travel Time” shall have the

following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Contract, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different contracts between the Contractor and the County (of which both contracts are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time.

9.1.3 Contractor's Submittal of Certified Monitoring Reports

The Contractor shall submit to the County certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County (Exhibit K and Exhibit L), or other form approved by the County which contains the above information. The County reserves the right to request any additional information it may deem necessary. If the County requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information

contained in each certified monitoring report is true and accurate.

9.1.4 Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims

During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

9.1.5 County Auditing of Contractor Records

Upon a minimum of twenty-four (24) hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Contract, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Contract. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

9.1.6 Notifications to Employees

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. The Contractor shall also distribute County-provided

notices to each of its Employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

9.1.7 Enforcement and Remedies

If the Contractor fails to comply with the requirements of this Subparagraph, the County shall have the rights and remedies described in this Subparagraph in addition to any rights and remedies provided by law or equity.

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

   a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until the Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

   b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated

damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of $100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay

period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of $50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

3. Debarment. In the event the Contractor breaches a requirement of this Subparagraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time

consistent with the seriousness of the breach, in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

9.1.8 Use of Full-Time Employees

The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Contract. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Contract unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

9.1.9 Contractor Retaliation Prohibited

The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the County or to any other public or private agency, entity or person. A violation of the provisions of this Subparagraph may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

9.1.10 Contractor Standards

During the term of the Contract, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the

Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

9.1.11 Employee Retention Rights

1. The Contractor shall offer employment to all retention employees who are qualified for such jobs. A "retention employee" is an individual:

   a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the Federal Fair Labor Standards Act; and

   b. Who has been employed by a contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and

   c. Who is or will be terminated from his or her employment as a result of the County entering into this new Contract.

2. The Contractor is not required to hire a retention employee who:

   a. Has been convicted of a crime related to the job or his or her performance; or

   b. Fails to meet any other County requirement for employees or a Contractor.

3. The Contractor shall not terminate a retention employee for the first ninety (90) days of employment under this Contract, except for cause. Thereafter, the Contractor may retain a retention employee on the same terms and conditions as the Contractor's other employees.

9.1.12 Neutrality in Labor Relations

The Contractor shall not use any consideration received under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

**9.2 Contractor's Acknowledgment of County's Status Under the Health Insurance Portability and Accountability Act of 1996 and Limitations on Contractor's Access to County Protected Health Information**

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its employees to any County health information that qualifies as Protected Health Information within the meaning of "protected health information" in 45 Code of Federal Regulations (C.F.R.) Section 160.103, created, maintained, received, transmitted by Contractor from or on behalf of County. Accordingly, Contractor shall instruct its employees that they are not to use this Agreement as the means by which to pursue or gain access to County Protected Health Information. The foregoing acknowledgement is not intended to in any way restrict Contractor's pursuit of or access to medical information held by County, County departments, County facilities or other health care providers to the extent such access is otherwise required or permitted by law, including but not limited to 45 C.F.R. 164.512(*l*) and Cal. Civil Code Section 56 et seq.

**9.3 Local Small Business Enterprise (SBE) Preference Program**

9.3.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise

Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.3.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

9.3.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

9.3.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%)t of the amount of the contract; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be

eligible for certification, and fails to notify the state and Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

**9.4 Ownership of Materials, Reports, and Records**

9.4.1 Upon expiration of this Contract, or in event of cancellation, on the demand of County Risk Manager or CCA, all documents, reports, records, case files, correspondence and work product relating to Contractor's operations under this Contract shall be immediately returned to the CCA or to such other location in the County as the CCA may direct. It is understood that all of the materials described above are the property of County and not of the Contractor herein.

9.4.2 During the term of this Contract and for five (5) years thereafter, the Contractor shall maintain and provide security for all of the Contractor's working papers prepared under this Contract. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

**9.5 Intentionally Omitted**

**9.6 Intentionally Omitted**

**9.7 Transitional Job Opportunities Preference Program**

9.7.1 This Contract is subject to the provisions of the County's ordinance entitles Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.7.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.7.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit,

report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.7.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the contract; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR: YORK RISK SERVICES GROUP, INC.

By _____
Name

_____
Title

COUNTY OF LOS ANGELES

By_____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By_____

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By_____
Deputy County Counsel

**EXHIBIT A**

# STATEMENT OF WORK
# CONTRACTOR'S SERVICES

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# 1.0 SCOPE OF WORK

The Contractor shall provide workers' compensation claims administration services for all existing claims as well as all reopened and new claims reported during the Contract term for designated County departments. These County departments are referenced in Technical Exhibit III of this Contract.

The Contractor is expected to provide these services in accordance with performance standards, including:

1.1 Those specific standards and requirements set forth in this Contract.

1.2 To the extent a specific standard or requirement is not set forth in this Contract, those standards and requirements set forth in the State of California workers' compensation statutes, codes, regulations, or other governing statutes and regulations, including any amendment to these during the term of this Contract.

1.3 To the extent a specific standard or requirement is not set forth in this Contract, those standards and requirements set forth in any Change Notice signed by the County's Contract Administrator (CCA) and the Contractor's Project Manager.

# 2.0 ADDITION AND/OR DELETION OF FACILITIES, SPECIFIC TASKS, AND/OR WORK HOURS

2.1 County will have the right to change work procedures and add/delete departments, service locations, specific tasks, and/or work hours when it is in the best interest of County to do so.

2.2 All changes to address matters must be made in accordance with Subparagraph 8.1 (Amendments) of the Contract.

# 3.0 QUALITY CONTROL

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the County is provided a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the CCA for review. The plan shall include, but may not be limited to the following:

3.1 Method of supervision to ensure that Contract requirements are being met.

3.2 A record of all supervisory reviews conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action. This record shall be available for County review upon request.

3.3 Periodic claim review meetings with County department representatives, CCA, County loss control, and defense attorneys where appropriate. Adjuster shall prepare 'Claim Status' per Technical Exhibit XV in preparation for the meeting to provide disposition update and address concerns per day-to-day department inquiries.

3.4 A Contractor-engaged independent public accounting firm to perform a Statement of Auditing Standards (SAS) No. 70 (Type II) audit. Such audit shall be performed once per year. The Contractor shall submit the Service Auditor's Report to the County within seven (7) days of its receipt.

## 4.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under the Contract using the quality assurance procedures as defined in the Contract, Paragraph 8 (Standard Terms and Conditions) Subparagraph 8.15 (County Quality Assurance Plan).

### 4.1 Monthly Meetings

Contractor is required to attend a scheduled monthly meeting. Monthly meetings shall ensure:

4.1.1 Contractor review of procedures and practices with County personnel to ensure the County's WC Program is in compliance with State and Federal requirements, as well as sound WC claims management services determined by the County.

4.1.2 Contractor assistance is provided to the County to update policy and procedures to implement legislative changes or State and Federal rules and regulations impacting the County's WC program.

### 4.2 Contract Discrepancy Report (Technical Exhibit X)

Verbal notification of a Contract discrepancy will be made to the Contractor Project Manager as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

The CCA will determine whether a formal Contract Discrepancy Report (CDR) shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the CCA within five (5) workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the CDR shall be submitted to the CCA within five (5) workdays from County's review of the Contractor's Response, where presentation of contrary evidence is insufficient to eliminate the reported discrepancy.

### 4.3 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours; however, these personnel may not unreasonably interfere with the Contractor's performance.

A CDR may be initiated by the CCA based upon County observations.

### 4.4 Performance Evaluation Meetings

The Contractor's Project Manager shall meet with the CCA or his/her designee at regularly scheduled intervals, as determined by the CCA, during the term of the Contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and discussion of policy and procedural matters relevant to the Contractor's performance and the County Risk Management's monitoring function, including a discussion of the monthly report on all outstanding issues. Contractor is expected to use these meeting to discuss practice/procedure updates necessary for implementation of new regulatory changes.

### 4.5 Performance Audit

Claim files and records are subject to audit by the County or its choice of independent auditor at any reasonable time during the term of the Contract (see Contract, Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement) and Subparagraph 9.4 (Ownership of Materials, Reports and Records)). Performance audit may cover any and all requirements of this SOW. Claim records may be the subject of a financial audit at the County's discretion.

County audits and day-to-day claims handling monitoring are planned to provide the TPA management team with performance feedback on an ongoing basis. This feedback is intended to prepare the TPA for an independent performance audit annually for the purpose of assessing whether adjustment to base monthly fee as discussed in Paragraph 13.0 below is applicable.

## 5.0 DEFINITIONS

The following definitions apply to this Statement of Work describing the major responsibilities and duties of the County and the Contractor.

### 5.1 ACCEPTABLE QUALITY LEVEL (AQL)

A measure expressing the maximum allowable leeway or variance from a performance standard before the County will reject a specified service. An AQL does not imply that the Contractor may knowingly perform in a defective way. It implies that the County recognizes the fact of unintentional human error. If defective performance exceeds the minimum standards as described in the Quality of Work Performance Requirements Summary, a Contract Discrepancy Report (CDR) shall be issued. Additionally, wherever possible, the Contractor must perform all work to correct the identified defects(s).

## 5.2 ALLOCATED EXPENDITURES

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all carve-out fees or expense, Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of services of outside undercover investigations, qualified rehabilitation representatives (QRRs), utilization review (UR) experts, bill review (BR) experts, accident investigations, expert analysis to obtain advise or opinions, copy services, transcription services, subrogation pursuit activities, and other fees excluded from TPA Contractor fees.

## 5.3 BASE FEE

The Base Fee is the annual flat fee for provision of all services. The Base Fee is subject to increase or decrease in accordance with Paragraph 13.0 of this Statement of Work.

## 5.4 CHIEF EXECUTIVE OFFICE (DEPARTMENT)

The Chief Executive Office of the County of Los Angeles.

## 5.5 CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer of the County of Los Angeles.

## 5.6 CONTRACT DISCREPANCY REPORT

The Contract Discrepancy Report (CDR) (Technical Exhibit X) is a report used by the County Monitor to record contract information regarding discrepancies or problems with the Contractor's performance.

## 5.7 CONTRACT START DATE

The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2018.

Contractor's performance of services hereunder shall commence at a date mutually agreeable to the parties but in no event shall the implementation date be later than January 1, 2014.

## 5.8 CONTRACTOR'S QUALITY CONTROL PLAN

This term shall mean all measures taken by Contractor to assure that the services described in Exhibit A (Statement of Work), are provided at the highest possible level of quality.

## 5.9 COUNTY

The County is the governmental entity, the County of Los Angeles.

## 5.10 COUNTY CONTRACT ADMINISTRATOR (CCA)

The CCA is the designated agent of the County for the purposes of administering the County's self-insured workers' compensation (WC) program. The CCA is the WC Manager, CEO Risk Management Branch, or his/her designee.

## 5.11 COUNTY RISK MANAGER

The County Risk Manager manages the comprehensive County-wide risk management, risk transfer, risk financing and Risk Management Information System design and management.

## 5.12 COUNTY COUNSEL

The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.

## 5.13 COUNTY'S WC CLAIM ADMINISTRATION AND INFORMATION SYSTEM (CIS)

The County installed WC system. The current version GENCOMP for Windows software modules were licensed to the County by P & C Claims, Incorporated. The system includes on-line input of claims, vocational rehabilitation and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Risk Management Branch. Should County change its WC risk management information system during the term of the Contract, Contractor shall expeditiously and completely convert to the County's new system, timely and at sole expense to the Contractor.

## 5.14 CONTRACTOR'S PROJECT MANAGER

The Contractor's Project Manager (CPM) is the designated officer or employee responsible for all actions needed to administer the contract.

## 5.15 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, liability undetermined, medical costs over $5,000.00, benefits due more than six months after opening of the case, and designation by the Claims Examiner. A disability case may be resolved with "Future Medical" provision continuing to require examiner/adjuster assignment.

## 5.16 MEDICAL ONLY CASE

A non-litigated claim involving only medical payments within $5,000.00. These claims are typically counted in the caseload per examiner/adjuster at a 2 to 1 equivalent.

## 5.17 NON-INCLUDED SERVICES

Services outside of the agreed TPA fixed fee. For example, County Counsel is implementing an electronic filing and data storage system to be compatible with the WCAB EAMS program and examiner/adjuster mail boxes. Target implementation is within one (1) year. The Contractor will be expected to assist with implementation to the extent possible, or propose additional costs during the term of the contract.

## 5.18 PERFORMANCE INDICATORS

Characteristics used to measure and evaluate work. The annual audit measures TPA performance on each of the indicators.

## 5.19 QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY (QWPRS)

The document which summarizes the key performance indicators.

## 5.20 COUNTY MONITOR

The County Monitor is a County employee designated as an agent for the County responsible for approving over limit payments, advising and training third party administrator staff in County payroll systems and other County procedures, facilitating communication between Contractor and County Departments, and participating in development of return to work and settlement strategy. At times this employee may be referred to as "County Liaison."

## 5.21 COUNTY QUALITY ASSURANCE MONITORING PLAN (QAMP)

The County may use a variety of methods to evaluate the Contractor's compliance with the Agreement Standard Terms and Conditions. The methods that may be used are identified, but are not limited to those included in the PRS, Technical Exhibit VIII.

The County assigns responsibility for Quality Assurance Monitoring Plan activities to the Quality Assurance Examiner (QAE). The QAE may be a County employee for periodic audits or an independent auditor for fee impact audits.

## 5.22 CONTRACTOR'S QUALITY CONTROL PLAN

This term shall mean all measures taken by the Contractor to assure that the quality of an end-product or service will meet the County's contract requirements regarding timeliness, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in the QWPRS, Technical Exhibit IX.

## 5.23 RANDOM SAMPLE

A sampling method where each service output has an equal chance of being selected.

## 5.24 RISK MANAGEMENT BRANCH

The organizational unit of the County's Chief Executive Office responsible for administration of the County's self-insured program for WC.

## 5.25 TAKE-OVER CLAIM

An open claim or a closed claim subsequently re-opened for adjusting services.

## 5.26 TAKE-OVER (ASSUMPTION) FEE

A one-time fee paid during the first contract year that covers all costs for the assumption of all take-over claims. All takeover (assumption) costs and costs of administering all take-over claims must be included and amortized in this fee.

## 5.27 THREE POINT CONTACT

Contacts the Contractor's examiner makes to the injured employee or his legal representative, the appropriate County department personnel, and the Primary Treating Physician (PTP).

### 5.28 USER COMPLAINT REPORT

The report submitted by an individual or group of individuals to record discrepancies or problems with the Contractor's performance. The Contractor may be required to respond to a User Complaint Report (UCR) and/or it may be part of a CDR.

### 5.29 WORKDAY

Throughout the Statement of Work, whenever "workday' appears, it means a normal workday, Monday through Friday, 8:00 a.m. through 5:00 p.m., except County holidays.

## 6.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

**COUNTY**

### 6.1 Personnel

The County will administer the Contract according to the Contract, Paragraph 6.0 (Administration of Contract – County). Specific personnel performing these duties will include:

6.1.1 CCA shall be identified by name, address, and telephone number in writing at the time the Contract is awarded. The CCA is responsible for:

6.1.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

6.1.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements. The CCA's interpretation shall prevail without limitation absent written substantive question directed to the County Risk Manager by the Contractor.

6.1.2 County Risk Manager is responsible for:

6.1.2.1 Preparing Amendments in accordance with the Contract, Paragraph 8.0, (Standard Terms and Conditions), Subparagraph 8.1 (Amendments).

6.1.2.2 Resolving disputes regarding substantive questions Contractor expresses in writing regarding the CCA's

interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations, consulting with County Counsel as appropriate.

### 6.2 Furnished Items

The County will provide the Contractor:

6.2.1 Release of all case files for pick-up by the Contractor prior to the start date of the Contract.

6.2.2 Orientation/transition plan approval with provision of County's claim administration and information system access for key Contractor personnel prior to the start date of the Contract. Contractor expenses for participation in orientation or training are solely the responsibility of the Contractor.

6.2.3 Identification of Excess Carrier information by coverage period for duration of self-insured program.

6.2.4 Contact information for support service contractors and terms of agreements between the County and support service contractors impacting TPA performance expectations. These may include:

6.2.4.1 Risk management consultants;

6.2.4.2 Alternative dispute resolution experts;

6.2.4.3 Defense attorneys;

6.2.4.4 Bill review services;

6.2.4.5 Utilization review services;

6.2.4.6 Nurse Case Management (NCM) services; and

6.2.4.7 Pharmacy benefit management service.

6.2.5 Settlement/payment authority and procedure for making settlement/ payment authority requests to obtain authority above delegated authority.

## CONTRACTOR

### 6.3 Project Manager

6.3.1 Contractor shall provide a full-time Project Manager or designated alternate(s). County must have access to the Project Manager/alternate(s) during business hours 8:00 a.m. to 5:00 p.m., Monday through Friday. Contractor shall provide a telephone number where the Project Manager may be reached on a twenty-four (24) hour per day basis.

6.3.2 Project Manager/alternate(s) shall act as a central point of contact with the County.

6.3.3 Project Manager/alternate(s) shall have three (3) years of experience in supervising or managing WC claims TPA service in California.

6.3.4 County reserves the right to approve or reject the TPA's selection of the Contract Manager and any replacement recommended by the Contractor.

6.3.5 Project Manager/alternate(s) shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.

6.3.6 Project Manager/alternate(s) shall possess a valid "Certificate of Consent to Administer Self-Insured Employers WC Claims." Possession of certificate shall be required during the entire contracted period (Labor Code Section (LCS) 3702.1).

6.3.7 Project Manager/alternate(s) requirement applies to each TPA location.

## 6.4 Staffing/Organization

6.4.1 Contractor shall assign a sufficient number of employees to perform the required work in accordance with generally accepted best practices for administering California workers' compensation claims. At least one employee on site shall be authorized to act for Contractor in every detail and must speak and understand English.

6.4.2 Contractor shall be required to background check their employees as set forth in Subparagraph 7.4 of the Contract (Background & Security Investigations).

6.4.3 Sufficient number of staff shall possess professional certification to ensure capacity to comply with performance requirements outlined in Technical Exhibits VIII and IX, including but not limited to:

- A valid "Consent to Administer Self-Insured Employers WC Claims" certificate from the Self-Insurance Plans of the State of California.

- Workers' Compensation Claims Professional designation through coursework provided by the Educational Insurance Association.

- Certified Disability Management Professional designation through coursework provided by the Educational Insurance Association.

6.4.4 The Contractor shall maintain a current and accurate list of all its employees providing services under this contact. The list shall include each employee's name, current address, phone number, current salary, date of employment, date of assignment to County claims handling responsibility, termination, and any additional data on licensing and continuing education, behavior or job performance pertinent to the provision of Contract services.

6.4.5 The Contractor shall retain and provide to the County upon request a copy of the Employment Application and/or Employee Resume for all employees assigned to the County Program.

## 6.5 Program Orientation, Development, and Termination

6.5.1 The Contractor shall comply with all County Workers' Compensation Claims Administration Policies and Standards (CWCCAPS), as provided by the CCA and is responsible for overall coordination and integration of claims services. Contractor will provide a plan for 'Orientation' of department personnel to effect an orderly transition to the new Contract. The orientation plan must provide sufficient management support and staffing to effect an orderly transition of claim files and materials, including but not limited to providing for closed file storage and open pending claims, in addition to implementing new claims services.

6.5.2 Contractor shall ensure their employees are appropriately identified, as specified in Subparagraph 7.3 (Contractor's Staff Identification) of the Contract.

6.5.3 At the sole discretion of the County, the Contractor shall take necessary steps to reduce costs, increase productivity and to enhance the quality and level of claims administration service. Prior to Contract implementation, the Contractor and CCA shall prepare a list of required reports and records, with time deadlines. The reports

required to be provided by the Contractor may include, but are not limited to:

6.5.3.1 Monthly Reports

6.5.3.1.1 A report detailing the cases received and action taken in accordance with a format and data elements developed by the County in cooperation with the Contractor.

6.5.3.1.2 Statistical and narrative reports to assist the County in evaluating its WC program.

6.5.3.1.3 Statistical and narrative reports on outstanding issues to be addressed at Performance Evaluation Meetings.

6.5.3.2 Quarterly Reports

A written status report on selected open claims. Parameters and scope of the report will be established by Contractor and CCA within thirty (30) days of award of Contract.

6.5.3.3 Quarterly Meetings

The County anticipates quarterly reviews of its more serious, high exposure and litigated claims. Parameters will be established by Contractor and CCA within thirty (30) days of award of Contract. Contractor is requested to include with this proposal its suggestion for number of claims to review, criteria for selection and method of claim status/action plan presentation.

6.5.3.3 Annual Reports

A comprehensive annual statistical summary and narrative report to serve as the basis of the WC program and to permit preparation of reports required by the State Department of Industrial Relations.

6.5.3.4 Other Reports

Contractor shall furnish upon County's request loss runs for managerial, loss control, actuarial or financial purposes. The actuarial reports shall be electronically transmitted to County's designated actuary in the format required by the actuarial firm.

6.5.4 Upon Contract award, Contractor shall make arrangements for claim file record retention. All medical only claim files will be retained for ten (10) years from the date of injury. All indemnity claim files which do not involve permanent disability payment and have no payment activity for five years will be retained for ten (10) years from the date of injury. All indemnity claim files which involve payment activity within the last five years and cases with permanent disability payments or awards for lifetime medical treatment will be retained indefinitely. No claims will be destroyed without CCA approval and the Contractor shall be responsible for storage of all files within the above criteria during the term of this Contract. Contractor shall be responsible for pick up and transportation between current storage site and any new storage site the CCA may approve.

6.5.5 The Contractor shall develop a relationship with a courier service between the Contractor's office and such County offices as are designated in writing by the CCA. A schedule shall be established for the pick up and delivery of all claim files, claims mail and related items. The Contractor shall pay the costs of such services out of its own resources, including any and all expenses involved in transferring case files to the Contractor at the beginning of the Contact.

6.5.6 In the event of contract expiration or termination prior to expiration of the Contract, Contractor agrees to maintain staffing at the caseload per examiner/adjuster level contracted per Subparagraph 6.4 above. Contractor shall also provide for the transition to whatever service replacement method the County determines to be in its best interest. Contract termination transition shall be in compliance with Contract provisions, California law and best practices for transfer of responsibility.

## 6.6 Materials and Equipment

The purchase of materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee. Materials and Equipment required includes, but is not limited to:

6.6.1 Computer Interface equipment shall be provided by the Contractor, including provision of a local area network, having (minimally) Pentium r 20 GHz PCs with 256 megabytes of RAM, with Windows 2000 or XP operating system, and Ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible acceptable or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment.

6.6.2 Work space and work stations, furniture, transportation, supplies, office equipment, materials, and other items necessary to perform all services required by this SOW.

6.6.3 Contractor shall provide safe, adequate and ergonomically correct work station for its employees, County Monitors, and other County Contractors having a need access the Contractor's location. Access shall include free parking, work station, computer access, communication system access, and necessary supplies.

6.6.4 Contractor shall provide state-required forms (e.g., DWC-1, DWC-7, 5020, Notice of MPN – if applicable) to client departments.

## 6.7 Training

6.7.1 Contractor shall provide training programs for all new employees and continuing in-service training for all employees to ensure compliance with performance standards.

6.7.2 All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. If applicable, all employees must wear safety and protective gear according to OSHA standards.

6.7.3 Contractor shall provide Special Investigation (SIU) Policies and Procedures Manual.

6.7.3.1 Within thirty (30) days of Contract inception, at no cost to the County, the Contractor will develop written Special Investigation Unit (SIU) policies and procedures relating to the identification, investigation and prosecution of potential fraud cases.

6.7.3.2 Within sixty (60) days of contract inception, at no cost to the County, the Contractor will train key personnel with SIU training to ensure aggressive, cost effective investigation and appropriate referrals to the Department of Insurance and District Attorney.

6.7.4 Contractor shall provide Claims Administration Procedure Manual and Business Continuity Plan:

6.7.4.1 Within six (6) months of contract award, the Contractor's Claims Administration Procedure (CCAP) will be provided to the CCA for approval. The CCAP describing policies and procedures for the administration of County claims is expected to detail delegation of authority, staff responsibilities, reporting requirements, maintenance of

information in the CIS, requirements for: legal and outside services usage and billing review; and work flow process requirements contributing to successful compliance with performance standards. The CCAP is to be available to Contractor's staff and the CCA for use in 'new employee orientation' and as an ongoing reference.

6.7.4.2 Within six (6) months of contract award, the Contractor will provide the CCA its Business Continuity Plan describing a structured and integrated process to ensure uninterrupted provision of critical services related to this Contract following an event likely to interrupt business operations. The plan is expected to include, but not be limited to:

6.7.4.2.1 Description of critical services and business processes.

6.7.4.2.2 Contractor policies and procedures to assure continued business operations following an event.

6.7.4.2.3 Address, computer, telephone, facsimile, key contact(s), and all other critical information concerning alternative business processes and/or location(s) following an event.

6.7.4.3 The Contractor is expected to provide the CCA with annual updates on the annual anniversary of the Contract.

6.7.4.4 This plan is subject to the County's review. The CCA shall not be required to identify, nor notify Contractor of deficiencies in the Contractor's Business Continuity Plan. The County shall neither assume responsibility nor liability for the Contractor's Business Continuity Plan.

## 6.8 Contractor's Office

6.8.1 Contractor shall maintain an office within 75 miles of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, with a telephone in the company's name where Contractor conducts business. It is preferred the service office be located within the County or an adjacent county.

6.8.2 Office location must comply with Contract requirement during term of Contract.

6.8.3 Contractor shall maintain office physical security to safeguard all County claims and property provided for the Contractor's care, custody and control. At the close of each workday, checks, claim files, supplies, equipment, and computer access shall be secured by the Contractor.

6.8.4 Contractor shall maintain office security providing a means of and be responsible for restricting access to the claim data files, and computer terminals to only authorized persons.

## 7.0 HOURS/DAY OF WORK

The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one (1) employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. The Contractor shall answer calls received by the answering service within two (2) hours of receipt of the call.

## 8.0 WORK SCHEDULES

8.1 Contractor shall submit for review and approval a work schedule for each facility to the County Contract Administrator within five (5) days prior to starting work. Said work schedules shall be set on an annual calendar identifying all the required on-going maintenance tasks and task frequencies. The schedules shall list the time frames by day of the week, morning, and afternoon the tasks will be performed.

8.2 Contractor shall submit revised schedules when actual performance differs substantially from planned performance. Said revisions shall be submitted to the County Project Manager for review and approval within five (5) working days prior to scheduled time for work.

## 9.0 INTENTIONALLY OMITTED

## 10.0 SPECIFIC WORK REQUIREMENTS

10.1 Claims Management

Contractor's responsibility for specific claims management activity includes compliance with County's policies and procedures and LCS 5402 by:

10.1.1 Initiating timely contact with claimant, department, witnesses and treatment providers to initiate investigation and compensability evaluation.

10.1.2 Complete claim set up accurately and timely.

10.1.3 Where compensability is questionable or apportionment likely, complete investigation (including Insurance Service Office (ISO) bodily injury index and EDEX reporting at no cost to the County, statements of pertinent parties, development of medical history, use of qualified medical examination as appropriate).

10.1.4 Provide timely and appropriate Division of Workers' Compensation (DWC) benefit determinations (accept, delay, deny, pay benefits, end benefits, resume benefits, and potential eligibility notices).

10.1.5 For delayed claims, use a compensability determination checklist similar to the "Delayed Claims Administration Report" shown in Technical Exhibits, Exhibit VI.

10.1.6 Maintain statutory compliance (benefit notices, wage verification, MMSEA identification and reporting, etc.)

10.1.7 Develop and implement disposition plan to resolve claims by:

10.1.7.1 Determining the extent and degree of permanent disability using consultative ratings from the Disability Evaluation Unit or independent rating experts.

10.1.7.2 Obtain County approvals in accordance with approval limits established by the CCA prior to the negotiation of any compromise and release agreement or stipulation resolving controversy.

10.1.8 Refer suspected fraud to the Special Investigation Unit and follow up for report to appropriate authority where investigation is supportive.

10.1.9 Accurately input information developed and received into the CIS data fields during periodic claim action plan review and implementation follow up scheduled no less than 45-day intervals for active indemnity claims and 90-day intervals for future medical claims.

10.1.10 Maintain communication with Department WC Coordinators to provide status updates, concurrence with action plan and response to day-to-day inquiries.

10.1.11 Provide the County's Risk Management Branch or the long-term and short-term disability (LTD and STD) claims adjusting contractor with copies of the employee's report of injury, medical reports from the WC claim, and the award letter to exchange pertinent claim information on those WC claims also having a long-term disability

claim with the County for the same condition. The LTD and STD shall provide an authorization signed by the employee.

10.2 Medical Management

Contractor's responsibility for specific medical management activity includes compliance with County's policies and procedures to implement:

10.2.1 Treatment monitoring to ensure positive outcome through use of:

10.2.1.1 Communication with injured worker and the primary treatment provider (PTP) to assess appropriateness of treatment plans and injured worker healing progress.

10.2.1.2 Petition for PTP removal where non-compliance with California Code of Regulations Section (CCRS) 9785 is unaffected by communications.

10.2.1.3 The County has contracts with various Medical Provider Networks (MPNs). The Contractor is expected to facilitate medical control using the MPN.

10.2.1.4 Utilization review (UR) in compliance with LCS 4610, and/or sections 9792.6 through 9792.12 of Title 8, CCR. Expected UR usage includes: prospective review; retrospective review; concurrent review; 'Petition to DIR Medical Director for Second Surgical Opinion'; pharmacy review; and peer review. Maintain adequate staffing to respond timely to treatment authorization requests per LCS 4600.4.

10.2.1.5 Telephonic or field nurse case management (TNCM or FNCM) to ensure treatment planning is consistent with treatment guidelines adopted by the DIR and where insufficient to promote healing, nationally accepted treatment guidelines such as those promoted by the American College of Occupational and Environmental Medicine (ACOEM) and/or Official Disability Guidelines (ODG) providing disability and treatment duration guidance. Contractor is responsible to develop a NCM plan of action and budget as well as review related expense bills for compliance.

10.2.2 Medical cost containment through use of:

10.2.2.1 Medical bill review (BR) with medical provider communication to provide explanation of benefits timely objecting to excessive charges in compliance with

LCS4622 and CCRS 9792.5. Obtain request for reconsideration where BR results are questioned by the provider in an effort to resolve disputes.

10.2.2.2 Lien closure efforts including, but not limited to, negotiation and resolution within authority and mandatory preparation/submission of lien resolution affidavit to County's Hearing Representative (HR) or Defense Attorney (DA) at least 10 days prior to the Mandatory Settlement Conference (MSC).

10.3 Return to Work, Rehabilitation/Supplemental Job Displacement Benefits

10.3.1 Under the direction of the CCA, Contractor will support County departments to implement the County's Return-to-Work Program, including:

10.3.1.1 Obtaining work capacity reports from PTP using evidence-based disability guidelines (MD Guidelines or Official Disability Guidelines) to establish expectations and goals in the RTW process and provide the information to the Department RTW Coordinator timely and accurately.

10.3.1.2 Providing PTP with job description for RTW consideration.

10.3.1.3 Coordinating ergonomic services to identify and resolve work environmental obstacles to keeping employee at work or returning employee to work.

10.3.1.4 Where modified return to work (MRTW) is successfully coordinated, follow up for increased work capacity to facilitate regular return to work (RRTW).

10.3.1.5 Where permanent and stationary status is reached and RRTW is precluded, work with Department WC Representative to ensure compliance with County modified/alternative work policy as well as the Americans with Disability Act (ADA) and the California Fair Housing and Employment Act (FEHA).

10.3.1.6 Where an Offer of Work accommodating permanent disability is extended and accepted, reduce the permanent disability rate by fifteen percent (15%) per LCS 4658(d)(2)(3) for injuries after January 1, 2005 and before January 1, 2013, involving temporary disability.

10.3.2 Where the interactive process results in determination that the County is unable to accommodate permanent disability, determine eligibility for:

10.3.2.1 Rehabilitation benefits pursuant to LCS 139.5 (subject to SB899 ending obligation for injuries January 1, 2004 and more recent and establishing 'Sunset' provisions effective January 1, 2009 for injuries prior to January 1, 2004) provide appropriate benefits and services.

10.3.2.2 Supplemental Job Displacement Benefits pursuant to LCS 4658.6 and DWC-AD 10133.50 – 10133.50 and 10294.5 and provide appropriate benefits.

10.3.2.3 Increase in permanent disability rate by fifteen percent (15%) per LCS 4658(d)(2)(3) for injuries after January 1, 2005 and before January 1, 2013.

10.4 Subrogation and Other Recoveries Management

10.4.1 Contractor is responsible to identify eligibility for recovery related to:

10.4.1.1 Second Injury Fund eligibility.

10.4.1.2 Subrogation against third party tort-feasor at fault for cause of injury to County employee.

10.4.1.3 Co-defendant responsible for contribution to extent of injury due to share of cumulative trauma period or apportionment.

10.4.2 Contractor is responsible for pursuit of recovery, including but not limited to:

10.4.2.1 Communication of notice of intent to pursue recovery.

10.4.2.2 Periodic follow up to update subrogation eligibility where third party is at fault for cause of injury to County employee.

10.4.2.3 Negotiations to obtain recovery with assistance from legal counsel as approved by County Counsel where representation is necessary to preserve legal rights to recovery.

10.4.2.4 Refer subrogation matters above County established threshold (currently $3,500) to the Risk Management

Branch designee for oversight and assistance with recovery pursuit.

10.4.3 Contractor is responsible to appropriately handle recoveries by:

10.4.3.1 Recording the recovery in the CIS for the claim.

10.4.3.2 Deposit funds appropriately documenting claim with evidence of deposit.

10.4.4 Provide the CEO Risk Management Branch a written status report on cases open for recovery. Establish parameters for the report with CCA.

10.5 Litigation Management

10.5.1 Contractor is responsible to identify and resolve injured employee problems arising out of the industrial injuries in an effort to avoid litigation, as appropriate.

10.5.2 At County direction, at Contractor's own expense, consult with employee groups, County departmental representatives, management, or central staff, to resolve problems, and avoid litigation in accordance with County policies.

10.5.3 Where litigation occurs, work with County Counsel or a designated private law firm from the approved panel (Attachment 1 to this SOW) to:

10.5.3.1 Timely assign claim for development of legal strategy, providing file material and discovery assistance.

10.5.3.2 Provide County Counsel with litigation file within thirty (30) days from date WCAB application or notice of representation is received.

10.5.3.3 Provide defense attorney and/or County Counsel with copy of medical reports, benefit notices and correspondence received within five days.

10.5.3.4 Provide defense attorney a complete summary of all benefits (amounts and periods) paid to the injured employee along with a completed 'Balance Sheet' per Technical Exhibit XIV, at least ten (10) days prior to any MSC and provide an updated summary as necessary for other WCAB proceedings.

10.5.3.5 Obtain litigation progress reports and update department on progress at appropriate intervals and respond to requests for information from defense attorney within two (2) weeks or sooner if claim has WCAB Calendar date.

10.5.4 Provide the CEO Risk Management Branch a written status report on cases open for litigation. Establish parameters for the report with CCA.

10.6 Fiscal Management

10.6.1 Contractor is expected to approve claims for payment and, as directed by CCA, input and process payments through the County's WC CIS, financial or accounts payable system.

10.6.2 Contractor's payment accountability includes, but is not limited to:

10.6.2.1 Compliance with Government Code Section 31000.8 by establishing and maintaining payment control procedures to ensure accurate and secure payment processing within delegated authority (see Technical Exhibit XI). Where authority delegated is insufficient, payment or settlement authority request is directed to the Contractor's supervisor and CCA to obtain approval from appropriate authority level.

10.6.2.2 Entering payments to the County's WC CIS for:

10.6.2.2.1 Determined eligibility for temporary disability and permanent disability and other indemnity compensation benefits in accordance with medical advice and return to work/rehabilitation efforts.

10.6.2.2.2 Determined eligibility for medical and allocated loss expense.

10.6.3 Contractor's Fiscal responsibility includes maintaining accurate reserves by:

10.6.3.1 Establishing initial reserves within two (2) days of claim receipt.

10.6.3.2 Documenting review of reserves during interval claim reviews no less frequently than semi-annually.

10.6.3.3 Completing 'Balance Sheet' to reconcile payments made with payments due.

10.6.3.4 Adjusting reserves for changes in claim value to reflect:

10.6.3.4.1 Estimated temporary total disability;

10.6.3.4.2 Estimated LCS 4850 disability;

10.6.3.4.3 Estimated permanent disability or death benefits;

10.6.3.4.4 Estimated rehabilitation or SJDB;

10.6.3.4.5 Estimated medical treatment;

10.6.3.4.6 Estimated legal expense; and

10.6.3.4.7 Estimated other expense.

10.7 Support Services

The County has contracts with a number of private firms as discussed above in Subparagraph 6.24 to provide medical management and cost containment services. The Contractor shall use only those firms approved by the County.

Contractor shall establish and maintain panels of firms that provide services peripheral to the management of workers' compensation claims: AOE/COE and sub-rosa investigation services (Attachment 2 to this SOW), transportation services, record copying services, subpoena services, ergonomic vendors (Attachment 3 to this SOW), etc. Contractor shall ensure such firms provide quality services at competitive prices. Contractor shall disclose any business interest, direct or indirect, in the panel firms. The panels shall be submitted to the CCA at the inception of the Contract. Contractor shall immediately notify the CCA of any additions to the panels. At the CCA's request, Contractor shall immediately remove any firm from the panels. The County retains the right to contract for services addressed in this paragraph.

Outside peripheral services shall be employed only when necessary and only with the Claims Supervisor's authorization. Documentation of assignment shall include specific reasons for referral and direction provided for peripheral service provider's activities. Contractor shall copy the designated County representative on all referrals.

## 11.0 GREEN INITIATIVES

11.1 Contractor shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

11.2 Contractor shall notify County's Project Manager of Contractor's new green initiatives prior to the contract commencement.

## 12.0 PERFORMANCE REQUIREMENTS SUMMARY

Technical Exhibits VIII and IX provide the 'Performance Requirements Summary' and 'Best Practices' expected by the County during the term of the Contract. This is an important tool for the County and includes:

- List of services required by the contract; and
- Indication of the method of monitoring.

All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on Contractor.

However, recent updates to Paragraph 10.0 (Specific Work Requirements) above are to be addressed in the process of developing contracts. Fee impact performance audits will be completed annually by an independent auditor chosen by the County.

## 13.0 PAYMENT AND ADJUSTMENTS TO PAYMENT

13.1 Payment

13.1.1 Base Monthly

The County shall pay the Contractor on a fee basis as set forth in the Payment Schedule. Payment for assumption and administration of all take-over claims is included in this fee. The County will not make and Contractor is not entitled to any additional payment for the assumption or administration of any take-over claim.

13.2 Adjustment to Payment

The Contractor shall invoice the County monthly in arrears for fees due for the billing period. The invoices shall clearly reflect and provide reasonable detail as determined by the County of the services provided.

The County will adjust the invoice as follows and pay the invoice within 60 days of receipt.

13.2.1 The County shall adjust the monthly invoice fee based upon compliance with proposed staffing per analysis of loss experience reports and performance audits. The adjustment will be made to the monthly payment of the annual contract, per Subparagraph 13.2.2.

The Contractor shall reimburse the County for any overpayment, fine, penalty, or other cost incurred due to the Contractor's failure to comply with State of California WC statutes, codes, regulations, or any term or condition of the Contract. Such failures include but are not limited to:

13.2.1.1 Late payment or nonpayment of any benefit to any applicant or medical provider resulting in penalty or attorney fees.

13.2.1.2 Overpayment of any benefit owed to any applicant, any lien claimant, or other party in a claim due to Contractor's error.

13.2.2 The County may increase or reduce the annual flat contract fee pursuant to the performance incentives related to annual claims administration performance audit. At the County's sole discretion, mutually beneficial performance and financial incentives shall be applied as follows:

| | |
|---|---|
| Annual Audit Performance Score < 75% | Base Fee Less 4.5% |
| Annual Audit Performance Score ≥ 75% but <80% | Base Fee Less 1.5% |
| Annual Audit Perfomance Score ≥80% but <85% | 100% of Base Fee |
| Annual Audit Performance Score ≥85% but <90% | Base Fee Plus 1.5% |
| Annual Audit Performance Score ≥90% but <95% | Base Fee Plus 3.0% |
| Annual Audit Performance Score ≥95% | Base Fee Pluis 4.5% |
| Subrogation recoveries during contract year exceeds subrogation recoveries during prior year | Base Fee Plus .5%, subject to a maximum of 50% of the increased recovery dollars. |
| Examiner staffing levels do not meet requirements of Subparagraph 6.4 of this SOW | $7,000 for each aggregate thirty (30) calendar days a position is vacant. |

The performance score (%) shall be determined by random-sample audits commencing soon after the end of the first contract year and conducted at least annually thereafter by the County Monitors or an independent auditor for compliance with standards described in Technical Exhibits, Exhibits VIII and IX, 'Quality of Work Performance Requirement Summary.' The CCA may update the areas to be audited and the factors to be considered in determining the performance score, providing notice to the Contractor. Initial performance audit for application of incentives shall focus on performance from six (6) months post contract onset through first contract anniversary. Thereafter, audits shall focus on annual performance periods.

Reimbursements overdue by 60 days may be added to the adjustment to monthly fee payments.

13.2.2.1 Incentives are incorporated to facilitate partnership between the County and the Contractor to achieve operational efficiency and contain costs. The County reserves the right to determine the final audit and/or evaluation criteria for incentives.

13.2.3 The County shall give notice to the Contractor of any assessment or adjustments to payments planned detailing the determination methodology. The Contractor shall have 60 days to respond in writing to the notice. The response shall include but not be limited to:

13.2.3.1 Evidence that the penalty was not incurred or an overpayment or excessive cost was not made.

13.2.3.2 Evidence that the Contractor's act(s) and/or omissions(s) did not cause the penalty, overpayment, or excess cost.

13.2.4 Second level dispute resolution process

13.2.4.1 If after the Contractor's response to the County's notice of assessment of adjustment to payments, the County and Contractor are in disagreement, a second level dispute resolution process will be conducted. The CCA or his/her appointed designee and the appropriate Contractor designee shall review the evidence and resolve the dispute. Second level dispute resolution process shall be completed within sixty (60) calendar days.

13.2.4.2 At the end of the second-level dispute resolution process, the County shall be entitled to reduce the Contractor's monthly invoices for assessments of adjustments to payments.

13.2.5 Any increase or decrease calculated based on the performance score shall use the Base Fee at the time audited work was performed by the Contractor. Payment may be made in a lump sum within 60 days after the County submits the final audit results, or by equal monthly installments over a one year-period commencing within the same 60-day period.

## 14.0 INTENTIONALLY OMITTED

## 15.0 ADJUSTMENT TO PAYMENTS FOLLOWING AUDIT

15.1 If, at any time during the term of the Contract or within five years after the expiration or termination of the Contract, authorized representatives of the County conduct an audit of the Contractor regarding the services provided to the County hereunder and if as a result of such audit it is determined that the County's dollar liability for such services is less than payments made by the County to the Contractor, then the Contractor agrees that the difference, at the CCA's option, shall be either: (1) repaid forthwith by the Contractor to the County by cash payment, or (2) credited against any future payments hereunder to the Contractor.

15.2 If as a result of such audit it is determined that the County's dollar liability for services provided hereunder is more than payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County provided that in no event shall the County's maximum obligation exceed the amount appropriated by the Board of Supervisors.

# CONTRACT LAW FIRMS ROSTER

## 7/1/12 - 6/30/14

| LAW OFFICES OF | LAW OFFICES OF | LAW OFFICES OF |
|---|---|---|
| Adelson, Testan & Brundo | Grancell, Lebovitz, Stander, Reubens & Thomas | Morse, Giesler, Callistar & Karlin, LLP |
| Baggett & Mitchell | Graves & Bourassa | Jeffrey Weiss |
| Becerra & Associates | Manning & Kass, Ellrod, Ramirez, Trester, LLP | Robertson, Kimball, & Jaltorossian |
| Bredfeldt, Odukoya & Suarez | McDermott & Clawson | Patrick C. Stacker & Associates |
| Daniel J. Donahue | Mullen & Filippi | Sobelsohn & Johnson, LLP |
| Edward T. De La Loza | Laughlin, Falbo, Levy & Moresi, LLP | Tennenhouse, Minassian & Adham |
| Fuller Jenkins | Rose & Siegel | Tobin – Lucks, LLP |
| Hanna, Brophy, MacLean, McAleer & Jensen, LLP | Brenner & Sterner, LLP | Stacey L. Tokunaga |
| Harrison, Eichenberg & Murphy | Sacks & Zolonz | Veatch Carlson |
| Harrison & Geiger, LLP | Allan A. Senkow | Wilson, Pesota & Fox, LLP |
| Michael P. Mansfield | Dean Stringfellow | Zaks & Barnard |
| Bolen & Massino | | Zgrablich & Montgomery |
| Martin & Martin | | |
| McNamara & Drass, LLP | | |

Revised: 5-29-12

ATTACHMENT 2 TO SOW

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| Company Name | Company Address | Phone Number | Fax Number | Insurance Certificate Current (Yes/No) | Policy Period | Annual Coverage | License # | Expiration Date | License Current (Yes/No) |
|---|---|---|---|---|---|---|---|---|---|
| Alpha Detective Agency | 7210 Jordan Avenue #C-112 Canoga, CA 91303 | 213-387-1192 | 818-997-8789 | Yes | 2/10/12-2/10/13 | $2,000,000 | #9005 | 7/31/2013 | Yes |
| American Employer Defense | P.O. Box 267 Altadena, CA 91003 | 800-795-4451 | 626-791-4677 | Yes | 2/12/12-2/12/13 | $2,000,000 | #13322 | 1/31/2013 | Yes |
| Apex Investigations | P.O Box 820 Rancho Cordova, CA 95741 | 888-900-2738 | 877-782-7672 | Yes | 12/1/11-12/1/12 | $3,000,000 | #21067 | 5/31/2012 | Yes |
| Appleby & Company, Inc. | 2828 N. Wishon Avenue Fresno, CA 93704 | 888-544-2600 | 866-284-5929 | Yes | 12/1/10-12/1/12 | $4,000,000 | #13420 | 8/31/2012 | Yes |
| Argus West Investigative Services | 17280 Newhope Street#16 Fountain Valley, CA 92708 | 800-944-2748 | 714-751-9962 | Yes | 2/1/12-2/1/13 | $2,000,000 | #19774 | 6/30/2013 | Yes |
| Bartell Investigations | P.O. Box 4453 San Dimas 91773 | 909-865-5939 | 909-865-5939 | Yes | 1/28/12-1/28/13 | $2,000,000 | #16848 | 4/30/2014 | Yes |
| Calquest Investigations | 1442 E. Lincoln Ave. #313 Orange, CA 92865 | 714-974-1425 | 714-974-1735 | Yes | 7/12/11-7/12/12 | $2,000,000 | #26845 | 6/30/2012 | Yes |
| Chameleon Strategic Operations | 11856 Balboa Blvd. #345 Granada Hills, CA 91344 | 866-355-7557 | 818-672-9914 | Yes | 1/14/12-1/14/13 | $1,000,000 | #25042 | 4/30/2012 | Yes |
| Claims Verification | 4100 Newport Place #240 Newport Beach, CA 92660 | 949-252-1996 | 949-252-1993 | Yes | 4/1/12-4/1/13 | $5,000,000 | #23418 | 2/28/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| Company Name | Company Address | Phone Number | Fax Number | Insurance Certificate Current (Yes/No) | Policy Period | Annual Coverage | License # | Expiration Date | License Current (Yes/No) |
|---|---|---|---|---|---|---|---|---|---|
| Alpha Detective Agency | 7210 Jordan Avenue #C-112 Canoga, CA 91303 | 213-387-1192 | 818-997-8789 | Yes | 2/10/12-2/10/13 | $2,000,000 | #9005 | 7/31/2013 | Yes |
| American Employer Defense | P.O. Box 267 Altadena, CA 91003 | 800-795-4451 | 626-791-4677 | Yes | 2/12/12-2/12/13 | $2,000,000 | #13322 | 1/31/2013 | Yes |
| Apex Investigations | P.O Box 820 Rancho Cordova, CA 95741 | 888-900-2738 | 877-782-7672 | Yes | 12/1/11-12/1/12 | $3,000,000 | #21067 | 5/31/2012 | Yes |
| Appleby & Company, Inc. | 2828 N. Wishon Avenue Fresno, CA 93704 | 888-544-2600 | 866-284-5929 | Yes | 12/1/10-12/1/12 | $4,000,000 | #13420 | 8/31/2012 | Yes |
| Argus West Investigative Services | 17280 Newhope Street#16 Fountain Valley, CA 92708 | 800-944-2748 | 714-751-9962 | Yes | 2/1/12-2/1/13 | $2,000,000 | #19774 | 6/30/2013 | Yes |
| Bartell Investigations | P.O. Box 4453 San Dimas 91773 | 909-865-5939 | 909-865-5939 | Yes | 1/28/12-1/28/13 | $2,000,000 | #16848 | 4/30/2014 | Yes |
| Calquest Investigations | 1442 E. Lincoln Ave. #313 Orange, CA 92865 | 714-974-1425 | 714-974-1735 | Yes | 7/12/11-7/12/12 | $2,000,000 | #26845 | 6/30/2012 | Yes |
| Chameleon Strategic Operations | 11856 Balboa Blvd. #345 Granada Hills, CA 91344 | 866-355-7557 | 818-672-9914 | Yes | 1/14/12-1/14/13 | $1,000,000 | #25042 | 4/30/2012 | Yes |
| Claims Verification | 4100 Newport Place #240 Newport Beach, CA 92660 | 949-252-1996 | 949-252-1993 | Yes | 4/1/12-4/1/13 | $5,000,000 | #23418 | 2/28/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Coastline Private Investigations | 1964 Las Palomas Drive La Habra Heights, CA 90631 | 714-871-8449 | 714-871-8429 | Yes | 8/7/11-8/7/12 | $2,000,000 | #24178 | 7/31/2012 | Yes |
| Counterforce Investigations, Inc | P.O. Box 8352 Porter Ranch, CA 91327 | 818-366-3800 | 818-366-3863 | Yes | 9/27/11-9/27/12 | $5,000,000 | #23063 | 6/30/2012 | Yes |
| Costello, Rogers & Associates | 14011 Ventura Blvd. #224 Sherman Oaks, CA 91423 | 818-386-5568 | 818-386-1047 | Yes | 12/12/11-12/12/12 | $2,000,000 | #16644 | 12/31/2013 | Yes |
| Derocilli & Associates | 1042 N. Mountain Ave. #B-397 Upland, CA 91786 | 909-920-0583 | 909-669-5004 | Yes | 6/13/11-6/13/12 | $2,000,000 | #22422 | 2/29/2014 | Yes |
| Diaz-Colon Investigations | P.O. Box 227030 LA, CA 90022 | 888-457-4426 | 888-496-9423 | Yes | 9/28/11-9/28/12 | $2,000,000 | #21931 | 5/31/2012 | Yes |
| DigiStream Investigations | P.O. Box 551 Hermosa Beach, CA 90254 | 800-747-4329 | 800-866-9686 | Yes | 1/16/12-1/16/13 | $5,000,000 | 24857 | 11/30/2013 | Yes |
| DMA Claims Services | P.O. Box 26004 Glendale, CA 91222 | 323-275-2100 | 323-275-2150 | Yes | 2/10/13-2/10/13 | $2,000,000 | #20833 | 10/31/2012 | Yes |
| Domere & Associates | 12223 Highland Ave. #106-567 Rancho Cucamonga, CA 91739 | 909-621-7160 | 909-621-7180 | Yes | 8/1/11-8/1/12 | $5,000,000 | 15846 | 9/30/2012 | Yes |
| Empire Pacific Investigative Services | P.O. Box 17002 Beverly Hills, CA 90209 | 888-404-3747 | 888-329-3747 | Yes | 12/2/11-12/2/12 | $2,000,000 | #16166 | 3/31/2013 | Yes |
| Empire Surveillance Investigations | 2135 Mariners Drive Newport Beach, CA 92660 | 949-645-1462 | 949-209-3068 | Yes | 3/27/12-3/27/13 | $2,000,000 | #22176 | 11/30/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Enduro International P.I. | 25283 Cabot Rd. #102 Laguna Hills, CA 92653 | 800-214-8995 | 800-214-6945 | Yes | 3/1/12-3/12/13 | $5,000,000 | #17031 | 7/31/2012 | Yes |
| Faith McKinney Investigations | P.O. Box 3661 Granada Hills, CA 91394 | 818-363-7686 | 818-638-7310 | Yes | 2/15/12-2/15/13 | $5,000,000 | #12047 | 1/31/2013 | Yes |
| FPK Security Inc. (formely Safety Investigative Services) | P.O. Box 55597 Valencia, CA 91385 | 888-459-4068 | 661-702-8732 | Yes | 7/29/11-7/29/12 | $10,000,000 | #15635 | 6/30/2012 | Yes |
| Frasco Investigative Services | 215 W. Alameda Ave. Burbank, Ca 91502 | 877-372-7261 | 877-734-6478 | Yes | 4/1/11-4/1/12 | $2,000,000 | #6277 | 7/31/2012 | Yes |
| Frye Claims Consultation & Administration | 3500 Breakwater Court Bldg. "A" Hayward, CA 94545 | 800-322-3793 | 800-455-3793 | Yes | 5/10/11-5/10/12 | $4,000,000 | #15751 | 8/31/2012 | Yes |
| Fugen Investigations | 8306 Wilshire Blvd #106 Beverly Hills, CA 90211 | 323-934-6835 | 323-934-6807 | Yes | 12/10/11-12/10/12 | $2,000,000 | #11418 | 2/28/2014 | Yes |
| Gailey & Associates, Inc. | P.O. Box 5277 Garden Grove, CA 92846 | 714-622-1900 | 714-622-1898 | Yes | 6/12/11-6/12/13 | $3,000,000 | #16429 | 8/31/2013 | Yes |
| | | | | | | | | | |
| Global Options | P.O. Box 15931 Sacramento, CA 95852 | 916-648-9590 | 916-648-9594 | Yes | 7/20/11-7/20/12 | $2,000,000 | #5394 | 8/31/2012 | Yes |
| G4S | 10390 Commerce Center Drive #C-100 Rancho Cucamonga, CA 91730 | 888-501-7017 | 888-836-4189 | Yes | 10/1/11-10/1/12 | $5,000,000 | #19994 | 1/31/2014 | Yes |
| GR8 Investigative Services | 1107 Fair Oaks Avenue #441 South Pasadena, CA 91030 | 626-844-0275 | 626-844-4515 | Yes | 4/11/11-4/11/12 | $5,000,000 | #24430 | 1/31/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Holquin Investigative Services | P.O. Box 1555 Montebello, CA 90640 | 562-907-3816 | 562-907-3822 | Yes | 7/1/11-7/11/12 | $1,000,000 | 14862 | 5/31/2013 | Yes |
| Horsemen, Inc. | 16911 Algonquin Street Huntington Beach, CA 92649 | 800-531-9997 | 714-840-7981 | Yes | 12/4/11-12/4/12 | $5,000,000 | #17753 | 7/31/2013 | Yes |
| ICU Investigations | 800 S. Pacific Coast Highway, #304 Redondo Beach, CA 90277 | 310-569-0797 | 800-381-9806 | Yes | 8/9/11-8/9/12 | $5,000,000 | #19521 | 10/31/2013 | Yes |
| Iovino Investigative & Protective Services | 2501 Burbank Blvd #310 Burbank, CA 91502 | 818-861-7691 | 818-861-7694 | Yes | 6/13/11-3/26/12 | $5,000,000 | #23610 | 7/31/2013 | Yes |
| John Law P.I. Services | 17595 Harvard Ave. #232 irvine, CA 92614 | 310-617-6684 | 951-372-0636 | Yes | 10/24/11-10/24/12 | $2,000,000 | #23845 | 12/31/2013 | Yes |
| JLR Investigations | P.O. Box 41142 Long Beach, CA 90853 | 909-888-8880 | 909-494-7915 | Yes | 8/25/11-8/25/12 | $2,000,000 | #24269 | 9/30/2012 | Yes |
| | | | | | | | | | |
| J.T.J Investigations | 3561 Running Tide Circle Huntington Beach, CA 92649 | 714-964-7096 | 714-840-3969 | Yes | 7/17/11-7/17/12 | $1,000,000 | #23550 | 5/31/2013 | Yes |
| Karen Paris Investigations | P.O. Box 54121 Irvine, CA 92619 | 949-679-8422 | 949-679-5820 | Yes | 4/24/12-4/24/13 | $3,000,000 | #26826 | 4/30/2014 | Yes |
| Krout & Schneider | 2250 Lindsay Way Glendora, CA 91740 | 909-599-9500 | 909-599-8060 | Yes | 4/27/11-4/27/12 | $5,000,000 | #4517 | 7/31/2013 | Yes |
| Lambda Investigations | 9852 W. Katella Avenue, PMB 414 Anaheim, CA 92804 | 714-993-9058 | 714-993-9458 | Yes | 4/11/11-4/11/12 | $5,000,000 | #21472 | 11/30/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Lawton Investigation Agency | 22704 Ventura Blvd #500 Woodland Hills, CA 91364 | 818-780-1073 | 818-997-8957 | Yes | 5/1/11-5/1/12 | $2,000,000 | #12179 | 4/30/2013 | Yes |
| Luchay & Associates | P.O. Box 4162 Tustin, CA 92781 | 800-532-6618 | 714-731-3915 | Yes | 3/15/12-3/15/13 | $5,000,000 | #13550 | 4/30/2013 | Yes |
| Mays Investigations | P.O. Box 206 San Dimas 91773 | 909-949-4000 | 909-949-6188 | Yes | 2/19/12-2/19/13 | $4,000,000 | #19379 | 12/3/2012 | Yes |
| Medical Disability Investigators, Inc. | 2219 West Olive Ave. #100 Burbank, CA 91506 | 661-810-6264 | 661-269-2555 | Yes | 3/22/12-3/22/13 | $5,000,000 | #19018 | 7/31/2012 | Yes |
| Metro Investigative Services | P.O. Box 1393 Lake Forest, CA 92609 | 949-380-7400 | 949-380-7437 | Yes | 4/22/12-4/22/13 | $5,000,000 | #20023 | 10/31/2013 | Yes |
| Micheal Christopher Investigations, Inc. | P.O. Box 6933 Thousand Oaks, CA 91359 | 805-373-1422 | 805-497-3427 | Yes | 11/15/11-11/15/12 | $5,000,000 | #25778 | 12/31/2013 | Yes |
| Mico Consultants & Investigative Agency | P.O. Box 801061 Santa Clarita, CA 91380 | 877-618-7990 | 818-618-7990 | Yes | 1/20/12-1/20/13 | $5,000,000 | #24915 | 1/31/2014 | Yes |
| Miles Investigations | P.O. Box 90759 Long Beach, CA 90809 | 562-912-4096 | 562-912-4017 | Yes | 7/28/11-7/28/12 | $3,000,000 | #17056 | 8/31/2012 | Yes |
| Moore & Associates Private Investigators | 22647 Ventura Blvd. #402 Woodland Hills, CA 91364 | 800-750-7691 | 800-854-9944 | Yes | 5/25/11-5/25/12 | $2,000,000 | #12859 | 3/31/2013 | Yes |
| NBI Professional Investigative Services | 24910 Las Brisas Rd. #105 Murrieta, CA 92562 | 951-677-3500 | 951-677-5772 | Yes | 8/15/11-8/15/12 | $3,000,000 | #21463 | 4/30/2012 | Yes |
| Neustadt Investigative Services | P.O. Box 1320 Tustin, CA 92781 | 714-731-9465 | 714-276-1327 | Yes | 6/1/11-6/1/12 | $2,000,000 | #22023 | 7/31/2012 | Yes |
| Nick Harris Detectives | 5900 Sepulveda #301 Van Nuys, CA 91411 | 818-343-6611 | 818-994-7427 | Yes | 4/19/11-4/19/12 | $2,000,000 | #23020 | 5/31/2012 | Yes |

COUNTY O[illegible]S ANGELES
APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Piarulli Investigations | P.O. Box 77833 Corona, CA 92877 | 951-283-1932 | 951-346-4037 | Yes | 1/10/12-1/10/13 | $2,000,000 | #21499 | 11/30/2013 | Yes |
| Probe Investigations | P.O. Box 418429 Sacramento, CA 95841 | 800-397-6517 | 800-373-6547 | Yes | 1/1/12-1/1/13 | $5,000,000 | #14500 | 10/31/2012 | Yes |
| Progressive Investigations | 3401 W. Rosecrans Ave. #174 Hawthorne, CA 90250 | 310-352-6240 | 310-352-6262 | Yes | 2/12/12-2/12/13 | $5,000,000 | #19340 | 10/31/2013 | Yes |
| RJN Investigations | 360 East First St., #696 Tustin, CA 92780 | 888-323-3832 | 888-223-7283 | Yes | 1/1/12-1/1/13 | $5,000,000 | #12054 | 2/28/2013 | Yes |
| | | | | | | | | | |
| Sam Pruitt Confidential Services | P.O. Box 286 Piru, CA 93060 | 805-521-1713 | 805-521-1351 | Yes | 12/12/11-12/12/12 | $2,000,000 | #9702 | 10/31/2012 | Yes |
| Sankara Investigations | 4433 E. Village Rd. #D Long Beach, CA 90808 | 888-864-1824 | 877-624-2468 | Yes | 7/7/11-7/7/12 | $2,000,000 | #21871 | 5/31/2012 | Yes |
| Santoni, Skrifvars & Damarell | 20322 Window Drive #200 Lake Forest, CA 92630 | 800-498-1097 | 949-900-3430 | Yes | 1/1/12-1/1/13 | $2,000,000 | #12689 | 2/29/2014 | Yes |
| Scott Investigations | P.O. Box 91751 Pasadena, CA 91109 | 626-398-0030 | 626-398-1514 | Yes | 5/22/11-5/22/12 | $5,000,000 | #18746 | 10/31/2012 | Yes |
| Seflin Investigations, Inc | P.O. Box 57796 Sherman Oaks, CA 91413 | 818-335-0844 | 818-788-6905 | Yes | 7/24/11-7/24/12 | $2,000,000 | #20086 | 8/31/2012 | Yes |
| SIB Investigations | 9663 Santa Monica Blvd #310 Beverly Hills, CA 90210 | 805-660-5869 | 805-552-0648 | Yes | 8/27/11-8/27/12 | $5,000,000 | #21728 | 2/28/2014 | Yes |
| S. Melgar Investigations, Inc. | P.O. Box 14565 Irvine, CA 92623 | 800-635-4270 | 949-553-9199 | Yes | 12/12/11-12/12/12 | $2,000,000 | #19767 | 5/31/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Specialized Investigations | 9255 Corbin Avenue #200 Northridge, CA 91324 | 800-714-3728 | 866-782-3012 | Yes | 6/1/11-6/1/12 | $2,000,000 | #9868 | 11/30/2013 | Yes |
| Star Detectives & Security | 16835 Algonquin Street #162 Huntington Beach, CA 92649 | 866-592-2696 | 866-561-5158 | Yes | 3/27/12-3/27/13 | $1,000,000 | #25796 | 1/31/2014 | Yes |
| Stewart Investigations | P.O. Box 1313 Rancho Cucamonga, CA 91729 | 888-978-8393 | 909-484-0058 | Yes | 12/12/11-12/12/12 | $5,000,000 | #22439 | 6/30/2013 | Yes |
| Suarez Private Investigative Services | P.O. Box 6823 Pico Rivera, CA 90661 | 562-842-4803 | 562-227-7173 | Yes | 3/16/12-3/16/13 | $2,000,000 | #24347 | 4/30/2013 | Yes |
| Team Mattson Investigations | 3045 South Archibald Ave., Suite H Ontario, CA 91761 | 714-507-9369 | 208-575-6882 | Yes | 3/12/12-3/12/13 | $2,000,000 | #22327 | 2/28/2013 | Yes |
| Teramda Investigations | P.O. Box 11332 Whittier , CA 90603 | 562-947-2017 | 562-947-5312 | Yes | 12/20/11-12/20/12 | $2,000,000 | #24017 | 4/30/2012 | Yes |
| Tom King & Associates | 23282 Mill Creek Drive #225 Laguna Hills, CA 92653 | 949-588-8800 | 949-588-8802 | Yes | 3/2/12-3/2/13 | $5,000,000 | #21879 | 5/31/2012 | Yes |
| Trinity Investigations | 31225 La Baya Drive #202 Westlake Village, CA 91362 | 818-991-2311 | 818-991-6814 | Yes | 11/7/11-11/7/12 | $3,000,000 | #13357 | 7/31/2012 | Yes |
| Universal Insurance Services | P.O. Box 8154 Mission Hills, CA 91346 | 818-894-6226 | 818-894-0868 | Yes | 11/5/11-11/5/12 | $5,000,000 | #14173 | 10/31/2013 | Yes |
| Vallado Investigations | 412 Barranca Ave. #200 Covina, CA 91723 | 626-339-6045 | 626-331-6536 | Yes | 7/13/11-7/13/12 | $5,000,000 | #21998 | 3/31/2013 | Yes |

COUNTY OF LOS ANGELES

APPROVED AOE/COE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Vincent Lozano Investigations | P.O. Box 205 Upland, CA 91785 | 909-949-0179 | 909-949-4204 | Yes | 9/18/11-9/18/12 | $2,000,000 | #21998 | 7/31/2012 | Yes |
| West Shield Investigations | 16033 Bolsa Chica #104-350 Huntington Beach, CA 92649 | 714-898-9696 | 714-840-4143 | Yes | 12/23/11-12/23/12 | $2,000,000 | #7824 | 11/30/2012 | Yes |
| Worldwide Intelligence Network | P.O. Box 17494 Beverly Hills, CA 90209 | 310-385-8200 | 310-385-8006 | Yes | 4/15/12-4/15/13 | $2,000,000 | #14745 | 4/30/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED SURVEILLANCE VENDOR LIST

| Company Name | Company Address | Phone Number | Fax Number | Insurance Certificate Current (Yes/No) | Policy Period | Annual Coverage | License # | Expiration Date | License Current (Yes/No) |
|---|---|---|---|---|---|---|---|---|---|
| Access Investigative Services | 5753 G E. Santa Ana Cnyn Rd. #288 Anaheim Hills, CA 92807 | 714-695-9927 | 714-695-9935 | Yes | 6/1/11-6/1/12 | $5,000,000 | #20155 | 2/28/2014 | Yes |
| Alpha Detective Agency | 7210 Jordan Avenue #C-112 Canoga, CA 91303 | 213-387-1192 | 818-997-8789 | Yes | 2/10/12-2/12/13 | $2,000,000 | #9005 | 7/31/2013 | Yes |
| American Employer Defense | P.O. Box 267 Altadena, CA 91003 | 800-795-4451 | 626-791-4677 | Yes | 2/12/12-2/10/13 | $2,000,000 | #13322 | 1/31/2013 | Yes |
| Apex Investigations | P.O Box 820 Rancho Cordova, CA 95741 | 888-900-2738 | 877-782-7672 | Yes | 12/1/11-12/1/12 | $3,000,000 | #21067 | 5/31/2012 | Yes |
| Appleby & Company, Inc. | 2828 N. Wishon Avenue Fresno, CA 93704 | 888-544-2600 | 866-284-5929 | Yes | 12/1/11-12/1/12 | $4,000,000 | #13420 | 8/31/2012 | Yes |
| Argus West Investigative Services | 17280 Newhope Street#16 Fountain Valley, CA 92708 | 800-944-2748 | 714-751-9962 | Yes | 2/1/12-2/1/13 | $2,000,000 | #19774 | 6/30/2013 | Yes |
| ATI | P.O. Box 1956 Glendora, CA 91740 | 626-914-6022 | 626-914-9071 | Yes | 5/9/11-5/9/12 | $2,000,000 | #21609 | 12/31/2013 | Yes |
| Bartell Investigations | P.O. Box 4453 San Dimas, CA 91773 | 909-865-5939 | 909-865-5174 | Yes | 1/28/12-1/28/13 | $2,000,000 | #16848 | 4/30/2014 | Yes |
| Calquest Investigations | 1442 E. Lincoln Ave. #313 Orange, CA 92865 | 714-974-1425 | 714-974-1735 | Yes | 7/12/11-7/12/12 | $2,000,000 | #26845 | 6/30/2012 | Yes |

COUNTY OF LOS ANGELES
APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Chameleon Strategic Operations | 11856 Balboa Blvd. #345 Granada Hills, CA 91344 | 818-672-9911 | 866-355-7557 | Yes | 1/14/12-1/14/13 | $1,000,000 | #25042 | 4/30/2012 | Yes |
| Claims Verification | 4100 Newport Place #240 Newport Beach, CA 92660 | 949-252-1996 | 949-252-1993 | Yes | 4/1/12-4/1/13 | $5,000,000 | #23418 | 2/28/2013 | Yes |
| Coastline Private Investigations | 1964 Las Palomas Drive La Habra Heights, CA 90631 | 714-871-8449 | 714-871-8429 | Yes | 8/7/11-8/7/12 | $2,000,000 | #24178 | 7/31/2012 | Yes |
| Counterforce Investigations, Inc | P.O. Box 8352 Porter Ranch, CA 91327 | 818-366-3800 | 818-366-3863 | Yes | 9/27/11-9/27/12 | $5,000,000 | #23063 | 6/30/2012 | Yes |
| Costello, Rogers & Associates | 14011 Ventura Blvd., #224 Sherman Oaks, CA 91423 | 818-386-5568 | 818-386-1047 | Yes | 12/12/11-12/12/12 | $1,000,000 | #16644 | 12/31/2013 | Yes |
| Derocilli & Associates | 1042 N. Mountain Ave. #B-397 Upland, CA 91786 | 909-920-0583 | 909-669-5004 | Yes | 6/13/11-6/13/12 | $2,000,000 | #22422 | 2/28/2014 | Yes |
| Diaz-Colon Investigations | P.O. Box 227030 LA, CA 90022 | 888-457-4426 | 888-496-9423 | Yes | 9/28/11-9/28/12 | $2,000,000 | #21931 | 5/31/2012 | Yes |
| DMA Claims Services | P.O. Box 26004 Glendale, CA 91222 | 323-275-2100 | 323-275-2150 | Yes | 2/10/12-2/10/13 | $2,000,000 | #20833 | 10/31/2012 | Yes |
| Digi Stream | P.O. Box 551 Hermosa Beach, CA 90254 | 800-747-4329 | 800-866-9686 | Yes | 1/16/12-1/16/13 | $5,000,000 | #24857 | 11/30/2013 | Yes |
| Domere & Associates | 12223 Highland Ave. #106-567 Rancho Cucamonga, CA 91739 | 909-621-7160 | 909-621-7180 | yes | 8/1/11-8/1/12 | $5,000,000 | #15846 | 9/30/2012 | Yes |

COUNTY OF LOS ANGELES

APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Empire Pacific Investigative Services | P.O. Box 17002 Beverly Hills, CA 90209 | 888-404-3747 | 888-329-3747 | Yes | 12/12/11-12/2/12 | $2,000,000 | #16166 | 3/31/2013 | Yes |
| Empire Surveillance Investigations | 2135 Mariners Drive Newport Beach, CA 92660 | 949-645-1492 | 949-209-3068 | Yes | 3/27/12-3/27/13 | $2,000,000 | #22176 | 11/30/2013 | Yes |
| Enduro International P.I. | 25283 Cabot Rd. #102 Laguna Hills, CA 92653 | 800-214-8995 | 800-214-6945 | Yes | 3/1/12-3/12/13 | $5,000,000 | #17031 | 7/31/2012 | Yes |
| Faith McKinney Investigations | P.O. Box 3661 Granada Hills, CA 91394 | 818-363-7686 | 818-638-7310 | Yes | 2/15/12-2/15/13 | $5,000,000 | #12047 | 1/31/2013 | Yes |
| FPK Security, Inc | P.O. Box 55597 Valencia, CA 91385 | 888-459-4068 | 661-702-8732 | Yes | 7/29/11-7/29/12 | $10,000,000 | #15635 | 6/30/2012 | Yes |
| Frasco Investigative Services | 215 W. Alameda Ave. Burbank, Ca 91502 | 877-372-7261 | 877-734-6478 | Yes | 4/11/11-4/11/12 | $2,000,000 | #6277 | 7/31/2012 | Yes |
| Frye Claims Consultation & Administration | 3500 Breakwater Court Bldg. "A" Hayward, CA 94545 | 800-322-3793 | 800-455-3793 | Yes | 5/10/11-5/10/12 | $4,000,000 | #15751 | 8/31/2012 | Yes |
| Fugen Investigations | 8306 Wilshire Blvd #106 Beverly Hills, CA 90211 | 323-934-6835 | 323-934-6807 | Yes | 12/10/11-12/10/12 | $2,000,000 | #11418 | 2/28/2014 | Yes |
| Gailey & Associates, Inc. | P.O. Box 5277 Garden Grove, CA 92846 | 714-622-1900 | 714-622-1898 | Yes | 6/12/11-6/12/12 | $3,000,000 | #16429 | 8/31/2013 | Yes |
| | | | | | | | | | |
| Global Options | P.O. Box 15931 Sacramento, CA 95852 | 916-648-9590 | 916-648-9594 | Yes | 7/20/11-7/20/12 | $2,000,000 | #5394 | 8/31/2012 | Yes |

COUNTY OF LOS ANGELES

APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| G4S | 10390 Commerce Center Drive #C-100 Rancho Cucamonga, CA 91730 | 888-501-7017 | 888-836-4189 | Yes | 10/1/11-10/1/12 | $5,000,000 | #19994 | 1/31/2014 | Yes |
| GR8 Investigative Services | 1107 Fair Oaks Ave. #441 South Pasadena, CA 91030 | 626-844-0275 | 626-844-4515 | Yes | 4/11/11-4/11/12 | $5,000,000 | #24430 | 1/31/2013 | Yes |
| Holquin Investigative Services | P.O. Box 1555 Montebello, CA 90640 | 562-907-3816 | 562-907-3822 | Yes | 7/11/11-7/1/12 | $1,000,000 | #14862 | 5/31/2013 | Yes |
| Horsemen, Inc. | 16911 Algonquin Street Huntington Beach, CA 92649 | 800-531-9997 | 714-840-7981 | Yes | 12/4/11-12/4/12 | $5,000,000 | #17753 | 7/31/2013 | Yes |
| ICU Investigations | 800 S. Pacific Coast Highway #304 Redondo Beach, CA 90277 | 310-569-0797 | 800-381-9806 | Yes | 8/9/11-8/9/12 | $5,000,000 | #19521 | 10/31/2013 | Yes |
| Iovino Investigative & Protective Services | 2501 Burbank Blvd #310 Burbank, CA 91502 | 818-861-7691 | 818-861-7694 | Yes | 6/13/11-3/26/12 | $5,000,000 | #23610 | 7/31/2013 | Yes |
| John Law P.I. Services | 17595 Harvard Ave. #232 irvine, CA 92614 | 310-617-6684 | 951-372-0636 | Yes | 10/24/11-10/24/12 | $2,000,000 | #23845 | 12/31/2013 | Yes |
| JLR Investigations | P.O. Box 41142 Long Beach, CA 90853 | 909-888-8880 | 909-494-7915 | Yes | 8/25/11-8/25/12 | $2,000,000 | #24269 | 9/30/2012 | Yes |
| | | | | | | | | | |
| J.T.J Investigations | 3561 Running Tide Circle Huntington Beach, CA 92649 | 714-964-7096 | 714-840-3969 | Yes | 7/17/11-7/17/12 | $1,000,000 | #23550 | 5/31/2013 | Yes |
| Karen Paris Investigations | P.O. Box 54121 Irvine, CA 92619 | 949-679-8422 | 949-679-5820 | Yes | 4/24/12-4/24/13 | $3,000,000 | #26826 | 4/30/2014 | Yes |

COUNTY OF LOS ANGELES
APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Krout & Schneider | 2250 Lindsay Way Glendora, CA 91740 | 909-599-9500 | 909-599-8060 | Yes | 4/27/11-4/27/12 | $5,000,000 | #4517 | 7/31/2013 | Yes |
| Lambda Investigations | 9852 W. Katella Avenue, PMB 414 Anaheim, CA 92804 | 714-993-9058 | 714-993-9458 | Yes | 4/11/11-4/11/12 | $5,000,000 | #21472 | 11/30/2013 | Yes |
| Luchay & Associates | P.O. Box 4162 Tustin, CA 92781 | 800-532-6618 | 714-731-3915 | Yes | 3/15/12-3/15/13 | $5,000,000 | #13550 | 4/30/2013` | Yes |
| Lawton Investigation Agency | 22704 Ventura Blvd #500 Woodland Hills, CA 91364 | 818-780-1073 | 818-997-8957 | Yes | 5/1/11-5/1/12 | $2,000,000 | #12179 | 4/30/2013 | Yes |
| Martin Investigation Agency | 13547 Ventura Blvd #129 Sherman Oaks, CA 91423 | 800-882-5170 | 818-501-0742 | Yes | 4/14/11-4/14/12 | $1,000,000 | #18226 | 11/30/2013 | Yes |
| Mays Investigations | P.O. Box 206 San Dimas 91773 | 909-949-4000 | 909-949-6188 | Yes | 2/19/12-2/19/13 | $4,000,000 | #19379 | 12/3/2012 | Yes |
| Medical Disability Investigators, Inc. | 2219 West Olive Ave. #100 Burbank, CA 91506 | 661-810-6264 | 661-269-2555 | Yes | 3/22/12-3/22/13 | $5,000,000 | #19018 | 7/31/2012 | Yes |
| Micheal Christopher Investigations, Inc. | P.O. Box 6933 Thousand Oaks, CA 91359 | 805-373-1422 | 805-497-3427 | Yes | 11/15/11-11/15/12 | $5,000,000 | #25778 | 12/31/2013 | Yes |
| Mico Consultants & Investigative Agency | P.O. Box 801061 Santa Clarita, CA 91380 | 877-618-7990 | 877-618-7990 | Yes | 1/20/12-1/20/13 | $5,000,000 | #24915 | 1/31/2014 | Yes |
| Miles Investigations | P.O. Box 90759 Long Beach, CA 90809 | 562-912-4096 | 562-912-4017 | Yes | 7/28/11-7/18/12 | $3,000,000 | #17056 | 8/31/2012 | Yes |
| Moore & Associates Private Investigators | 22647 Ventura Blvd. #402 Woodland Hills, CA 91364 | 800-750-7691 | 800-854-9944 | Yes | 5/25/11-5/25/12 | $2,000,000 | #12859 | 3/31/2013 | Yes |

COUNTY OF LOS ANGELES
APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| NBI Professional Investigative Services | 24910 Las Brisas Rd. #105 Murrieta, CA 92562 | 951-677-3500 | 951-677-5772 | Yes | 8/15/11-8/15/12 | $3,000,000 | #21463 | 4/30/2012 | Yes |
| Neustadt Investigative Services | P.O. Box 1320 Tustin, CA 92781 | 714-731-9465 | 714-276-1327 | Yes | 6/1/11-6/1/12 | $2,000,000 | #22023 | 7/31/2012 | Yes |
| Nick Harris Detectives | 5900 Sepulveda #301 Van Nuys, CA 91411 | 818-343-6611 | 818-994-7427 | Yes | 4/19/11-4/19/12 | $2,000,000 | #23020 | 5/31/2012 | Yes |
| Piarulli Investigations | P.O. Box 77833 Corona, CA 92877 | 951-283-1932 | 951-346-4037 | Yes | 1/10/12-1/10/13 | $2,000,000 | #21499 | 11/30/2013 | Yes |
| Probe Investigations | P.O. Box 418429 Sacramento, CA 95841 | 800-397-6517 | 800-373-6547 | Yes | 1/1/12-1/1/13 | $5,000,000 | #14500 | 10/31/2012 | Yes |
| Progressive Investigations | 3401 W. Rosecrans Ave. #174 Hawthorne, CA 90250 | 310-352-6240 | 310-352-6262 | Yes | 2/12/12-2/12/13 | $5,000,000 | #19340 | 10/31/2013 | Yes |
| RJN Investigations | 360 E. First St, #696 Tustin, CA 92780 | 888-323-3832 | 888-223-7283 | Yes | 1/1/12-1/1/13 | $5,000,000 | #12054 | 2/28/2013 | Yes |
| | | | | | | | | | |
| Sam Pruitt Confidential Services | P.O. Box 286 Piru, CA 93060 | 805-521-1713 | 805-521-1351 | Yes | 12/12/11-12/12/12 | $2,000,000 | #9702 | 10/31/2012 | Yes |
| Sankara Investigations | 4433 E. Village Rd. #D Long Beach, CA 90805 | 888-864-1824 | 877-624-2468 | Yes | 7/7/11-7/7/12 | $2,000,000 | #21871 | 5/31/2012 | Yes |
| Santoni, Skrifvars & Damarell | 20322 Window Drive #200 Lake Forest, CA 92630 | 800-498-1097 | 949-900-3430 | Yes | 1/1/12-1/12/13 | $2,000,000 | #12689 | 2/29/2014 | Yes |
| Scott Investigations | P.O. Box 91751 Pasadena, CA 91109 | 626-398-0030 | 626-398-1514 | Yes | 5/22/11-5/22/12 | $5,000,000 | #18746 | 10/31/2012 | Yes |
| Seflin Investigations, Inc | P.O. Box 57796 Sherman Oaks, CA 91413 | 818-335-0844 | 818-788-6905 | Yes | 7/24/12-7/24/13 | $2,000,000 | #20086 | 8/31/2012 | Yes |

COUNTY OF LOS ANGELES
APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| SIB Investigations | 9663 Santa Monica Blvd #310 Beverly Hills, CA 90210 | 805-660-5869 | 805-552-0648 | Yes | 8/27/11-8/27/12 | $5,000,000 | #21728 | 2/28/2014 | Yes |
| S. Melgar Investigations, Inc. | P.O. Box 14565 Irvine, CA 92623 | 800-635-4270 | 949-553-9199 | Yes | 12/12/11-12/12/12 | $2,000,000 | #19767 | 5/31/2013 | Yes |
| Specialized Investigations | 9255 Corbin Avenue #200 Northridge, CA 91324 | 800-714-3728 | 866-782-3012 | Yes | 6/1/11-6/1/12 | $2,000,000 | #9868 | 11/30/2013 | Yes |
| Star Detectives & Security | 16835 Algonquin Street #162 Huntington Beach, CA 92649 | 866-592-2696 | 866-561-5158 | Yes | 3/27/12-3/27/13 | $1,000,000 | #25796 | 1/31/2014 | Yes |
| Stewart Investigations | P.O. Box 1313 Rancho Cucamonga, CA 91730 | 888-978-8393 | 909-484-0058 | Yes | 12/12/11-12/12/12 | $5,000,000 | #22439 | 6/30/2013 | Yes |
| Suarez Private Investigative Services | P.O. Box 6823 Pico Rivera, CA 90661 | 562-842-4803 | 562-227-7173 | Yes | 3/16/12-3/16/13 | $2,000,000 | #24347 | 4/30/2013 | Yes |
| | | | | | | | | | |
| Team Mattson Investigations | 3045 South Archibald Ave., Suite H Ontario, CA 91761 | 714-507-9369 | 208-575-6882 | Yes | 3/12/12-3/12/13 | $2,000,000 | #22327 | 2/28/2013 | Yes |
| Teramda Investigations | P.O. Box 11332 Whittier , CA 90603 | 562-947-2017 | 562-947-5312 | Yes | 12/20/11-12/20/12 | $2,000,000 | #24017 | 4/30/2012 | Yes |
| Tom King & Associates | 23282 Mill Creek Drive #225 Laguna Hills, CA 92653 | 949-588-8800 | 949-588-8802 | Yes | 03/2/12-3/2/13 | $5,000,000 | #21879 | 5/31/2012 | Yes |
| Trinity Investigations | 19500 Superior St. Northridge, CA 91324 | 818-991-2311 | 818-991-6814 | Yes | 11/7/11-11/7/12 | $3,000,000 | #13357 | 7/31/2012 | Yes |

COUNTY OF LOS ANGELES
APPROVED SURVEILLANCE VENDOR LIST

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Universal Insurance Services | P.O. Box 8154 Mission Hills, CA 91346 | 818-894-6226 | 818-894-0868 | Yes | 11/5/11-11/5/12 | $5,000,000 | #14173 | 10/31/2013 | Yes |
| Vallado Investigations | 412 Barranca Ave. #200 Covina, CA 91723 | 626-339-6045 | 626-331-6536 | Yes | 7/13/11-7/13/12 | $5,000,000 | #24134 | 3/31/2013 | Yes |
| Vincent Lozano Investigations | P.O. Box 205 Upland, CA 91785 | 909-949-0179 | 909-949-4204 | Yes | 09/18/11-9/18/12 | $2,000,000 | #21998 | 7/31/2012 | Yes |
| West Shield Investigations | 16033 Bolsa Chica #104-350 Huntington Beach, CA 92649 | 714-898-9696 | 714-840-4143 | Yes | 12/23/11-12/23/12 | $2,000,000 | #7824 | 11/30/2012 | Yes |
| Worldwide Intelligence Network | P.O. Box 17494 Beverly Hills, CA 90209 | 310-385-8200 | 310-385-8006 | Yes | 4/15/12-4/15/13 | $2,000,000 | #14745 | 4/30/2013 | Yes |

# ERGONOMIC EVALUATION VENDOR LIST

- Aida Y. Worthington, Consulting Firm
  1855 S. Santa Cruz St., Suite A
  La Habra, CA 90633
  (562) 694-5555
  Fax: (562) 694-0922

- Accredited Rehabilitation Consultants, Inc. (ARC, Inc), Attn: Judi Fogel
  3228 McManus Avenue
  Los Angeles, CA 90034
  (310) 463-8154
  Fax: (310) 984-6207
  ergoevaluation.com
  Email: info@ergoevaluation.com

- CROSSING
  Voice Recognition Systems
  P.O. Box 9315
  Whittier, CA 90606
  Phone: (714) 713-0864
  Email: tbenach@msn.com
  www.crossing.ws

- ERGOPATH
  Shari Rabeie
  1624 Hilts Ave., Suite #2
  Los Angeles, CA 90024
  Phone: (310) 213-6363
  Email: Sheri@ergopath.com

- Gainful, Inc., Attn: Ed Gallardo
  P.O. Box 5817
  Hacienda, Heights, CA 91745
  Phone: (626) 961-9397

- The Hayashi Group, Attn: Raul Pero
  P.O. Box 3905
  Glendale, CA 91221
  (818) 999-0401
  Fax: (818) 999-4107
  http://hayashigroup.net

- Industrial Care Solutions, Attn: Carlos Chavez
  2132 Branden St.
  Los Angeles, CA 90026
  (323) 557-6754
  califypme@yahoo.com

- June Hagen, Ph. D.
  2633 Lincoln Blvd., Suite 532
  Santa Monica, CA 90405
  Phone: (310) 399-3754
  Cell: (310) 617-8734
  Fax: (310) 392-6140

- Hughes Occupational Consultants
  915 West Foothill Blvd., Suite 504
  Claremont, CA 91711
  Phone: (909) 625-7406
  Email: admin@hughesoccupational.com
  OR www.hughesoccupational.com

- Leal & Associates, Attn: Claudia
  12631 E. Imperial Highway, D-124
  Santa Fe Springs, CA 90670
  Phone: (562)863-8313
  Fax: (562) 863-6343

- Liebman & Associates, Attn: Bob Liebman
  P.O. Box 7067
  Northridge, CA 91327
  (818) 885-1349
  Email: rliebman@socal.rr.com
  Fax: (888) 241-9024

- Marion, Yamamoto, Hargrove & Co., Attn: Kathy Yamamoto
  2230 W. Chapman Ave., Suite 226
  Orange, CA 92868
  Phone: (714) 538-3800
  Fax: (714) 538-0141

- Monjaras & Wismeyer Group, Inc., Attn: Steve Monjaras
  130 Pine Avenue, Suite 201
  Long Beach, CA 90802
  Phone: (877) 984-7969
  Email: stevem@gortw.com
  OR www.gortw.com

- Omega Solutions, Attn: Michelle Diaz
  325 East Rolling Oaks Dr., Suite 105
  Thousand Oaks, CA 91361
  Phone: (866) 966-3420
  Fax: (805) 230-2134

- Prime Care Managed Care, Inc., Attn: Carol Delisle
  P.O. Box 91115
  Pasadena, CA 91109
  Phone: (626) 564-4680
  Fax: (626) 583-6683

- Regain, Attn: Bill Martin
  515 Cabrillo Park Dr., Suite 312
  Santa Ana, CA 92701
  Phone: (800) 743-8448

- Rehab Solutions, Attn: Vanessa Freedman
  22311 Ventura Blvd., Suite 126
  Woodland Hills, CA 91364
  Phone: (866) 717-3422
  Fax: (818) 888-7218

- SAT/ Human Resources
  1007 E. Dominguez Street, Suite P
  Carson, CA 90746, Attn: Wiley M. Newman
  Phone: (310) 532-8137
  Fax: (310) 532-4702

- Southern California Ergonomics, Attn: Elizabeth Steckler
  15186 Stable Lane
  Victorville, CA 92394
  Phone: (760) 843-7253
  Fax: (760) 843-0696

- Vocational Planning Service (VPS), Attn: Abe Rojas
  P.O. Box 283
  La Verne, CA 91750
  Phone: (909) 944-3027
  Fax: (909) 944-2895

# UNIT 1 PAYMENT SCHEDULE

| PRICING CRITERIA | ANNUAL FLAT FEE | MONTHLY PAYMENT |
|---|---|---|
| Flat Annual Fee - Contract Year 1[a,b] (payable monthly during Contract period) | **$7,207,889** | **$600,657.42** |
| Flat Annual Fee – Contract Year 2 [a,b] | **$7,316,007** | **$609,667.25** |
| Flat Annual Fee – Contract Year 3 [a,b] | **$7,462,328** | **$621,860.67** |
| Flat Annual Fee – Contract Year 4 [a,b] | **$7,648,886** | **$637,407.17** |
| Flat Annual Fee – Contract Year 5 [a,b] | **$7,875,034** | **$656,252.83** |
| **MAXIMUM TOTAL BASE FEE** | **$37,510,144** | |

a) The number of new indemnity claims submitted for the 12 months from January 1, 2012 through December 31, 2012 for Unit 1 was 2,144. For any calendar year where the number of new indemnity claims, administered by workers' compensation examiners, exceeds 2,144 by 175, the County shall pay the Contractor an additional $66,888 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,144 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay Contractor an additional $133,776 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,144 by 525 new indemnity claims, administered by workers' compensation claim examiners, the County shall pay the Contractor an additional $200,664 within 60 days of the end of the calendar year, and etc.

b) The number of open indemnity claims as of December 31, 2012 for Unit 1 was 6,340. For any quarter where the Contractor's open indemnity caseload is equal to or less than 6,165, the monthly base fee shall be reduced by $5,574. For any quarter where the Contractor's open indemnity caseload is equal

to or less than 5,990, the monthly fee shall be reduced by $11,148. For any quarter where the Contractor's open indemnity caseload is equal to or less than 16,722, the monthly base fee shall be reduced by $18,750, and etc.

EXHIBIT C

**INTENTIONALLY OMITTED**

EXHIBIT D

# CONTRACTOR'S EEO CERTIFICATION

York Risk Services Group, Inc.
Contractor Name

750 The City Drive, Suite 350, Orange, CA 92868
Address

13-1963636
Internal Revenue Service Employer Identification Number

## GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

## CONTRACTOR'S SPECIFIC CERTIFICATIONS

| | | | |
|---|---|---|---|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes X | No ☐ |
| 2. | The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes X | No ☐ |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes X | No ☐ |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes X | No ☐ |

Jody Gray, Senior Vice President
Authorized Official's Printed Name and Title

Authorized Official's Signature

February 27, 2013
Date

EXHIBIT E

# COUNTY'S ADMINISTRATION

CONTRACT NO. _____

**COUNTY RISK MANAGER:**

Name: Steve Robles

Title: Assistant Chief Executive Officer

Address: 3333 Wilshire Blvd., Suite 820

Los Angeles, CA 90010

Telephone: (213) 351-5346 Facsimile: (213) 252-0404

E-Mail Address: srobles@ceo.lacounty.gov

**COUNTY CONTRACT ADMINISTRATOR:**

Name: Alex Rossi

Title: Manager, CEO

Address: 3333 Wilshire Blvd., Suite 1000

Los Angeles, CA 90010

Telephone: (213) 738-2154 Facsimile:(213) 637-0822

E-Mail Address: arossi@ceo.lacounty.gov

**COUNTY MONITOR:**

Name: Anthony Taras

Title: Chief Program Specialist

Address: 3333 Wilshire Blvd., Suite 1000

Los Angeles, CA 90010

Telephone: (213) 351-6405 Facsimile: (213) 637-0822

E-Mail Address: ataras@ceo.lacounty.gov

EXHIBIT F

# CONTRACTOR'S ADMINISTRATION

**CONTRACTOR'S NAME:** York Services Group

**CONTRACT NO:** _____

**CONTRACTOR'S CLAIMS MANAGER:**

Name: Sandra Gonzales
Title: Chief Operations Officer
Address: 750 The City Drive, Suite 350
Orange, CA 92868
Telephone: (714) 620-1353
Facsimile: (714) 456-0015
E-Mail Address: Sandra.Gonzales@yorkrsg.com

**CONTRACTOR'S AUTHORIZED OFFICIAL(S)**

Name: Jody Gray/Rick Taketa
Title: President of Public Entity/Executive Vice President
Address: 750 The City Drive, Suite 350
Orange, CA 92868
Telephone: (714) 620-1336/(714) 620-1381 Facsimile: (201) 639-6589
E-Mail Address: Jody.Gray@yorkrsg.com/Rick.Taketa@yorkrsg.com

Name: Jon Pease
Title: President of Claims
Address: 1889 N. Rice Avenue
Oxnard, CA 93036
Telephone: (805) 288-4243
Facsimile: (805) 981-1378
E-Mail Address: Jon.Pease@yorkrsg.com

**Notices to Contractor shall be sent to the following:**

Name: Jody Gray
Title: President of Public Entity
Address: 750 The City Drive, Suite 350
Orange, CA 92868
Telephone: (714) 620-1336 Facsimile: (201) 639-6589
E-Mail Address: Jody.Gray@yorkrsg.com

EXHIBIT G

# FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

*Applicability of the forms below is based on the type of contract. A contract involving Information Technology (IT) services includes Copyright Assignment language whereas a non-IT Contract omits the Copyright Assignment language.*

*Additionally, a determination must be made whether the Contactor will complete a Confidentiality Agreement on behalf of its employees or whether the Contractor's employees and non-employees will complete the Confidentiality Agreements individually.*

## NON-IT CONTRACTS

G1 INTENTIONALLY OMITTED

G2 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

G3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

# EXHIBIT G-1

## INTENTIONALLY OMITTED

EXHIBIT G2

# CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No._____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

# CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____

Contract No._____

Non-Employee Name _____

## GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

## NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

## CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other

than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

## 2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.

C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

3. A purchase made through a state or federal contract; or

4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or

2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

## 2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

## 2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,

2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,

2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000; and,

3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

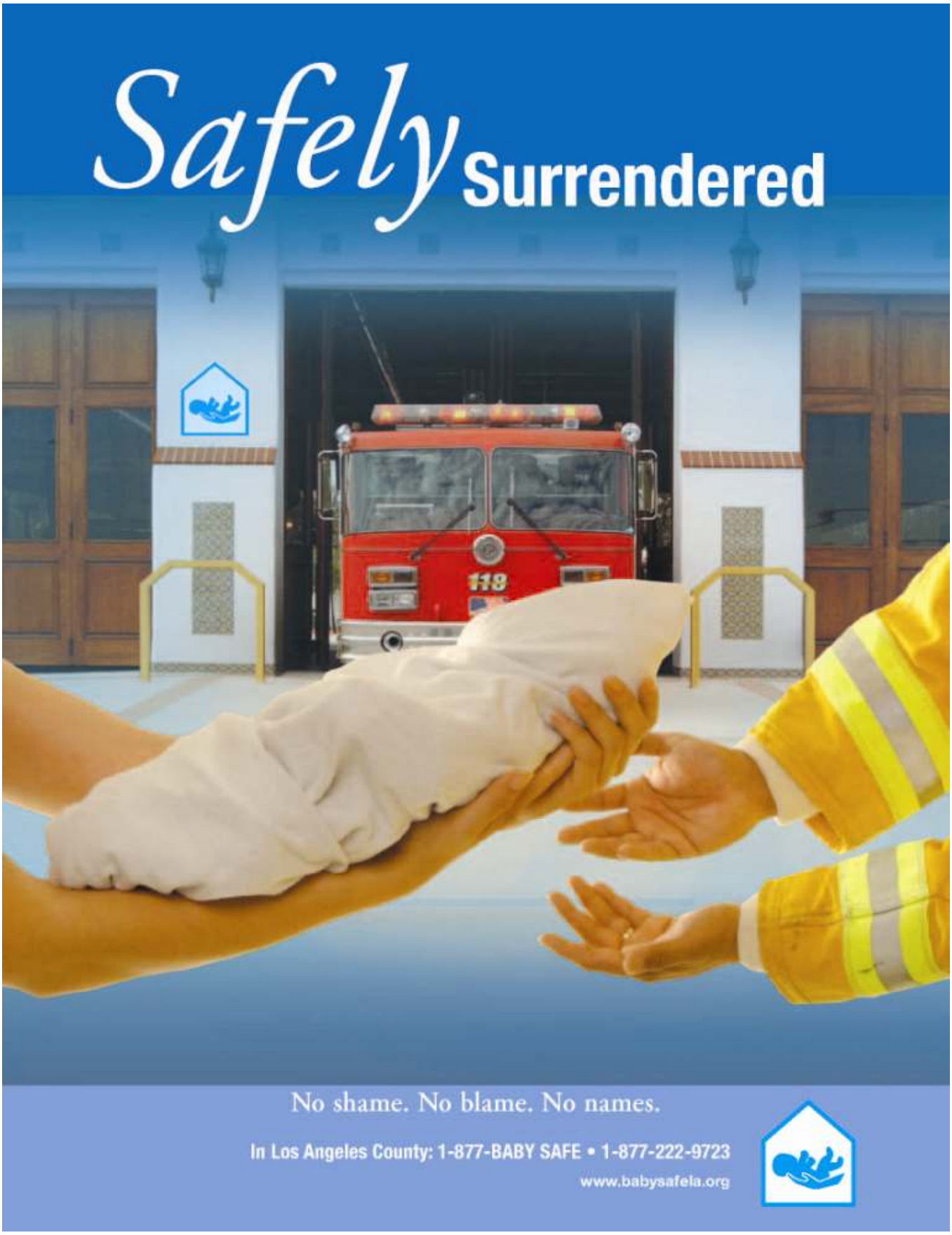
"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

# SAFELY SURRENDERED BABY LAW


Safely Surrendered
118
No shame. No blame. No names.
In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

In Los Angeles County: 1 877 BABY SAFE 1 877 222 9723
www.babysafela.org

# Safely Surrendered Baby Law

## What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

## How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

## What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

## Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

## Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

## Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

## What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

## What happens to the parent or surrendering adult?

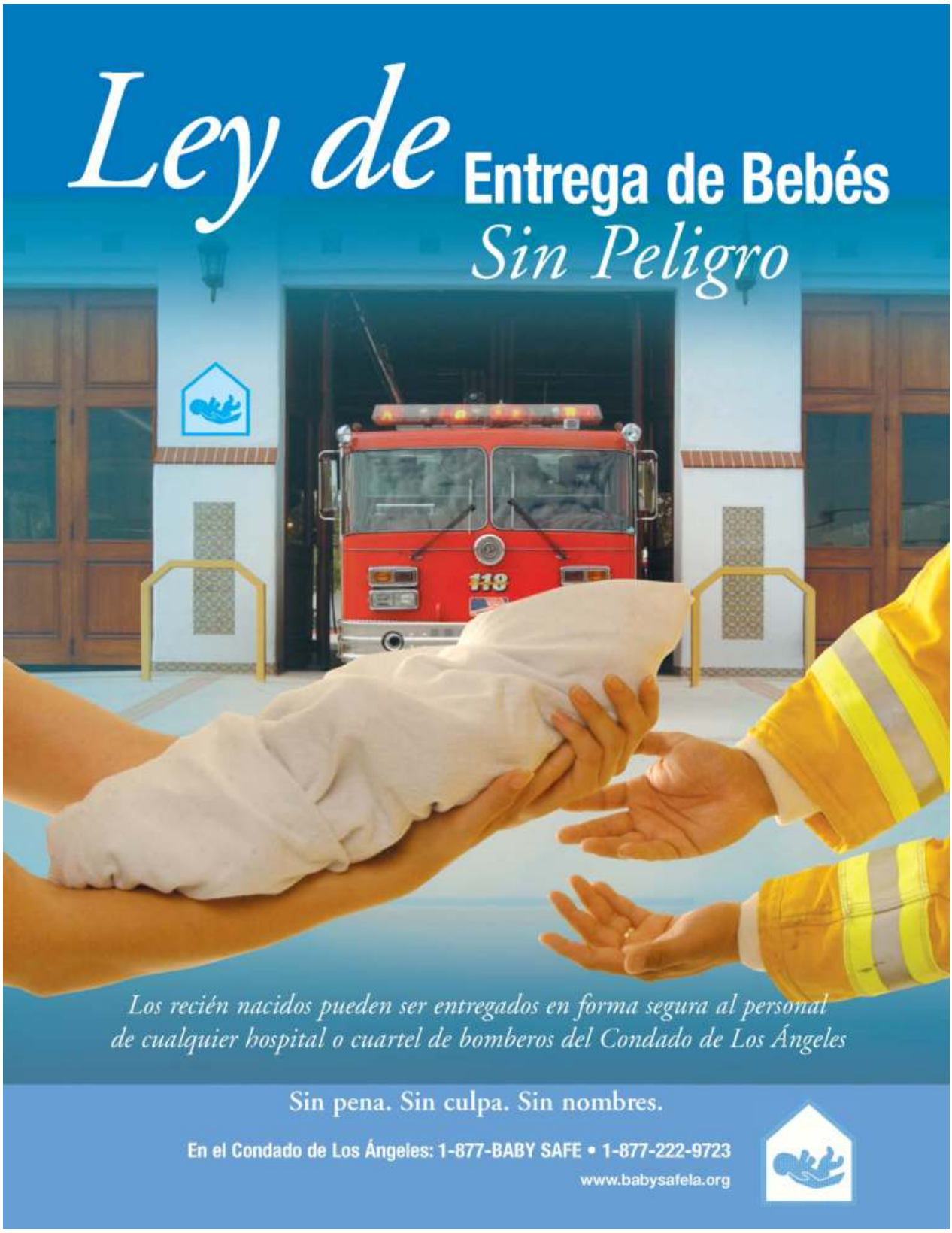
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

## Why is California doing this?

The purpose of the **Safely Surrendered Baby Law** is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The **Safely Surrendered Baby Law** prevents this tragedy from ever happening again in California.

## *A baby's story*

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.


Ley de Entrega de Bebés
Sin Peligro
118
Los recién nacidos pueden ser entregados en forma segura al personal
de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles
Sin pena. Sin culpa. Sin nombres.
En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

# *Ley de* Entrega de Bebés *Sin Peligro*

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

## ¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al **1-800-540-4000**.

## ¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan *si tienen custodia legal.*

## ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

## ¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

## ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

## ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

## ¿Por qué se está haciendo esto en California? ?

La finalidad de la **Ley de Entrega de Bebés sin Peligro** es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La **Ley de Entrega de Bebés sin Peligro** impide que vuelva a suceder esta tragedia en California.

## *Historia de un bebé*

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

**2.201.010 Findings.**
The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 2007-0011 § 1, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.020 Definitions.**

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.

B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.

C. "Employer" means:

1. An individual or entity who has a contract with the county:

a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or

b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and

c. Who has received or will receive an aggregate sum of $25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or

2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.

D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.

E. “Proposition A contract” means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business. (Ord. 2007-0011 § 2, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.030 Prospective effect.**

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)
* **Editor’s note:** Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

**2.201.040 Payment of living wage.**

A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be $9.64 per hour with health benefits, or $11.84 per hour without health benefits.

B. To qualify for the living wage rate with health benefits, an employer shall pay at least $2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.

C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate. (Ord. 2007-0011 § 3, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.050 Other provisions.**

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer’s employees, except that this

restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.060 Employer retaliation prohibited.**

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.070 Employee retention rights.**

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

A. A "retention employee" is an employee of a predecessor employer:

1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;

2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and

3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.

B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

C. A subsequent employer is not required to hire a retention employee who:

1. Has been convicted of a crime related to the job or his or her job performance; or

2. Fails to meet any other county requirement for employees of a contractor.

D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.080 Enforcement and remedies.**

For violation of any of the provisions of this chapter:

A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.

B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:

1. Assess liquidated damages as provided in the contract; and/or

2. Recommend to the board of supervisors the termination of the contract; and/or

3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code. (Ord. 2007-0011 § 4, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.090 Exceptions.**

A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.

D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

2. Has 20 or fewer employees during the contract period, including full time and part time employees; and

3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed $1,000,000.00; or

4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed $2,500,000.00.

“Dominant in its field of operation” means having more than 20 employees, including full time and part time employees, and more than $1,000,000.00 in annual gross revenues or $2,500,000.00 in annual gross revenues if a technical or professional service.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999: Ord. 99-0048 § 1 (part), 1999.)

**2.201.100 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 199

Exhibit K

# COUNTY OF LOS ANGELES
# LIVING WAGE ORDINANCE

## MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

**Instruction Box:** Please complete all sections of this form. *(Information to complete this form can be obtained from your weekly certified payroll reports)* Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign this form before submitting.

| | | | |
|---|---|---|---|
| **(1) Name:** **Contractor** ☐ **Subcontractor** ☐ | | **Address:** (Street, City, State, Zip) | |
| **(2) Payroll No.:** | **(3) Work Location:** | **(4) From Payroll period** / / **To Payroll period** / / | **(5) For Month Ending:** |
| **(6) Department Name:** | **(7) Contract Service Description:** | **(8) Contract Name & Number:** | |
| **(9 ) Contractor Health Plan Name(s):** | | **(10) Contractor Health Plan ID Number(s):** | |

| (11) Employee Name, Address & Last 4 digits of SS# | (12) Work Classification | (13) Total Hours Worked Each Week of Monthly Pay Period | | | | | (14) Total Aggregate Hours | (15) Employer Paid Health Benefit Hourly Rate | (16) Gross Amount Paid (14x15) | (17) Employee Paid Health Benefit Hourly Rate | (18) Gross Amount Paid (14x17) | (19) Aggregate $ Health Benefits Paid (16+18) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | | | | | | |
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| **I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.** | **Total** (This Page) | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | 0 |
| **Print Authorized Name:** | **Grand Total** (All Pages) | | | | | | | | | | | |

| | | | |
|---|---|---|---|
| **Authorized Signature:** | **Date:** | **Title:** | **Telephone Number (include area code) ( )** | **Page:** _____ of _____ |

SAMPLE

# COUNTY OF LOS ANGELES

## LIVING WAGE ORDINANCE

### MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

**Instruction Box:** Please complete all sections of this form. *(Information to complete this form can be obtained from your weekly certified payroll rerorts)* Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign the form before submitting.

| | | | |
|---|---|---|---|
| (1) Name: Tough Guy, Inc. | Contractor ☑ Subcontractor ☐ | Address: (Street, City, State, Zip) 1501 Torrance Blvd., Sre. 11A, Torrance, CA 90503 | |
| (2) Payroll No: 81600 | (3) Work Location: various County facilities | (4) From payroll period: 6/1/2011 to payroll period: 6/30/2011 | (5) For Month Ending: June |
| (6) Department Name: ISD | (7) Contract Service Description: Security Services - | (8) Contract Name & Number: Security Services at County Facilities #95260 | |
| (9 ) Contractor Health Plan Name(s): General Health Plan | | (10) Contractor Health Plan ID Number(s): HS3567-06 | |

| (11) Employee Name, Address & Last 4 digits of Social Security Number | (12) Work Classification | (13) Total Hours Worked Each Week of Monthly Pay Period 1 | 2 | 3 | 4 | 5 | (14) Total Aggregate Hours | (15) Employer Paid Health Benefit Hourly Rate | (16) Gross Amount Paid (14x15) | (17) Employee Paid Health Benefit Hourly Rate | (18) Gross Amount Paid (14x17) | (19) Aggregate $ Health Benefits Paid (16+18) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Del Real, Rafael<br>14821 Larch Avenue<br>Lawndale, CA 90260<br>Last 4 digits of ss#: 1111 | Security Guard II | 35 | 45 | 32 | 48 | | 160 | $0.90 | $144.00 | $0.24 | $38.40 | $182.40 |
| 2 Masterson, Philip<br>15567 Reeves Avenue<br>Culver City, CA 90230<br>Last 4 digits of ss#: 2222 | Post Commander | 39 | 32 | 40 | 35 | | 146 | $2.20 | $321.20 | $0.11 | $16.06 | $337.26 |
| 3 Hernandez, Jaime R.<br>9404 Stanford Avenue<br>South Gate, CA 90280<br>Last 4 digits of ss#: 3333 | Security Guard I | 40 | 40 | 40 | 40 | | 160 | 0 | 0 | N/A | 0 | N/A |
| 4 Palmeri, Thomas<br>1711 Masontown Road<br>Long Beach, CA 90802<br>Last 4 digits of ss#: 4444 | Security Guard I | 32 | 40 | 40 | 35 | | 147 | 0 | $0.00 | N/A | 0 | $0.00 |
| 5 Figueroa, Arturo<br>5569 Via Marisol<br>Los Angeles, CA 90042<br>Last 4 digits of ss#: 5555 | Security Guard-Supvr | 40 | 46 | 40 | 48 | | 174 | 0 | 0 | N/A | 0 | N/A |
| I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct. | Total (This Page) | 186 | 203 | 192 | 206 | | 787 | | $465.20 | | | $519.66 |
| Print Authorized Name: Mr. Tough Guy | Grand Total (All Pages) | 186 | 203 | 192 | 206 | | 787 | | $465.20 | | $54.46 | $519.66 |

Not Applicable

Not Applicable

Not Applicable

| | | | | |
|---|---|---|---|---|
| Authorized Signature: | Date: 7/15/2011 | Title: Payroll | Telephone Number (include area code) | Page: 1 of 1 |

**COUNTY OF LOS ANGELES**
**LIVING WAGE PROGRAM**

# PAYROLL STATEMENT OF COMPLIANCE

I, _____, _____
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____ ;
(Company or subcontractor Name) (Service, Building or Work Site)
that during the payroll period commencing on the _____day of _ _____,and
(Calendar day of Month) (Month and Year)
ending the _____ day of _ _____ all persons employed on said work site
(Calendar day of Month) (Month and Year)
have been paid the full weekly wages earned, that no rebates have been or will be made, either directly or indirectly, to or on behalf of _____
(Company Name)
from the full weekly wages earned by any person, and that no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

_____

_____

_____

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

☐ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

| I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct. | |
|---|---|
| Print Name and Title | Owner or Company Representative Signature:<br><br>**Date:** |
| **THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.** | |

EXHIBIT M

INTENTIONALLY OMITTED

EXHIBIT N

**INTENTIONALLY OMITTED**

EXHIBIT O

INTENTIONALLY OMITTED

# TECHNICAL EXHIBITS

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Technical Exhibit


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# CHIEF EXECUTIVE OFFICE
# RISK MANAGEMENT BRANCH

All of the programs below contribute to the following objectives: to place employees in jobs in which they can perform safely and effectively; to reduce the loss of time due to illness or injury; to reduce the number of retirements which are a result of disability; to meet legal mandates related to health, safety and insurance; and to accomplish the above at the least possible cost.

## WORKERS' COMPENSATION CLAIMS PROGRAM

The primary objective of the program is to provide all workers' compensation benefits required under state law to injured County employees on a timely basis and at the least possible cost to the County. These benefits include medical care, temporary disability compensation, permanent disability compensation, vocational rehabilitation and supplemental job displacements benefits, and death benefits.

Major activities include: determining the County's workers' compensation liability for job-related injuries and illnesses newly reported each year; providing statutory workers' compensation benefits and expenses; coordinating statutory benefits with salary continuation and Labor Code 4850 benefits for injury claims determined to be work related involving leave of absence from work; investigating all disability; monitoring medical care of injured employees to ensure necessary and appropriate treatment is offered and arranged; coordinating the preparation of all litigated cases with the County Counsel; referring appropriate claims to departmental Return-to-Work Coordinators and rehabilitation staff; and identifying possible safety problems to timely provide this information to appropriate County staff.

## EARLY RETURN-TO-WORK PROGRAM

The Early Return-to-Work Program was established to conserve human resources by returning ill or injured employees to work as soon as possible during the recovery period. The Program's activities are carried out by departmental Return-to-Work Coordinators, with technical assistance and policy guidance of the return-to-work/rehabilitation staff of the Chief Executive Office. Successful return-to-work program efforts increase employee productivity through reduction and control of lost time, the costs of rehabilitation benefits, long-term disability payments, and disability retirement benefits.

## LONG TERM DISABILITY AND SURVIVOR PLAN

The Long-Term Disability Plan provides income benefits to employees who are expected to be disabled from the job for six months or more. The Plan also provides survivor benefits to the spouse or eligible children of any deceased employee who would otherwise have qualified for disability benefits. The staff of the Long Term Disability third party administrator receives, evaluates, and determines eligibility of disability and survivor claimants. The plan covers approximately 83,052 Active General Members of Retirement Plans A - E.

## MEGA-FLEX SHORT TERM DISABILITY

The Short-Term Disability (STD) Plan covers approximately 11,254 employees who are enrolled in the County's Mega-Flex benefit program. The STD Plan provides disability benefits for periods of disability of less than six months for either work-related or non-work-related illness or injury. The STD benefits are coordinated with workers' compensation temporary disability benefits.

## OTHER COUNTY DEPARTMENTS PROVIDING WORKERS' COMPENSATION PROGRAM SERVICES

### COUNTY COUNSEL: Workers' Compensation Division

The Workers' Compensation Division represents the County of Los Angeles in the defense of workers' compensation claims that are filed against the County before the Workers' Compensation Appeals Board and the State Appellate Courts. This Division provides advice and counsel to the Risk Management Branch of the Chief Executive Office and also designates private law firms to provide legal counsel.

### COUNTY AUDITOR-CONTROLLER: Disbursements Division

The Risk Management Branch and the Third Party Administrators (TPAs) authorize the payments to be made on workers' compensation claims. The General Claims Section of the Disbursements Division of the Auditor-Controller receives the authorizations and issues the warrants. The Workers' Compensation and Budget and Fiscal Services of the Chief Executive Office provide fiscal, clerical, and data processing support services relating to all payment activity.

## OPEN INDEMNITY CLAIMS COUNTYWIDE – BY UNIT*

| Month Ending | Unit 1 | Unit 2 | Unit 3 | Unit 4 | TOTAL |
|---|---|---|---|---|---|
| 3/31/2010 | 6335 | 3905 | 6778 | 5360 | 22378 |
| 4/30/2010 | 6408 | 3904 | 6748 | 5397 | 22457 |
| 5/31/2010 | 6412 | 3931 | 6823 | 5361 | 22527 |
| 6/30/2010 | 6501 | 3887 | 6812 | 5398 | 22598 |
| 7/31/2010 | 6522 | 3912 | 6778 | 5324 | 22536 |
| 8/31/2010 | 6581 | 3933 | 6776 | 5357 | 22647 |
| 9/30/2010 | 6667 | 3943 | 6815 | 5451 | 22876 |
| 10/31/2010 | 6639 | 3922 | 6871 | 5374 | 22806 |
| 11/30/2010 | 6532 | 3926 | 6767 | 5380 | 22605 |
| 12/31/2010 | 6378 | 3861 | 6748 | 5467 | 22454 |
| 1/31/2011 | 6512 | 3948 | 6744 | 5485 | 22689 |
| 2/28/2011 | 6548 | 3927 | 6782 | 5489 | 22746 |
| 3/31/2011 | 6629 | 3904 | 6762 | 5436 | 22731 |
| 4/30/2011 | 6674 | 3910 | 6813 | 5481 | 22878 |
| 5/31/2011 | 6733 | 3928 | 6845 | 5512 | 23018 |
| 6/30/2011 | 6523 | 3919 | 6662 | 5521 | 22625 |
| 7/31/2011 | 6593 | 3958 | 6746 | 5595 | 22892 |
| 8/31/2011 | 6647 | 3986 | 6704 | 5556 | 22893 |
| 9/30/2011 | 6697 | 4002 | 6764 | 5476 | 22939 |
| 10/31/2011 | 6731 | 4041 | 6776 | 5436 | 22984 |
| 11/30/2011 | 6721 | 4024 | 6784 | 5415 | 22944 |
| 12/31/2011 | 6367 | 3872 | 6764 | 5484 | 22487 |
| 1/31/2012 | 6517 | 3852 | 6812 | 5522 | 22703 |
| 2/29/2012 | 6566 | 3882 | 6810 | 5558 | 22816 |

*Please note only units 1, 2, and 4 are included in the current solicitation.

## OPEN CLAIMS BY DEPARTMENT – UNIT 1

| Dept. No. | Department | Indemnity Claims | Medical Only Claims | Total |
|---|---|---|---|---|
| 770 | SHERIFF | 6556 | 540 | 7096 |
| 775 | SHERIFF PRISONERS | 10 | | 10 |
| | TOTALS | 6566 | 540 | 7106 |

## NEW CLAIMS BY YEAR AND MONTH – UNIT 1

| YEAR-MONTH | MEDICAL ONLY | INDEMNITY | TOTAL |
|---|---|---|---|
| 2007-01 | 182 | 108 | 290 |
| 2007-02 | 209 | 135 | 344 |
| 2007-03 | 207 | 136 | 343 |
| 2007-04 | 180 | 148 | 328 |
| 2007-05 | 181 | 155 | 336 |
| 2007-06 | 181 | 116 | 297 |
| 2007-07 | 201 | 148 | 349 |
| 2007-08 | 209 | 175 | 384 |
| 2007-09 | 183 | 122 | 305 |
| 2007-10 | 197 | 147 | 344 |
| 2007-11 | 172 | 133 | 305 |
| 2007-12 | 168 | 131 | 299 |
| 2008-01 | 200 | 147 | 347 |
| 2008-02 | 174 | 146 | 320 |
| 2008-03 | 192 | 150 | 342 |
| 2008-04 | 187 | 158 | 345 |
| 2008-05 | 163 | 153 | 316 |
| 2008-06 | 160 | 145 | 305 |
| 2008-07 | 201 | 140 | 341 |
| 2008-08 | 177 | 112 | 289 |
| 2008-09 | 215 | 181 | 396 |
| 2008-10 | 168 | 149 | 317 |
| 2008-11 | 135 | 126 | 261 |
| 2008-12 | 216 | 156 | 372 |
| 2009-01 | 154 | 140 | 294 |
| 2009-02 | 237 | 145 | 382 |
| 2009-03 | 220 | 139 | 359 |
| 2009-04 | 238 | 147 | 385 |
| 2009-05 | 189 | 163 | 352 |
| 2009-06 | 247 | 173 | 420 |
| 2009-07 | 226 | 169 | 395 |
| 2009-08 | 205 | 144 | 349 |
| 2009-09 | 195 | 164 | 359 |
| 2009-10 | 193 | 128 | 321 |
| 2009-11 | 164 | 104 | 268 |
| 2009-12 | 190 | 148 | 338 |
| 2010-01 | 190 | 117 | 307 |
| 2010-02 | 205 | 105 | 310 |
| 2010-03 | 228 | 124 | 352 |
| 2010-04 | 210 | 116 | 326 |
| 2010-05 | 208 | 131 | 339 |
| 2010-06 | 230 | 157 | 387 |
| 2010-07 | 193 | 163 | 356 |
| 2010-08 | 194 | 147 | 341 |

| YEAR-MONTH | MEDICAL ONLY | INDEMNITY | TOTAL |
|---|---|---|---|
| 2010-09 | 217 | 120 | 337 |
| 2010-10 | 202 | 123 | 325 |
| 2010-11 | 194 | 144 | 338 |
| 2010-12 | 212 | 153 | 365 |
| 2011-01 | 187 | 153 | 340 |
| 2011-02 | 200 | 147 | 347 |
| 2011-03 | 247 | 156 | 403 |
| 2011-04 | 193 | 131 | 324 |
| 2011-05 | 227 | 150 | 377 |
| 2011-06 | 240 | 139 | 379 |
| 2011-07 | 215 | 139 | 354 |
| 2011-08 | 203 | 152 | 355 |
| 2011-09 | 184 | 151 | 335 |
| 2011-10 | 176 | 123 | 299 |
| 2011-11 | 163 | 146 | 309 |
| 2011-12 | 143 | 130 | 273 |
| 2012-01 | 169 | 124 | 293 |
| 2012-02 | 144 | 209 | 353 |

# Work Load Statistics
# Historical Annual Self-Insurance Plans Reports

## For Fiscal Years:

## 2010-2011, 2009-2010, 2008-2009, and 2007-2008

| Unit Correlation | |
|---|---|
| Unit | Certificate Number |
| 1 & 2 | A-7002-06-195 |
| 3 | A-7002-05-239 |
| 4 | A-7002-08-146 |

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail: sip@dir.ca.gov

# PUBLIC SELF INSURER'S ANNUAL REPORT

## I. GENERAL-To be completed by the employer

1. CERTIFICATE NUMBER:
A-7002-05-239
☒ Active ☐ Revoked

2. PERIOD OF REPORT:
☒ Full Year ☐ Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP +4 90010
FEDERAL TAX ID. NUMBER
95-3893470

4. TYPE OF PUBLIC AGENCY:
☒ CITY/COUNTY ☐ POLICE/FIRE ☐ TRANSIT
☐ SCHOOL ☐ HOSPITAL ☐ OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | ☐ Yes | ☒ No |
| Changes in name or identify | ☐ Yes | ☒ No |
| Any addition to Self Insurance Program? | ☐ Yes | ☒ No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2010-2011 FOR THIS SELF INSURER:**
(a) NUMBER OF EMPLOYEES 99,162
(Number of individual employees listed on for DE-6 for year ending June 30, 2011)
(b) TOTAL WAGES AND SALARIES PAID $ 7,259,374,887
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?
TITLE Manager FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@ceo.lacounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.

SIGNATURE (Original Only): DATE:
TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 10/11**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2011**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

**A. CASES AND BENEFITS** (to nearest dollar) From Date (mm/dd/yy) To Date (mm/dd/yy)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2011 reported prior to FY 2006-07 | 4,414 | 560,857,645 | 584,266,443 | 399,552,487 | 392,274,816 | 161,305,158 | 191,991,627 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2006-07 Total cases Reported | 5,445 | 48,970,918 | 32,731,084 | 34,880,687 | 19,873,094 | | |
| FY 2006-07 Cases open | 548 | 35,696,385 | 24,788,684 | 21,606,154 | 11,930,694 | 14,090,231 | 12,857,990 |
| b. FY 2007-08 Total Cases Reported | 5,693 | 59,552,871 | 44,157,434 | 37,870,635 | 22,905,018 | | |
| FY 2007-08 Cases Open | 748 | 46,955,325 | 37,135,068 | 25,273,089 | 15,882,652 | 21,682,236 | 21,252,416 |
| c. FY 2008-09 Total Cases Reported | 5,845 | 62,134,163 | 45,394,894 | 33,425,518 | 19,630,438 | | |
| FY 2008-09 Cases Open | 1,092 | 54,840,671 | 40,422,871 | 26,132,026 | 14,658,415 | 28,708,645 | 25,764,456 |
| d. FY 2009-10 Total Cases Reported | 5,922 | 48,689,268 | 42,102,806 | 18,772,212 | 14,575,936 | | |
| FY 2009-10 Cases Open | 1,520 | 45,955,318 | 38,869,308 | 16,038,262 | 11,342,438 | 29,917,056 | 27,526,870 |
| e. FY 2010-11 Total Cases Reported | 6,089 | 26,189,442 | 33,574,524 | 4,768,918 | 5,637,757 | | |
| FY 2010-11 Cases Open | 3,152 | 25,568,437 | 32,416,264 | 4,147,913 | 4,479,497 | 21,420,524 | 27,936,767 |

| | $ Indemnity | $ Medical |
|---|---|---|
| SUBTOTAL | 277,123,850 | 307,330,126 |
| **3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)** TOTAL | 584,453,976 | |
| | $ Indemnity | $ Medical |
| **4. Total Benefits paid during FY 2010-11 (including all case expenditures):** | 67,296,070 | 62,013,117 |

| | |
|---|---|
| **5. Number of MEDICAL-ONLY cases reported in FY 2010-11:** | 2,841 |
| **6. Number of INDEMNITY cases reported in FY 2010-11:** | 3,248 |
| **7. TOTAL of 5 and 6 (also entered in 2e above):** | 6,089 |
| **8. TOTAL number of open indemnity cases (all years):** | 10,441 |
| **9. Number of Fatality cases reported in FY 2010-11** | 4 |
| **10. (a) Number of FY 2010-11 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2010-11:** | 923 |
| **10. (b) Number of non-FY 2010-11 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2010-11:** | 481 |

**Fiscal Year**
**10/11**

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail: sip@dir.ca.gov

# PUBLIC SELF INSURER'S ANNUAL REPORT

**I. GENERAL-To be completed by the employer**

1. CERTIFICATE NUMBER:
A-7002-05-239
[X] Active [ ] Revoked

2. PERIOD OF REPORT:
[X] Full Year [ ] Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP +4 90010
FEDERAL TAX ID. NUMBER
95-3893470

4. TYPE OF PUBLIC AGENCY:
[X] CITY/COUNTY [ ] POLICE/FIRE [ ] TRANSIT
[ ] SCHOOL [ ] HOSPITAL [ ] OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | [ ] Yes | [X] No |
| Changes in name or identify | [ ] Yes | [X] No |
| Any addition to Self Insurance Program? | [ ] Yes | [X] No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2009-2010 FOR THIS SELF INSURER:**

(a) NUMBER OF EMPLOYEES 101,723
(Number of individual employees listed on for DE-6 for year ending June 30, 2010)

(b) TOTAL WAGES AND SALARIES PAID $ 7,629,065,593
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

TITLE Manager FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd, Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@CEO.LACOUNTY.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.

SIGNATURE (Original Only): DATE: 9/27/10
TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd, Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 09/10**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2010**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

**A. CASES AND BENEFITS** (to nearest dollar) From Date (mm/dd/yy) To Date (mm/dd/yy)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2009 reported prior to FY 2005-06 | 4,567 | 576,687,900 | 573,836,480 | 395,945,757 | 380,034,525 | 180,742,143 | 193,801,955 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2005-06 Total cases Reported | 5,527 | 54,403,522 | 36,181,351 | 36,830,036 | 22,692,290 | 17,573,486 | 13,489,061 |
| FY 2005-06 Cases open | 623 | 39,313,051 | 28,484,838 | 21,739,565 | 14,995,777 | | |
| b. FY 2006-07 Total Cases Reported | 5,424 | 47,532,105 | 32,693,789 | 29,891,129 | 16,811,039 | 17,640,976 | 15,882,750 |
| FY 2006-07 Cases Open | 716 | 39,290,697 | 27,085,321 | 21,649,721 | 11,202,571 | | |
| c. FY 2007-08 Total Cases Reported | 5,679 | 54,768,550 | 41,030,626 | 29,621,384 | 18,068,749 | 25,147,166 | 22,961,877 |
| FY 2007-08 Cases Open | 1,012 | 48,488,788 | 37,051,728 | 23,341,622 | 14,089,851 | | |
| d. FY 2008-09 Total Cases Reported | 5,823 | 51,032,224 | 73,733,893 | 20,952,870 | 13,514,302 | 30,079,354 | 60,219,591 |
| FY 2008-09 Cases Open | 1,418 | 48,330,216 | 71,018,225 | 18,250,862 | 10,798,634 | | |
| e. FY 2009-10 Total Cases Reported | 5,887 | 31,954,272 | 35,111,077 | 5,018,869 | 5,379,695 | 26,935,403 | 29,731,382 |
| FY 2009-10 Cases Open | 2,864 | 31,238,411 | 33,849,247 | 4,303,008 | 4,117,865 | | |
| | | | | | | $ Indemnity | $ Medical |
| | | | | | SUBTOTAL | 298,118,528 | 336,086,616 |
| 3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical) | | | | | TOTAL | 634,205,144 | |
| | | | | | | $ Indemnity | $ Medical |
| 4. Total Benefits paid during FY 2009-10 (including all case expenditures): | | | | | | 66,702,065 | 63,734,064 |

| | |
|---|---|
| 5. Number of MEDICAL-ONLY cases reported in FY 2009-10: | 2,622 |
| 6. Number of INDEMNITY cases reported in FY 2009-10: | 3,265 |
| 7. TOTAL of 5 and 6 (also entered in 2e above): | 5,887 |
| 8. TOTAL number of open indemnity cases (all years): | 10,388 |
| 9. Number of Fatality cases reported in FY 2009-10 | 10 |
| 10. (a) Number of FY 2009-10 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2009-10: | 749 |
| 10. (b) Number of non-FY 2009-10 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2009-10: | 279 |

**Fiscal Year**
**09/10**

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail: sip@dir.ca.gov

# PUBLIC SELF INSURER'S ANNUAL REPORT

## I. GENERAL-To be completed by the employer

1. CERTIFICATE NUMBER:
A-7002-05-239
[X] Active [ ] Revoked

2. PERIOD OF REPORT:
[X] Full Year [ ] Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP+4 90010
FEDERAL TAX ID. NUMBER
95-3893470

4. TYPE OF PUBLIC AGENCY:
[X] CITY/COUNTY [ ] POLICE/FIRE [ ] TRANSIT
[ ] SCHOOL [ ] HOSPITAL [ ] OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | [ ] Yes | [X] No |
| Changes in name or identify | [ ] Yes | [X] No |
| Any addition to Self Insurance Program? | [ ] Yes | [X] No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2008-2009 FOR THIS SELF INSURER:**

(a) NUMBER OF EMPLOYEES 103,701
(Number of individual employees listed on for DE-6 for year ending June 30, 2009)

(b) TOTAL WAGES AND SALARIES PAID $ 7,252,281,183
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

TITLE Manager FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@ceo.lacounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.

SIGNATURE (Original Only): DATE: 9/22/09

TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 08/09**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2009**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

**A. CASES AND BENEFITS** (to nearest dollar) From Date (mm/dd/yy) To Date (mm/dd/yy)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2009 reported prior to FY 2004-05 | 4,906 | 595,779,845 | 624,305,086 | 407,520,796 | 383,419,832 | 188,259,049 | 240,885,254 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2004-05 Total Cases Reported | 5,488 | 51,761,605 | 36,896,132 | 37,341,353 | 21,906,907 | 14,420,252 | 14,989,225 |
| FY 2004-05 Cases open | 694 | 38,984,725 | 28,171,154 | 24,564,473 | 13,181,929 | | |
| b. FY 2005-06 Total Cases Reported | 5,525 | 48,867,072 | 35,142,966 | 31,213,944 | 18,058,734 | 17,653,128 | 17,084,232 |
| FY 2005-06 Cases Open | 794 | 39,315,207 | 29,463,855 | 21,662,079 | 12,379,623 | | |
| c. FY 2006-07 Total Cases Reported | 5,421 | 45,167,086 | 32,294,211 | 22,893,650 | 13,214,630 | 22,273,436 | 19,079,581 |
| FY 2006-07 Cases Open | 958 | 41,098,608 | 28,626,775 | 18,825,172 | 9,547,194 | | |
| d. FY 2007-08 Total Cases Reported | 5,679 | 47,118,081 | 36,848,703 | 18,953,178 | 11,524,545 | 28,164,903 | 25,324,158 |
| FY 2007-08 Cases Open | 1,333 | 44,785,261 | 34,424,648 | 16,620,358 | 9,100,490 | | |
| e. FY 2008-09 Total Cases Reported | 5,820 | 31,410,793 | 65,674,480 | 6,026,594 | 4,674,938 | 25,384,199 | 60,999,542 |
| FY 2008-09 Cases Open | 2,931 | 30,580,826 | 64,626,554 | 5,196,627 | 3,627,012 | | |

| | $ Indemnity | $ Medical |
|---|---|---|
| SUBTOTAL | 296,154,967 | 378,361,992 |
| **3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)** TOTAL | 674,516,959 | |
| | $ Indemnity | $ Medical |
| **4. Total Benefits paid during FY 2008-09 (including all case expenditures):** | 66,470,849 | 58,588,885 |

| | |
|---|---|
| **5. Number of MEDICAL-ONLY cases reported in FY 2008-09:** | 2,796 |
| **6. Number of INDEMNITY cases reported in FY 2008-09:** | 3,024 |
| **7. TOTAL of 5 and 6 (also entered in 2e above):** | 5,820 |
| **8. TOTAL number of open indemnity cases (all years):** | 10,654 |
| **9. Number of Fatality cases reported in FY 2008-09** | 8 |
| **10. (a) Number of FY 2008-09 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2008-09:** | 682 |
| **10. (b) Number of non-FY 2008-09 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2008-09:** | 249 |

**Fiscal Year**
**08/09**

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail: sip@dir.ca.gov

# PUBLIC SELF INSURER'S ANNUAL REPORT

## I. GENERAL-To be completed by the employer

1. CERTIFICATE NUMBER:
A-7002-05-239
☒ Active ☐ Revoked

2. PERIOD OF REPORT:
☒ Full Year ☐ Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP+4 90010
FEDERAL TAX ID. NUMBER
95-3893470

4. TYPE OF PUBLIC AGENCY:
☒ CITY/COUNTY ☐ POLICE/FIRE ☐ TRANSIT
☐ SCHOOL ☐ HOSPITAL ☐ OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | ☐ Yes | ☒ No |
| Changes in name or identify | ☐ Yes | ☒ No |
| Any addition to Self Insurance Program? | ☐ Yes | ☒ No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2007-2008 FOR THIS SELF INSURER:**

(a) NUMBER OF EMPLOYEES 102,717
(Number of individual employees listed on for DE-6 for year ending June 30, 2008)

(b) TOTAL WAGES AND SALARIES PAID $ 6,820,849,093
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

TITLE Principal Analys FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@ceo.lacounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.

SIGNATURE (Original Only): DATE: 9/25/08

TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 07/08**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2008**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

From Date (mm/dd/yy) To Date (mm/dd/yy)

**A. CASES AND BENEFITS** (to nearest dollar)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2003 reported prior to FY 2003-04 | 4541 | 571,162,709 | 531,255,199 | 383,192,397 | 354,670,370 | 187,970,312 | 176,584,829 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2003-04 Total Cases Reported | 6,155 | 74,716,836 | 47,754,399 | 49,846,324 | 28,658,977 | 24,870,512 | 19,095,422 |
| FY 2003-04 Cases open | 797 | 55,576,090 | 36,146,684 | 30,705,578 | 17,051,262 | | |
| b. FY 2004-05 Total Cases Reported | 5,486 | 49,587,006 | 36,700,399 | 32,633,646 | 18,827,278 | 16,953,360 | 17,873,121 |
| FY 2004-05 Cases Open | 844 | 41,181,997 | 31,451,152 | 24,228,637 | 13,578,031 | | |
| c. FY 2005-06 Total Cases Reported | 5,527 | 45,273,766 | 33,569,775 | 24,534,304 | 14,063,459 | 20,739,462 | 19,506,316 |
| FY 2005-06 Cases Open | 1,028 | 39,993,599 | 29,846,771 | 19,254,137 | 10,340,455 | | |
| d. FY 2006-07 Total Cases Reported | 5,419 | 37,433,892 | 30,576,727 | 13,418,696 | 9,271,458 | 24,015,196 | 21,305,269 |
| FY 2006-07 Cases Open | 1,219 | 35,811,020 | 28,121,946 | 11,795,824 | 6,816,677 | | |
| e. FY 2007-08 Total Cases Reported | 5,676 | 31,692,793 | 30,817,610 | 4,916,940 | 4,056,510 | 26,775,853 | 26,761,100 |
| FY 2007-08 Cases Open | 2,633 | 30,841,835 | 29,731,020 | 4,065,982 | 2,969,920 | | |

| | $ Indemnity | $ Medical |
|---|---|---|
| SUBTOTAL | 301,324,695 | 281,126,057 |
| **TOTAL** | 582,450,752 | |

**3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)**

| | $ Indemnity | $ Medical |
|---|---|---|
| **4. Total Benefits paid during FY 2007-08 (including all case expenditures):** | 67,154,275 | 54,033,789 |
| **5. Number of MEDICAL-ONLY cases reported in FY 2007-08:** | 2,814 | |
| **6. Number of INDEMNITY cases reported in FY 2007-08:** | 2,862 | |
| **7. TOTAL of 5 and 6 (also entered in 2e above):** | 5,676 | |
| **8. TOTAL number of open indemnity cases (all years):** | 10,198 | |
| **9. Number of Fatality cases reported in FY 2007-08** | 5 | |
| **10. (a) Number of FY 2007-08 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2007-08:** | 711 | |
| **10. (b) Number of non-FY 2007-08 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2007-08:** | 419 | |

**Fiscal Year**
**07/08**

# DELAYED CLAIMS ADMINISTRATION REPORT

| | | | |
|---|---|---|---|
| **EMPLOYEE NO.:** | | **Examiner:** | |
| **Claim Number: 3000- -** | | **Name:** | |
| **Claim Report:** | ☐ **30 day** | ☐ **60 day** | ☐ **90 day** |
| | | | |
| **Date of Employer's Knowledge of Injury:** | | | |
| **Basis for this date (Claim form, Discussion with employer, Application, etc.):** | | | |
| | | | |
| **Date Contractor must Decide Acceptance or Denial:** | | | |
| **Date of Contractor's Receipt of Claim:** | | | |
| **Parts of Body Alleged Injured:** | | | |
| **Lost Time:** | ☐ **None** | **From:** | **To:** |
| **Employer sent employee to Doctor?** | | ☐ **Yes** | ☐ **No** |
| **If No: QME Exam(s) set for AOE/COE:** | | | |
| **Name of Doctor:** | **Name of Doctor:** | **Name of Doctor:** | |
| **Date of Exam:** | **Date of Exam:** | **Date of Exam:** | |
| **Specialty:** | **Specialty:** | **Specialty:** | |
| **AOE/COE Invest:** | **Date Requested:** | ☐ **Not necessary** | |
| **Personnel File:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Wage Statement:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Job Description:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Medical Releases:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Date records sent to QME for review:** | | | |
| **Case Final Outcome:** | | | |
| **Date of Denial:** | | **Number days since DOK:** | |
| **Date of Acceptance:** | | **Number days since DOK:** | |
| **Case Litigated:** | ☐ **Yes** | ☐ **No** | |
| **If yes: Date application received by Contractor:** | | | |
| **Date litigation file forwarded to County Counsel:** | | | |
| **Case Reserves:** | ☐ **Yes** | ☐ **No** | |
| **Case on Diary:** | ☐ **Yes** | ☐ **No** | |
| **Sub status Codes:** | ☐ **Yes** | ☐ **No** | |
| **Supervisor Review:** | ☐ **Yes** | ☐ **No** | |
| **Employer Advised of Status of Claim: Date(s) Advised:** | | | |
| **Action to be taken:** | | | |

## COUNTY INFORMATION SYSTEMS
## EQUIPMENT LIST TO CONNECT TO GENCOMP

Equipment lists to connect to the County of Los Angeles' Workers' Compensation Computer System:

Computer Equipment Provided by County

1. IBM RISC System/6000 computer
2. GenComp claims administration software
3. The GIFW application will install the following on the client PC's:
    - GIFW – the necessary GenIRIS for Windows applications including GenWORD;
    - UniVerse UVODBC driver – the ODBC driver needed for the UniVerse database;
    - UniVerse OniObjects – proprietary API for the UniVerse database;
    - English Wizard – reporting tool used to ask "English" questions to query against the database; and
    - Sybase SOL Anywhere 5.0 – two small single-user, read-only databases, and the necessary ODBC drivers.

In addition, the client PCs must have Microsoft Word (version 97 w/SR1 or higher through XP) and Microsoft WordViewer, which can be downloaded from the Microsoft's website.

GenSource is currently recommending Pentium 4 2.0 GHz PCs with 256 MB of RAM. GIFW will run on slower PCs; however, faster PCs will provide faster response times. The Contractor shall have a minimum configuration of Pentium 3 800 MHz PCs with 256 MB of RAM. GIFW requires approximately 100MB for installation. GIFW has been tested with Windows 9X, NT workstation, and Windows 2000 Professional. GenSource clients are using GIFW with Windows XP, but GenSource has not officially certified it on Windows XP.

Additional Equipment to be Provided by TPA

4. Ethernet Local Area Network with personal computers having Pentium 4 2.0 GHz processors with 256 MB of RAM. In addition, the personal computers must have Windows, Microsoft Word (version 2000 or XP), Excel (2000), and Microsoft WordViewer.

5. Communications
    a. Telephone link-upT-1 lines or other compatible or better electronic link-up.

    b. GIFW requires the TCP/IP protocol running on ports 23, 512 and 31438. Ideally, the client PCs and the database server will be located in the same LAN at 33 Mbps or better.

6. Printers compatible with the County's GENCOMP System

Software Vendor: GenSource, Inc.
25572 Avenue Stanford
Valencia, CA 91355
(661) 294-1300

## Examples of Data Fields in the County's Workers' Compensation Computer System

1. Status of Case
2. Claim Number
3. Employee Number
4. Location Code
5. Current and Old Dept. No.
6. Social Security Number
7. Employee Name
8. Sex (Male/Female)
9. Date of Birth
10. Occupation Description
11. Occupation Code
12. Date of Injury
13. Employee's Address
14. Employee's Phone Number
15. Date of Employment
16. Weekly/Monthly Salary
17. Employee Status
18. Employer's Report Date
19. Doctor's Report
20. Date of Knowledge
21. Last Day Worked
22. Case Rejected/ Accepted
23. Date Case Closed
24. Injury Codes, ICD Codes
25. Activity at Time of Accident
26. Date of Death
27. Injury Description
28. Hospital Date
29. Date Case Opened
30. Dates Case Reopened
31. Dates Cases Reclosed
32. Compensation Reserves
33. Medical Reserves
34. PO Awarded
35. Final PO Rating
36. Lifetime Medical
37. Lifetime Medical Award
38. Compensation Rate
39. Periods of Compensation
40. Compensation Paid to Date
41. Medical Paid to Date
42. Remaining Medical Reserves
43. Remaining Comp. Reserves
44. Comments
45. WCAB Board Number
46. Application Date
47. Retirement App. Status
48. Retirement Status
49. Long Term Disability Plan
50. Various Diary Dates
51. Type of Award
52. Date of Award
53. Date Award Paid
54. Rehab. Bureau Number
55. Subrogation Status
56. Date of Legal Representation

# QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

## A. Introduction

The County or its authorized representative shall have the right at all times to monitor and inspect Contractor's performance under this Contract. This Exhibit sets forth the performance requirements that will apply to Contractor's service hereunder. Exhibit IX sets forth the County's performance expectations.

The County expects a high standard of the Contractor's performance under this Contract. The Contractor shall provide the County, or its authorized representative, reasonable access at all times during the Contractor's business hours for the purpose of monitoring and inspecting the Contractor's services hereunder. The County Contract Administrator (CCA) will make every effort to work with the Contractor to resolve any areas of difficulty; however, it is the Contractor's responsibility to satisfactorily provide all the services in the Statement of Work.

## B. Measurements

The County may use a variety of inspection methods to evaluate the Contractor's performance. The methods of monitoring may include, but are not limited to the following:

- A comprehensive and complete audit by an independent auditor shall be conducted on each administrator annually to determine fee impact focusing on results;
- The Risk Management Branch designee shall request periodic audits of each administrator by County staff or an independent auditor to develop desired TPA performance focusing on processes;
- Monitoring by OSCRs;
- The County will have access to the appropriate employment documents to verify that the claims examiners meet the minimum qualifications and experience;
- Departmental complaints or user complaints;
- Random sampling of completed reports and case files. An audit shall be performed by the QAE, County representatives for periodic audits or an independent outside auditor for annual fee impact audits; and
- Other methods deemed by the CCA/designee to be appropriate for the evaluation of the Contractor's performance.

Measured components are described in Appendix B, Section 10 and Appendix C, Technical Exhibit IX.

## C. Performance Indicators

The County will apply performance indicators to work requirements under the contract in accordance with industry best practices described in Appendix C, Technical Exhibit IX and the County's own Audit Criteria. The County's Audit Tool addresses components including Liability Decision, Investigation, Subrogation, Reserve Adequacy, Gencomp Database (usage), Payment Data, Case Administration, Return to Work and Medical Only. Each component is assessed using detailed instructions for reviewing each claim against component criteria questions, which when answered "yes," "no," or "not applicable" are weighted based upon the importance of the claims handling activity to the County. For reviewed claims, weighting is applied to 'yes' and 'no' determinations and the sum is divided into the sum for 'yes' to determine the TPA's percentage of compliance.

These performance indicators and the County's Audit Tool may change from time to time due to statutory requirements or agreement with the Contractor. The County's Audit Tool shall be thoroughly discussed with the TPA selected as a result of this solicitation during contract negotiations.

## SAMPLE SIZE CHART

| LOT SIZE | NORMAL SAMPLE SIZE | REDUCED SAMPLE SIZE |
|---|---|---|
| 2-8 | 2 | 2 |
| 9-15 | 3 | 2 |
| 16-25 | 5 | 2 |
| 26-50 | 8 | 3 |
| 51-90 | 13 | 5 |
| 91-150 | 20 | 8 |
| 151-280 | 32 | 13 |
| 281-500 | 50 | 20 |
| 501-1,200 | 80 | 32 |
| 1,201-3,200 | 125 | 50 |
| 3,201-10,000 | 200 | 80 |
| 10,001-35,000 | 315 | 125 |

## QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

## "BEST PRACTICES"
## WORKERS' COMPENSATION CLAIMS PROGRAM

1. Contact and Setup

Best practices require initial three-point contact (employee, department, and physician) within three days of receipt of assignment. If contact is not successful within that time frame, documentation must reflect at least three attempts to do so. Initial contact must be effective in determining or verifying incident facts, establishing rapport, and developing a strategy for further handling.

Physician contact may be completed by a nurse case manager, if assigned.

The claim must be entered accurately into the County's CIS system within 24 hours of receipt to allow timely recording and response to inquiries from employees and physicians. CIS data must be updated as necessary throughout the claim.

*Does the TPA:*

- *Establish contact with the parties within the required time frame?*
- *If not, does the TPA document its efforts to do so, and take steps to contact through the mail or through the employee's supervisor?*
- *Obtain information necessary to confirm compensability, or establish a strategy to determine compensability?*
- *If contact with the department is not successful, does the examiner take steps to obtain assistance from the OSCR?*
- *Enter claims into the CIS system within one business day?*
- *Enter claims information accurately?*
- *Update CIS data promptly?*

2. Claims Investigation and Compensability Determination

Best practices require the determination to accept, delay or deny the claim be made within 14 days of the employee filing a DWC-1. All decisions must have a factual basis and be documented in the claims file. If compensability is not determined, an action plan must address needed steps and anticipated time frame. While the statute allows 90 days for benefit determination, this determination must be made as soon as reasonably possible. The County requires ISO index reporting and EDEX reporting for all indemnity claims. Indexing should be repeated at reasonable intervals to identify intervening accidents. Investigation requires the examiner to obtain all relevant medical records to establish apportionment.

*Does the TPA:*

- *Properly determine and document compensability?*
- *Determine compensability timely according to statute AND reasonable investigation needs?*
- *Recognize the need for and pursue outside field investigation?*
- *Pursue sub-rosa investigation with necessary approvals where appropriate?*
- *Conduct investigation adequately to determine compensability?*
- *Complete the investigation timely?*
- *Identify and pursue potential fraud?*
- *Complete index and EDEX filings timely?*
- *Identify apportionment and obtain medical records to support it?*

3. Compliance with Statutes

Best practices for statutory compliance include adherence to all state and federal laws and regulations regarding the administration of claims. These laws and regulations govern timely provision of indemnity, supplemental job disability and medical benefits, including self-imposed penalties, timely and accurate provision of benefit notices, and compliance with regulations for Medicare reporting requirements.

*Does the TPA:*

- *Make initial benefit payments within statutory time requirements?*
- *Make subsequent payments timely?*
- *Issue self-imposed penalties where required?*
- *Issue transportation expenses timely?*
- *Issue medical payments timely, addressing disputes in writing?*
- *Issue award payments timely?*
- *Issue benefit notices in compliance with DIR regulations?*
- *Identify potential Medicare claims for reporting as required by MMSEA?*
- *Report claims involving Medicare recipients as required by MMSEA?*

4. Claim File Documentation

Best practices require a claim file to contain documentation supporting decisions and payments and require examiners to document significant activities and discussions that influence decisions. Electronic notes should mirror the paper file documentation. Paper and/or electronic documentation must include all documents required by the DIR. Documentation should be updated regularly, usually at 45-day intervals for active indemnity claims and 180 day intervals for future medical claims. Documentation must include a current action plan. Supervision at 120-day intervals must ensure compliance with documentation best practices.

*Does the TPA:*

- *Document all significant activity in claim notes?*
- *Support electronic documentation with the paper file?*
- *Maintain all required documents, such as the DWC-1, 5020, benefit notice copies, etc.*
- *Update active indemnity claims at 45-day intervals?*
- *Update medical only claims at 90-day intervals?*
- *Update future medical claims at 180-day intervals?*
- *Provide evidence of supervisory review every 120 days?*

5. Medical and Disability Management

Best practices require controlling medical care to the extent possible, using field and telephonic case management on appropriate claims, and complying with utilization review requirements. Medical verification of continued disability is required prior to issuing checks for temporary disability. Examiner oversight is required to ensure treating physician compliance with DIR regulations for treatment and reporting. Qualified and Agreed Medical Examiners should be used where appropriate, with supporting rationale documented. The examiner (or assigned nurse) must work with the treating physician and department to facilitate early return to modified work, with eventual return to full duty. Examiners must be proficient in estimating disability ratings, using independent rating experts where necessary.

*Does the TPA:*

- *Actively seek to control medical treatment within the first 30 days of the claim?*
- *Obtain utilization review for all but the most routine procedures?*
- *Have a written process governing utilization review procedures?*
- *Complete the utilization review process timely and ensure issuance of required notices?*
- *Mitigate temporary disability by providing the Department RTW Coordinator with work capacity guidance from the PTP within 10 days of receipt?*
- *Facilitate ergonomic activity required to promote return to work?*
- *Object timely to inappropriate medical treatment?*
- *Obtain medical verification of continuing disability prior to check issuance?*
- *Ensure physician compliance with DIR reporting regulations?*
- *Ensure injured worker is provided with QME notice in the event of a benefit termination or denial?*
- *Ensure a QME is requested on behalf of the employer if the employee does not make the request in the required time frame?*
- *Support rationale for use of AME versus QME in disputed claims?*
- *Proficiently estimate permanent disability?*
- *Properly apply the 15% increase or reduction to permanent disability?*

6. Litigation Management

Best practices require referral of new litigation to counsel within 30 days of receipt. A referral should include the examiner's assessment of the case and recommend strategy for disposition. The examiner must ensure counsel is provided copies of all investigation and medical reports and kept continually updated with new reports. Claim files must document communication between examiner and counsel to keep each other informed of resolution activities and hearing cancellations.

*Does the TPA:*

- *Take steps to avoid litigation where possible?*
- *Refer qualifying cases to counsel within 30 days of receipt?*
- *Include case assessment and proposed strategy in referral?*
- *Include copies of all investigation and medical reports with referral?*
- *Provide updated medical reports to counsel within 15 days of receipt?*
- *Update counsel with negotiation activities?*
- *Advise counsel to cancel hearings when case has been settled?*

7. Fiscal Management

Best practices for fiscal management include documentation of semi-annual balancing to ensure payments are paid appropriately. This requires comparing benefits owed to benefits paid. In cases of multiple losses with the same person, the examiner must confirm payments are made on the appropriate file. A sample "balancing sheet" is included in Appendix C, Technical Exhibit XVI. All payments must document appropriate payment authority.

Vendor payments must be paid promptly.

*Does the TPA:*

- *Verify statutory benefits owed match benefits paid for a given accounting period?*
- *Balance claim files with continuing indemnity payments at least semi-annually?*
- *Document balancing by clearly showing benefits owed, benefits paid, and anticipated benefits due?*
- *Pay vendors within 21 days of receipt of billing?*
- *Verify payment authority?*

8. Disposition Management

Best practices for disposition management include maintaining an appropriate diary to ensure an updated action plan focuses on case resolution. Diary review is anticipated at minimal 45 day intervals for active indemnity claims and 180 days for future medical claims. Diary must be documented and off-diary claims must generate supervisory intervention. Examiner evaluation of potential resolution should be documented within 10 days of receipt of information such as a

final medical report, a QME report, AME report, or attorney demand letter. Settlement rationale and settlement authority must be documented.

*Does the TPA:*

- *Maintain effective diary to ensure timely resolution is addressed?*

- *Supervise to ensure timely and effective diary review?*

- *Document diary review at 45-day intervals on active indemnity claims?*
- *Document diary review at 180-day intervals on future medical claims?*
- *Review documentation indicating potential resolution and evaluate within 10 days of receipt?*
- *Review and resolve liens where appropriate?*
- *Evaluate settlement and support evaluation with documented rationale?*
- *Document settlement authority?*

9. Communication

Best practices for communication require the administrator maintain continued contact with unrepresented injured workers to ensure rapport continues until disposition. The examiner must also keep in touch with departments to verify work status, facilitate return to modified duty and ultimately full duty. The examiner must update the department on the disposition plan. To maintain confidence and credibility, all written correspondence reasonably requiring a response should have a response within five working days. Telephone calls should be returned as soon as possible, but no later than prior to the end of the next business day. Required reports must be completed accurately within mandated time frames.

*Does the TPA:*

- *Maintain contact with the unrepresented injured worker at least bi-weekly during the period of temporary total or temporary partial disability?*
- *Maintain contact with the unrepresented injured worker at least monthly until MMI?*
- *Maintain contact with the department to facilitate return to work within medical restrictions?*
- *Confirm work status in conjunction with verification of disability?*
- *Update the department on the disposition plan?*
- *Respond to written correspondence within five working days?*
- *Respond to telephone calls prior to the end of the next business day?*
- *Complete reports within required timeframes?*
- *Provide the County's LTD/STD claims adjusting contractor with required information from the claim file?*

10. Reserve Management

Best practices for reserving require maintaining adequate reserves by component (medical, indemnity, expense) for the most probable ultimate outcome. Initial reserves must be set within the first seven days based on information received with the initial report and contacts. Adjustments are required within 30 days of receipt of information indicating an adjustment is required. Indemnity reserves should document anticipated temporary and permanent disability, including death benefits, if applicable. Medical reserves should document the type of treatment and the anticipated future costs. Once MMI, reserves should be based on average recurring cost for life expectancy, not reduced to present value. Expense reserves must represent anticipated legal costs, and other allocated expenses, including medical cost containment expenses.

*Does the TPA:*

- *Set the initial reserve within seven days of receipt of the claim?*
- *Rationalize initial reserves and subsequent reserves by component?*
- *Adjust reserves within 30 days of receipt of new information requiring an adjustment?*
- *Maintain a sufficient indemnity reserve?*
- *Maintain a sufficient medical reserve?*
- *Maintain a sufficient expense reserve?*
- *Reserve for the supplemental job disability benefit if the PD estimate qualifies and the injured worker has not returned to full duty?*

11. Recovery Management

Best practices for recoveries require the administrator to promptly identify and pursue subrogation opportunities. Pursuit requires prompt identification and notification of responsible parties. Once subrogation is established, the responsible party should be updated regularly on subrogation amounts. The statute of limitations should be protected and any legal activity should be preceded by a cost benefit analysis and approval by the County. Recovery amounts should be credited to the claim and posted to the CIS.

A claim involving potential excess coverage should be reported promptly to the excess carrier. The carrier's reporting requirements govern initial reporting and updates; absent written requirements, the carrier should be notified of any catastrophic injury or any claim where the incurred is expected to exceed 50% of the retention. Update reports should be provided at six month intervals, unless mandated sooner by the excess carrier. Excess payments should be requested quarterly to semi-annually, depending on amounts, with recoveries credited to the claim and posted to the CIS.

*Does the TPA:*

- *Have a process to promptly identify potential subrogation opportunities?*
- *Notify responsible parties within 10 days of identification?*
- *Update the responsible party bi-monthly on the subrogation amount?*
- *Protect the statute of limitations?*
- *Evaluate the cost versus benefit of litigating a subrogation claim?*
- *Identify potential second injury fund recovery?*
- *Provide the excess carrier with a prompt initial claim report?*
- *Provide the excess carrier with prompt update reports?*
- *Document recovery in the claim file within 10 days of receipt?*
- *Post recovery to CIS?*

12. Cost Containment

Best practices for cost containment require establishing agreements for billing practices with service providers. Bills received from service providers must be checked against the work product received and the agreements to assess reasonableness and reduce charges as warranted. Medical bills must be reviewed against the state fee schedule and any preferred provider agreements in place. A medical review service must be efficient to provide timely review and facilitate payment within the statutory time period, providing the biller with a clear explanation of the payment.

*Does the TPA:*

- *Review vendor bills for work product and compliance to billing agreements?*
- *Reduce charges, providing explanation, where warranted?*
- *Facilitate a timely bill review process?*
- *Provide accurate medical bill review?*

## Contract Discrepancy Report

To:
From:
Date Prepared: _____
Date Returned to Contractor: _____
Date Action Completed: _____

Discrepancy Problems:

_____
_____
_____

_____ _____
Signature of County Representative Date

Contractor Response (Cause and Corrective Auction):

_____
_____
_____

_____ _____
Signature of Contractor Representative Date

County Evaluation of Contractor Response:

_____
_____
_____

_____ _____
Signature of County Representative Date

County Action:

_____
_____

County Representative Signature and Date: _____

County Representative Signature and Date: _____

## Workers' Compensation Payments and Negotiation Authorization Limits

Worker' Compensation Claims Manual, Section Number 9.06, Effective 05/16/1995.

It is the policy of the County of Los Angeles to establish and negotiate authorization limits for Third Party Administrator and County staff.

When the payment amount/negotiation level exceeds the individual's authorization limits, the payment/written justification and the claims file will be forwarded to the appropriate level for review and approval. No payment above one's authority will be processed without higher level approval. No negotiation of settlements above one's authority should take place without higher level approval.

Limits shown in Table XI-1 will be reviewed and revised periodically by the County.

Table XI-1
Payments and Negotiation Authority

| **Personnel** | **$ Payments Authority** | **$ Negotiation Authority** |
|---|---|---|
| Claims Assistant - TPA | 1,000 | 0 |
| Adjuster – TPA | 4,000 | 5,000 |
| Supervisor – TPA | 5,000 | 10,000 |
| Manager – TPA | 7,500 | 20,000 |
| QAE-CEO | 50,000 | 50,000 |
| Assistant Division Chief, CEO – Risk Management Branch | 75,000 | 75,000 |
| Assistant Administration Officer, Risk Management Branch | 75,000+ | 75,000+ |

## Examples of Overpayments and Excess Costs

Overpayments include but are not limited to:

- Duplicate payments of indemnity or medical costs;
- Indemnity paid at the wrong rate;
- Indemnity paid for dates where none is due;
- Salary continuation authorized although claimant not eligible;
- Indemnity paid for non-industrial disability;
- Medical paid for non-industrial treatment;
- Indemnity or medical payments made to the wrong provider;
- Medical providers paid more than RVS without justification in file;
- Failure to take credit for subrogation lien, VPA lien, EDD lien, or other liens against indemnity or medical benefits;
- Failure to follow-up on Auditor-Controller overpayment letter resulting in an unrecoverable overpayment of indemnity;
- Inaccurate benefit notices sent to the department resulting in an overpayment or underpayment of benefits and associated penalties;
- Benefits paid on the wrong claim resulting in higher rates or additional benefits being paid in error;
- Failure to timely request canceled checks resulting in inability to defend the County against claims of non-payment;
- Duplicate medical exams, investigations, etc., ordered and paid for;
- Payment made without adequate file documentation to explain or justify the payment;
- TD picked up on settlement case beyond five years from DOI where WCAB has no jurisdiction to order additional TD;
- Any other overpayments resulting from Contractor's mistakes, errors, or omissions;
- Additional costs awarded due to TPA failure to defend the County and/or provide necessary documentation or accounting;
- Over advancement of indemnity without benefit of commutation resulting in loss of interest saved to the County;
- Failure to timely object to inaccurate Orders and Awards resulting in payments over what should be due under the Labor Code;
- Benefits paid on a questionable or non-industrial injury due to failure to deny claim timely;
- Case settlement for more than its true value due to TPA failure to obtain timely and appropriate defense medicals, AOE-COE investigations, or to otherwise defend the County; and
- Other excess costs as a result of Contractor's mistakes, errors, or omissions.

# Sample Balance Sheet

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Name: | XXXXXXX, XXXXXX | | | | Claim #: | 1000-92-XXXX | |
| Injury Date: | ##### | | | | | Out of Service / Retirement Date: | |
| | | | | | Abstract Date: | 5/8/1998 | |
| | | | (Attach abstract to Balance Sheet) | | | | |
| TD, VRTD, VRMA #wks | Rate | From Date | Through Date | Pay Cat | = Total | Benefit | Amount |
| 33 6/7 | 336 | 1/17/1992 | 9/9/1992 | 26 | 11,376.00 | Indemnity | 37,719.54 |
| 3 6/7 | 336 | 12/5/1992 | 12/31/1992 | 26 | 1,296.00 | Rehab | 8,999.38 |
| 17 1/7 | 336 | 1/1/1993 | 4/30/1993 | 26 | 5,760.00 | Pending | 0 |
| 4 1/7 | 336 | 6/2/1994 | 6/30/1994 | 26 | 1,392.00 | Total on Abstract: | 46718.92 |
| 15 1/7 | 406 | 7/1/1994 | 10/14/1994 | 26 | 6,148.00 | Being Paid Now: | |
| 41 4/7 | 246 | 10/15/1994 | 8/1/1995 | 26 | 10,226.57 | Injured | 288.2 |
| 7 2/7 | 422.16 | 8/2/1995 | 9/21/1995 | 26 | 3,075.74 | Attorney | |
| | | | | Sub Total $ | 39,274.31 | Other | |
| P.D. | 20% | | | | | Internal Correction: | -168 |
| 70.50 | 140 | | | Sub Total $ | 9,870.00 | Internal Correction: | -788.8 |
| Compromise and Release | | | | Sub Total $ | | Internal Correction: | 956.8 |
| L.P. start: | | | | | | Sub-total | 288.2 |
| | | | | Sub Total $ | | | |
| Interest | | | | | | PD Remaining: | |
| Saved (-) | | | | | | 6.5 wks @ $140 | 910 |
| Paid (+) | | | | | | LP Remaining | 0 |
| Penalty (+) | | | | | | Rehab Atty Fees W/H: @ 12% | $1,227.19 |
| Interest/Penalty (+/-) | | | | Sub Total $ | | | |
| Other (explain) | | | | | | | |
| PDAs, etc. | (+/-) | | | Sub Total $ | | | |
| Overpayments (+/-) | | | | Sub Total $ | | | |
| | | | Total $ | | 49144.31 | Total $ | 49144.31 |

## Claim Status Report

**For: (Department)**
**By: (TPA)**

| | |
|---|---|
| **Employee:** | **Claims Examiner:** |
| **Employee Number:** | **Examiner Telephone Number:** |
| **Claim Number:** | **Examiner E-Mail Address:** |
| **Date of Injury:** | **Date of Report:** |

**Injury and Cause:**

**Disability & Medical Treatment:**

**Litigation Status:**

**Issues & Exposures:**

# Los Angeles County Code 5.31.050

## 5.31.050 Workers' Compensation System.

A. The Director of Personnel shall establish, administer and operate, as part of the county-wide safety program, a complete self-insured workers' compensation system to ensure the full provision of benefits under the law to employees whose injuries arise out of and in the course of employment. The system shall include provision for medical, surgical, hospital, and other treatment required to cure and relieve the effects of injury, as well as payment of temporary and permanent disability compensation and death benefits as prescribed by state law or by county ordinance. As part of this responsibility, the Director of Personnel shall establish and administer procedures to provide for the following:

1. Reporting, investigation, and adjustment of claims arising out of accidents and injuries;

2. Determination of compensability of medical treatment and the payment of all workers' compensation benefits prescribed by state law or county ordinance;

3. Collection, compilation and reporting of statistical data, including departmental cost experience and actuarial projections;

4. Establishment and review of reserves on each case to reflect incurred cost of all anticipated benefits;

5. Control of workers' compensation costs consistent with provision of full benefits under the law.

B. The county counsel shall provide legal counsel and representation in any litigation related to workers' compensation. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 82-0264 § 1 (part), 1982: Ord. 9802 § 5, 1969; Ord. 8740 § 3, 1969: Ord. 8512 § 4 (part), 1963: Ord. 4099 Art. 3 § 78.02, 1942.)

DRAFT

# CONTRACT

# BY AND BETWEEN

# COUNTY OF LOS ANGELES

# AND

# TRISTAR RISK MANAGEMENT, INC.

# FOR

# WORKERS' COMPENSATION CLAIMS THIRD PARTY ADMINISTRATION (TPA) SERVICES

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# CONTRACT BETWEEN
# COUNTY OF LOS ANGELES
# AND
# TRISTAR RISK MANAGEMENT, INC.
# FOR
# WORKERS' COMPENSATION CLAIMS THIRD PARTY ADMINISTRATION SERVICES

This Contract and Exhibits made and entered into this ___ day of _____, 2014 by and between the County of Los Angeles, hereinafter referred to as County and TRISTAR Risk Management, Inc., hereinafter referred to as Contractor. Contractor is located at 100 Oceangate, Suite 700, Long Beach, CA 90802..

## RECITALS

WHEREAS, pursuant to Los Angeles County Code Section 2.121.295, et seq., the County may contract with private businesses for Workers' Compensation Claims Third Party Administration (TPA) Services when certain requirements are met; and

WHEREAS, the Contractor is duly licensed and certified under the laws of the State of California to engage in the business of providing Workers' Compensation Claims Third Party Administration Services as described hereunder, and possess the competence, expertise and personnel required to provide such services; and

NOW THEREFORE, the parties hereto agree as follows:

**Prop A authorization:**

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract Workers' Compensation Claims TPA Services; and

WHEREAS, this Contract is therefore authorized under Section 44.7 of the Los Angeles County Charter and Los Angeles County Codes Section 2.121.250; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

## 1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K L, M, N and O are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

**Standard Exhibits:**

1.1 EXHIBIT A - Statement of Work

1.2 EXHIBIT B - Pricing Schedule

1.3 EXHIBIT C – Intentionally Omitted

1.4 EXHIBIT D - Contractor's EEO Certification

1.5 EXHIBIT E - County's Administration

1.6 EXHIBIT F - Contractor's Administration

1.7 EXHIBIT G - Forms Required at the Time of Contract Execution

1.8 EXHIBIT H - Jury Service Ordinance

1.9 EXHIBIT I - Safely Surrendered Baby Law

**Unique Exhibits:**

**Prop A - Living Wage Program**

1.10 EXHIBIT J - Living Wage Ordinance

1.11 EXHIBIT K - Monthly Certification for Applicable Health Benefit Payments

1.12 EXHIBIT L - Payroll Statement of Compliance

1.13 EXHIBIT M – Intentionally Omitted

1.14 EXHIBIT N – Intentionally Omitted

1.15 EXHIBIT O – Intentionally Omitted

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Subparagraph 8.1 (Amendments) and signed by both parties.

## 2.0 DEFINITIONS

Definitions are provided in Exhibit A (Statement of Work), and are for convenience and reference only and not intended to define the scope of any provision thereof.

## 3.0 WORK

3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

## 4.0 TERM OF CONTRACT

4.1 The term of this Contract shall be five (5) years commencing after execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County shall have the sole option to extend this Contract term for up to six (6) months in any increment, for a maximum total Contract term of five (5) years and six (6) months. Each such option and extension shall be exercised at the sole discretion of the Chief Executive Officer or his designee as authorized by the Board of Supervisors.

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may

be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

4.3 The Contractor shall notify the Chief Executive Office (CEO) when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the CEO at the address herein provided in Exhibit E (County's Administration).

## 5.0 CONTRACT SUM

5.1 The Contractor shall be paid as set forth in Exhibit B (Payment Schedule).

5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.3 The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor shall send written notification to (Department) at the address herein provided in Exhibit E (County's Administration).

**5.4 No Payment for Services Provided Following Expiration/ Termination of Contract**

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to the County. Payment by County for services rendered after expiration/termination of this

Contract shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

**5.5 <u>Invoices and Payments</u>**

5.5.1 The Contractor shall invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work) and elsewhere hereunder. The Contractor shall prepare invoices, monthly in arrears, which shall include the charges owed to the Contractor by the County under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B (Price Schedule), and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B (Payment Schedule).

5.5.3 The Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 The Contractor shall submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.5.5 <u>Prop A - Living Wage Program:</u>

No invoice will be approved for payment unless the following is included:

- Exhibit K - Monthly Certification for Applicable Health Benefit Payments
- Exhibit L - Payroll Statement of Compliance

5.5.6 All invoices under this Contract shall be submitted in two (2) copies to the following address:

Third Party Workers' Compensation Claims Administration Services
County of Los Angeles
Chief Executive Office, Risk Management Branch
Workers' Compensation Section
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010

5.5.7 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County Contract Administrator prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld

5.5.8 Local Small Business Enterprises – Prompt Payment Program

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice.

5.6 Intentionally Omitted

## 6.0 ADMINISTRATION OF CONTRACT - COUNTY

**COUNTY ADMINISTRATION**

A listing of all County Administration referenced in the following sub-paragraphs are designated in Exhibit E (County's Administration). The County shall notify the Contractor in writing of any change in the names or addresses shown.

### 6.1 County Risk Manager

Responsibilities of the County's Project Director include:

- ensuring that the objectives of this Contract are met; and
- making changes in the terms and conditions of this Contract in accordance with Subparagraph 8.1 (Amendments); and

- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

### 6.2 County Contract Administrator (CCA)

The responsibilities of the County's Contract Administrator include:

- meeting with the Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Contract Administrator is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

### 6.3 County Monitor

The County Monitor is responsible for overseeing the day-to-day administration of this Contract. The County Monitor reports to the County Contract Administrator.

## 7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

### 7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in Exhibit F (Contractor's Administration). The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Contract and shall coordinate with County's Contract Administrator and County Monitors on a regular basis.

7.1.3 The Contractor's Project Manager must have three (3) years of experience.

## 7.2 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

## 7.3 Contractor's Staff Identification

Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

## 7.4 Background and Security Investigations

7.4.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation may include, but shall not be limited to, criminal conviction information obtained through fingerprints submitted to the California Department of Justice. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

7.4.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

7.4.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.4.4 Disqualification of any member of Contractor's staff pursuant to this Subparagraph 7.4 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

**7.5 <u>Confidentiality</u>**

7.5.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.5.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Subparagraph 7.5, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 7.5 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.5.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.5.4 Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit G2 (Contractor Employee Acknowledgment and Confidentiality Agreement).

7.5.5 Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit G3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement).

## 8.0 STANDARD TERMS AND CONDITIONS

### 8.1 Amendments

8.1.1 For any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by Board of Supervisors.

8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by the County's Risk Manager.

8.1.3 The Chief Executive Officer his designee, may at his sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and by the County's Risk Manager.

## 8.2 Assignment and Delegation

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Subparagraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

## 8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

## 8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

## 8.5 Complaints

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 Within thirty (30) business days after Contract effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.

8.5.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.

8.5.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days for County approval.

8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.

8.5.5 The Contractor shall preliminarily investigate all complaints and notify the County's Contract Administrator of the status of the investigation within five (5) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses shall be sent to the County's Contract Administrator within three (3) business days of mailing to the complainant.

**8.6 <u>Compliance with Applicable Law</u>**

8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 8.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any

such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

**8.7 Compliance with Civil Rights Laws**

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit D (Contractor's EEO Certification).

**8.8 Compliance with the County's Jury Service Program**

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or

that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Subparagraph. The provisions of this Subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to

review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

**8.9 <u>Conflict of Interest</u>**

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The

Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Contract.

**8.10 <u>Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List</u>**

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

**8.11 <u>Consideration of Hiring GAIN/GROW Program Participants</u>**

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

## 8.12 Contractor Responsibility and Debarment

### 8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

### 8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

### 8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for

which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 <u>Subcontractors of Contractor</u>

These terms shall also apply to subcontractors of County Contractors.

## 8.13 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

## 8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

## 8.15 County's Quality Assurance Plan

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors.

The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

## 8.16 Damage to County Facilities, Buildings or Grounds

8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.

## 8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations

including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

**8.18 <u>Facsimile Representations</u>**

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Subparagraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

**8.19 <u>Fair Labor Standards</u>**

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor’s employees for which the County may be found jointly or solely liable.

## 8.20 Force Majeure

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Subparagraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

## 8.21 Governing Law, Jurisdiction, and Venue

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

## 8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in Sub-paragraph 7.5 (Confidentiality).

## 8.23 Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor’s acts and/or omissions arising from and/or relating to

this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of County Indemnitees.

**8.24 General Provisions for All Insurance Coverage**

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Subparagraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.

- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of

each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles, Chief Executive Office
Risk Management Operations
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
Attention: Contracts

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of

Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from

sums due to Contractor or pursue Contractor reimbursement.

8.24.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Subcontractor Insurance Coverage Requirements

Contractor shall include all Subcontractors as insureds under Contractor's own policies, or shall provide County with each Subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein, and shall require that each Sub-contractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Subcontractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

**8.25 Insurance Coverage**

8.25.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

| | |
|---|---|
| General Aggregate: | $2 million |
| Products/Completed Operations Aggregate: | $1 million |
| Personal and Advertising Injury: | $1 million |
| Each Occurrence: | $1 million |

8.25.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this

coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Professional Liability/Errors and Omissions : Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $2 million per claim and $4 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.25.5 Crime Coverage: A Fidelity Bond or Crime Insurance policy with limits of not less than $5 million per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.6 Privacy/Network Security (Cyber) liability coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of $1 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.25.7 Performance Security Requirements: Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

Performance Bond: A faithful performance bond in the sum of not less than three (3) months of the contract value payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California; or

Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County of Los Angeles upon demand in an amount not less than three (3) months of the contract value. Such CD or LOC shall comply with the minimum standards established by the County and be maintained throughout the term of the Contract.

**8.26 Liquidated Damages**

8.26.1 If, in the judgment of the Chief Executive Officer, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Chief Executive Officer, or designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Chief Executive Officer, or designee, in a written notice describing the reasons for said action.

8.26.2 If the Chief Executive Officer, or designee, determines that there are deficiencies in the performance of this Contract that the Chief Executive Officer, or designee, deems are correctable by the Contractor over a certain time span, the Chief Executive Officer, or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Chief Executive Officer, or designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages

resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars ($100) per day per infraction and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.26.3 The action noted in Subparagraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Subparagraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in Subparagraph 8.26.2, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

**8.27 <u>Most Favored Public Entity</u>**

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

**8.28 <u>Nondiscrimination and Affirmative Action</u>**

8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding

companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit D (Contractor's EEO Certification).

8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Subparagraph 8.28 when so requested by the County.

8.28.7 If the County finds that any provisions of this Sub-paragraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

**8.29 <u>Non Exclusivity</u>**

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict the CEO from acquiring similar, equal or like goods and/or services from other entities or sources.

**8.30 <u>Notice of Delays</u>**

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

**8.31 <u>Notice of Disputes</u>**

The Contractor shall bring to the attention of the County's Contract Administrator any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If

the County's Contract Administrator is not able to resolve the dispute, the County's Risk Manager or designee shall resolve it.

**8.32 Notice to Employees Regarding the Federal Earned Income Credit**

The Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

**8.33 Notice to Employees Regarding the Safely Surrendered Baby Law**

The Contractor shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

**8.34 Notices**

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E (County's Administration) and F (Contractor's Administration). Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The County's Risk Manager shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

**8.35 Prohibition Against Inducement or Persuasion**

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or

agent of the other party. No bar exists against any hiring action initiated through a public announcement.

**8.36 <u>Public Records Act</u>**

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

**8.37 <u>Publicity</u>**

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and

- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Risk Manager. The County shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.37 shall apply.

**8.38 <u>Record Retention and Inspection/Audit Settlement</u>**

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this Subparagraph 8.38 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38.4 In addition to the above, the Contractor agrees, should the County or its authorized representatives determine, in the County's sole discretion, that it is necessary or appropriate to review a broader scope of the Contractor's records (including, certain records related to non-County contracts) to enable the County to evaluate the Contractor's

compliance with the County's Living Wage Program, that the Contractor shall promptly and without delay provide to the County, upon the written request of the County or its authorized representatives, access to and the right to examine, audit, excerpt, copy, or transcribe any and all transactions, activities, or records relating to any of its employees who have provided services to the County under this Contract, including without limitation, records relating to work performed by said employees on the Contractor's non-County contracts. The Contractor further acknowledges that the foregoing requirement in this Subparagraph relative to Contractor's employees who have provided services to the County under this Contract is for the purpose of enabling the County in its discretion to verify the Contractor's full compliance with and adherence to California labor laws and the County's Living Wage Program. All such materials and information, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such materials and information prior to such time. All such materials and information shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such materials and information is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such materials and information at such other location.

**8.39 <u>Recycled Bond Paper</u>**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

## 8.40 Subcontracting

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.40.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.

8.40.6 The County Risk Manager is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.40.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles, Chief Executive Office
Risk Management Operations – Contracts
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

before any subcontractor employee may perform any work hereunder.

**8.41 <u>Termination for Breach of Warranty To Maintain Compliance with County's Child Support Compliance Program</u>**

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default) and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

**8.42 <u>Termination for Convenience</u>**

8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such

termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.42.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement).

**8.43 <u>Termination for Default</u>**

8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of County's Risk Manager:

- Contractor has materially breached this Contract; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Subparagraph 8.43.1, the County may procure, upon such terms and in such manner

as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Subparagraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Subparagraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

8.43.4 If, after the County has given notice of termination under the provisions of this Subparagraph 8.43, it is determined by the County that the Contractor was not in default under the provisions of this Subparagraph 8.43, or that the default was excusable under the provisions of Subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42 (Termination for Convenience).

8.43.5 The rights and remedies of the County provided in this Sub-paragraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**8.44 <u>Termination for Improper Consideration</u>**

8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

**8.45 <u>Termination for Insolvency</u>**

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the

Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this Sub-paragraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**8.46 <u>Termination for Non-Adherence of County Lobbyist Ordinance</u>**

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

**8.47 <u>Termination for Non-Appropriation of Funds</u>**

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

## 8.48 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

## 8.49 Waiver

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

## 8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

## 8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

### 8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Subparagraph 8.51 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

## 9.0 UNIQUE TERMS AND CONDITIONS

### 9.1 Compliance with the County's Living Wage Program

9.1.1 Living Wage Program

This Contract is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit J and incorporated by reference into and made a part of this Contract.

9.1.2 Payment of Living Wage Rates

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth

immediately below, for the Employees' services provided to the County, including, without limitation, "Travel Time" as defined below at Subsection 5 of this Subparagraph 9.1.2 under the Contract:

a. Not less than $11.84 per hour if, in addition to the per-hour wage, the Contractor contributes less than $2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or

b. Not less than $9.64 per hour if, in addition to the per-hour wage, the Contractor contributes at least $2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed $2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than $2.20 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this Subparagraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Subparagraph. The provisions of this Subparagraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under

the Contract. “Full-time” means a minimum of forty (40) hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than thirty-five (35) hours worked per week will not, in any event, be considered full-time.

3. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.

4. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its “exemption status” from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program’s definition of “Employer” or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the County’s satisfaction that the Contractor either continues to remain outside of the Living Wage Program’s definition of “Employer” and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Contract, “Travel Time” shall have the

following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Contract, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different contracts between the Contractor and the County (of which both contracts are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time.

9.1.3 Contractor's Submittal of Certified Monitoring Reports

The Contractor shall submit to the County certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County (Exhibit K and Exhibit L), or other form approved by the County which contains the above information. The County reserves the right to request any additional information it may deem necessary. If the County requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information

contained in each certified monitoring report is true and accurate.

9.1.4 Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims

During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

9.1.5 County Auditing of Contractor Records

Upon a minimum of twenty-four (24) hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Contract, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Contract. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

9.1.6 Notifications to Employees

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. The Contractor shall also distribute County-provided

notices to each of its Employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

9.1.7 Enforcement and Remedies

If the Contractor fails to comply with the requirements of this Subparagraph, the County shall have the rights and remedies described in this Subparagraph in addition to any rights and remedies provided by law or equity.

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

   a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until the Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

   b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated

damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of $100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay

period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of $50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

3. Debarment. In the event the Contractor breaches a requirement of this Subparagraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time

consistent with the seriousness of the breach, in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

9.1.8 Use of Full-Time Employees

The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Contract. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Contract unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

9.1.9 Contractor Retaliation Prohibited

The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the County or to any other public or private agency, entity or person. A violation of the provisions of this Subparagraph may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

9.1.10 Contractor Standards

During the term of the Contract, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the

Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

9.1.11 Employee Retention Rights

1. The Contractor shall offer employment to all retention employees who are qualified for such jobs. A "retention employee" is an individual:

   a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the Federal Fair Labor Standards Act; and

   b. Who has been employed by a contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and

   c. Who is or will be terminated from his or her employment as a result of the County entering into this new Contract.

2. The Contractor is not required to hire a retention employee who:

   a. Has been convicted of a crime related to the job or his or her performance; or

   b. Fails to meet any other County requirement for employees or a Contractor.

3. The Contractor shall not terminate a retention employee for the first ninety (90) days of employment under this Contract, except for cause. Thereafter, the Contractor may retain a retention employee on the same terms and conditions as the Contractor's other employees.

9.1.12 Neutrality in Labor Relations

The Contractor shall not use any consideration received under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

9.2 **Contractor's Acknowledgment of County's Status Under the Health Insurance Portability and Accountability Act of 1996 and Limitations on Contractor's Access to County Protected Health Information**

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its employees to any County health information that qualifies as Protected Health Information within the meaning of "protected health information" in 45 Code of Federal Regulations (C.F.R.) Section 160.103, created, maintained, received, transmitted by Contractor from or on behalf of County. Accordingly, Contractor shall instruct its employees that they are not to use this Agreement as the means by which to pursue or gain access to County Protected Health Information. The foregoing acknowledgement is not intended to in any way restrict Contractor's pursuit of or access to medical information held by County, County departments, County facilities or other health care providers to the extent such access is otherwise required or permitted by law, including but not limited to 45 C.F.R. 164.512(*l*) and Cal. Civil Code Section 56 et seq.

**9.3 Local Small Business Enterprise (SBE) Preference Program**

9.3.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise

Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.3.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

9.3.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

9.3.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%)t of the amount of the contract; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be

eligible for certification, and fails to notify the state and Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

**9.4 Ownership of Materials, Reports, and Records**

9.4.1 Upon expiration of this Contract, or in event of cancellation, on the demand of County Risk Manager or CCA, all documents, reports, records, case files, correspondence and work product relating to Contractor's operations under this Contract shall be immediately returned to the CCA or to such other location in the County as the CCA may direct. It is understood that all of the materials described above are the property of County and not of the Contractor herein.

9.4.2 During the term of this Contract and for five (5) years thereafter, the Contractor shall maintain and provide security for all of the Contractor's working papers prepared under this Contract. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

**9.5 Intentionally Omitted**

**9.6 Intentionally Omitted**

**9.7 Transitional Job Opportunities Preference Program**

9.7.1 This Contract is subject to the provisions of the County's ordinance entitles Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.7.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.7.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit,

report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.7.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the contract; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR:
TRISTAR RISK MANAGEMENT

By _____
Name

_____
Title

COUNTY OF LOS ANGELES

By_____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By_____

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By_____
Deputy County Counsel

**EXHIBIT A**

# STATEMENT OF WORK
# CONTRACTOR'S SERVICES

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# 1.0 SCOPE OF WORK

The Contractor shall provide workers' compensation claims administration services for all existing claims as well as all reopened and new claims reported during the Contract term for designated County departments. These County departments are referenced in Technical Exhibit III of this Contract.

The Contractor is expected to provide these services in accordance with performance standards, including:

1.1 Those specific standards and requirements set forth in this Contract.

1.2 To the extent a specific standard or requirement is not set forth in this Contract, those standards and requirements set forth in the State of California workers' compensation statutes, codes, regulations, or other governing statutes and regulations, including any amendment to these during the term of this Contract.

1.3 To the extent a specific standard or requirement is not set forth in this Contract, those standards and requirements set forth in any Change Notice signed by the County's Contract Administrator (CCA) and the Contractor's Project Manager.

# 2.0 ADDITION AND/OR DELETION OF FACILITIES, SPECIFIC TASKS, AND/OR WORK HOURS

2.1 County will have the right to change work procedures and add/delete departments, service locations, specific tasks, and/or work hours when it is in the best interest of County to do so.

2.2 All changes to address matters must be made in accordance with Subparagraph 8.1 (Amendments) of the Contract.

# 3.0 QUALITY CONTROL

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the County is provided a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the CCA for review. The plan shall include, but may not be limited to the following:

3.1 Method of supervision to ensure that Contract requirements are being met.

3.2 A record of all supervisory reviews conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action. This record shall be available for County review upon request.

3.3 Periodic claim review meetings with County department representatives, CCA, County loss control, and defense attorneys where appropriate. Adjuster shall prepare 'Claim Status' per Technical Exhibit XV in preparation for the meeting to provide disposition update and address concerns per day-to-day department inquiries.

3.4 A Contractor-engaged independent public accounting firm to perform a Statement of Auditing Standards (SAS) No. 70 (Type II) audit. Such audit shall be performed once per year. The Contractor shall submit the Service Auditor's Report to the County within seven (7) days of its receipt.

## 4.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under the Contract using the quality assurance procedures as defined in the Contract, Paragraph 8 (Standard Terms and Conditions) Subparagraph 8.15 (County Quality Assurance Plan).

### 4.1 Monthly Meetings

Contractor is required to attend a scheduled monthly meeting. Monthly meetings shall ensure:

4.1.1 Contractor review of procedures and practices with County personnel to ensure the County's WC Program is in compliance with State and Federal requirements, as well as sound WC claims management services determined by the County.

4.1.2 Contractor assistance is provided to the County to update policy and procedures to implement legislative changes or State and Federal rules and regulations impacting the County's WC program.

### 4.2 Contract Discrepancy Report (Technical Exhibit X)

Verbal notification of a Contract discrepancy will be made to the Contractor Project Manager as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

The CCA will determine whether a formal Contract Discrepancy Report (CDR) shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the CCA within five (5) workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the CDR shall be submitted to the CCA within five (5) workdays from County's review of the Contractor's Response, where presentation of contrary evidence is insufficient to eliminate the reported discrepancy.

### 4.3 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours; however, these personnel may not unreasonably interfere with the Contractor's performance.

A CDR may be initiated by the CCA based upon County observations.

### 4.4 Performance Evaluation Meetings

The Contractor's Project Manager shall meet with the CCA or his/her designee at regularly scheduled intervals, as determined by the CCA, during the term of the Contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and discussion of policy and procedural matters relevant to the Contractor's performance and the County Risk Management's monitoring function, including a discussion of the monthly report on all outstanding issues. Contractor is expected to use these meeting to discuss practice/procedure updates necessary for implementation of new regulatory changes.

### 4.5 Performance Audit

Claim files and records are subject to audit by the County or its choice of independent auditor at any reasonable time during the term of the Contract (see Contract, Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement) and Subparagraph 9.4 (Ownership of Materials, Reports and Records)). Performance audit may cover any and all requirements of this SOW. Claim records may be the subject of a financial audit at the County's discretion.

County audits and day-to-day claims handling monitoring are planned to provide the TPA management team with performance feedback on an ongoing basis. This feedback is intended to prepare the TPA for an independent performance audit annually for the purpose of assessing whether adjustment to base monthly fee as discussed in Paragraph 13.0 below is applicable.

## 5.0 DEFINITIONS

The following definitions apply to this Statement of Work describing the major responsibilities and duties of the County and the Contractor.

### 5.1 ACCEPTABLE QUALITY LEVEL (AQL)

A measure expressing the maximum allowable leeway or variance from a performance standard before the County will reject a specified service. An AQL does not imply that the Contractor may knowingly perform in a defective way. It implies that the County recognizes the fact of unintentional human error. If defective performance exceeds the minimum standards as described in the Quality of Work Performance Requirements Summary, a Contract Discrepancy Report (CDR) shall be issued. Additionally, wherever possible, the Contractor must perform all work to correct the identified defects(s).

## 5.2 ALLOCATED EXPENDITURES

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all carve-out fees or expense, Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of services of outside undercover investigations, qualified rehabilitation representatives (QRRs), utilization review (UR) experts, bill review (BR) experts, accident investigations, expert analysis to obtain advise or opinions, copy services, transcription services, subrogation pursuit activities, and other fees excluded from TPA Contractor fees.

## 5.3 BASE FEE

The Base Fee is the annual flat fee for provision of all services. The Base Fee is subject to increase or decrease in accordance with Paragraph 13.0 of this Statement of Work.

## 5.4 CHIEF EXECUTIVE OFFICE (DEPARTMENT)

The Chief Executive Office of the County of Los Angeles.

## 5.5 CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer of the County of Los Angeles.

## 5.6 CONTRACT DISCREPANCY REPORT

The Contract Discrepancy Report (CDR) (Technical Exhibit X) is a report used by the County Monitor to record contract information regarding discrepancies or problems with the Contractor's performance.

## 5.7 CONTRACT START DATE

The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2018.

Contractor's performance of services hereunder shall commence at a date mutually agreeable to the parties but in no event shall the implementation date be later than January 1, 2014.

## 5.8 CONTRACTOR'S QUALITY CONTROL PLAN

This term shall mean all measures taken by Contractor to assure that the services described in Exhibit A (Statement of Work), are provided at the highest possible level of quality.

## 5.9 COUNTY

The County is the governmental entity, the County of Los Angeles.

## 5.10 COUNTY CONTRACT ADMINISTRATOR (CCA)

The CCA is the designated agent of the County for the purposes of administering the County's self-insured workers' compensation (WC) program. The CCA is the WC Manager, CEO Risk Management Branch, or his/her designee.

## 5.11 COUNTY RISK MANAGER

The County Risk Manager manages the comprehensive County-wide risk management, risk transfer, risk financing and Risk Management Information System design and management.

## 5.12 COUNTY COUNSEL

The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.

## 5.13 COUNTY'S WC CLAIM ADMINISTRATION AND INFORMATION SYSTEM (CIS)

The County installed WC system. The current version GENCOMP for Windows software modules were licensed to the County by P & C Claims, Incorporated. The system includes on-line input of claims, vocational rehabilitation and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Risk Management Branch. Should County change its WC risk management information system during the term of the Contract, Contractor shall expeditiously and completely convert to the County's new system, timely and at sole expense to the Contractor.

## 5.14 CONTRACTOR'S PROJECT MANAGER

The Contractor's Project Manager (CPM) is the designated officer or employee responsible for all actions needed to administer the contract.

## 5.15 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, liability undetermined, medical costs over $5,000.00, benefits due more than six months after opening of the case, and designation by the Claims Examiner. A disability case may be resolved with "Future Medical" provision continuing to require examiner/adjuster assignment.

## 5.16 MEDICAL ONLY CASE

A non-litigated claim involving only medical payments within $5,000.00. These claims are typically counted in the caseload per examiner/adjuster at a 2 to 1 equivalent.

## 5.17 NON-INCLUDED SERVICES

Services outside of the agreed TPA fixed fee. For example, County Counsel is implementing an electronic filing and data storage system to be compatible with the WCAB EAMS program and examiner/adjuster mail boxes. Target implementation is within one (1) year. The Contractor will be expected to assist with implementation to the extent possible, or propose additional costs during the term of the contract.

## 5.18 PERFORMANCE INDICATORS

Characteristics used to measure and evaluate work. The annual audit measures TPA performance on each of the indicators.

## 5.19 QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY (QWPRS)

The document which summarizes the key performance indicators.

## 5.20 COUNTY MONITOR

The County Monitor is a County employee designated as an agent for the County responsible for approving over limit payments, advising and training third party administrator staff in County payroll systems and other County procedures, facilitating communication between Contractor and County Departments, and participating in development of return to work and settlement strategy. At times this employee may be referred to as "County Liaison."

## 5.21 COUNTY QUALITY ASSURANCE MONITORING PLAN (QAMP)

The County may use a variety of methods to evaluate the Contractor's compliance with the Agreement Standard Terms and Conditions. The methods that may be used are identified, but are not limited to those included in the PRS, Technical Exhibit VIII.

The County assigns responsibility for Quality Assurance Monitoring Plan activities to the Quality Assurance Examiner (QAE). The QAE may be a County employee for periodic audits or an independent auditor for fee impact audits.

## 5.22 CONTRACTOR'S QUALITY CONTROL PLAN

This term shall mean all measures taken by the Contractor to assure that the quality of an end-product or service will meet the County's contract requirements regarding timeliness, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in the QWPRS, Technical Exhibit IX.

## 5.23 RANDOM SAMPLE

A sampling method where each service output has an equal chance of being selected.

## 5.24 RISK MANAGEMENT BRANCH

The organizational unit of the County's Chief Executive Office responsible for administration of the County's self-insured program for WC.

## 5.25 TAKE-OVER CLAIM

An open claim or a closed claim subsequently re-opened for adjusting services.

## 5.26 TAKE-OVER (ASSUMPTION) FEE

A one-time fee paid during the first contract year that covers all costs for the assumption of all take-over claims. All takeover (assumption) costs and costs of administering all take-over claims must be included and amortized in this fee.

## 5.27 THREE POINT CONTACT

Contacts the Contractor's examiner makes to the injured employee or his legal representative, the appropriate County department personnel, and the Primary Treating Physician (PTP).

### 5.28 USER COMPLAINT REPORT

The report submitted by an individual or group of individuals to record discrepancies or problems with the Contractor's performance. The Contractor may be required to respond to a User Complaint Report (UCR) and/or it may be part of a CDR.

### 5.29 WORKDAY

Throughout the Statement of Work, whenever "workday' appears, it means a normal workday, Monday through Friday, 8:00 a.m. through 5:00 p.m., except County holidays.

## 6.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

**COUNTY**

### 6.1 Personnel

The County will administer the Contract according to the Contract, Paragraph 6.0 (Administration of Contract – County). Specific personnel performing these duties will include:

6.1.1 CCA shall be identified by name, address, and telephone number in writing at the time the Contract is awarded. The CCA is responsible for:

6.1.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

6.1.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements. The CCA's interpretation shall prevail without limitation absent written substantive question directed to the County Risk Manager by the Contractor.

6.1.2 County Risk Manager is responsible for:

6.1.2.1 Preparing Amendments in accordance with the Contract, Paragraph 8.0, (Standard Terms and Conditions), Subparagraph 8.1 (Amendments).

6.1.2.2 Resolving disputes regarding substantive questions Contractor expresses in writing regarding the CCA's

interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations, consulting with County Counsel as appropriate.

### 6.2 Furnished Items

The County will provide the Contractor:

6.2.1 Release of all case files for pick-up by the Contractor prior to the start date of the Contract.

6.2.2 Orientation/transition plan approval with provision of County's claim administration and information system access for key Contractor personnel prior to the start date of the Contract. Contractor expenses for participation in orientation or training are solely the responsibility of the Contractor.

6.2.3 Identification of Excess Carrier information by coverage period for duration of self-insured program.

6.2.4 Contact information for support service contractors and terms of agreements between the County and support service contractors impacting TPA performance expectations. These may include:

6.2.4.1 Risk management consultants;

6.2.4.2 Alternative dispute resolution experts;

6.2.4.3 Defense attorneys;

6.2.4.4 Bill review services;

6.2.4.5 Utilization review services;

6.2.4.6 Nurse Case Management (NCM) services; and

6.2.4.7 Pharmacy benefit management service.

6.2.5 Settlement/payment authority and procedure for making settlement/ payment authority requests to obtain authority above delegated authority.

## CONTRACTOR

### 6.3 Project Manager

6.3.1 Contractor shall provide a full-time Project Manager or designated alternate(s). County must have access to the Project Manager/alternate(s) during business hours 8:00 a.m. to 5:00 p.m., Monday through Friday. Contractor shall provide a telephone number where the Project Manager may be reached on a twenty-four (24) hour per day basis.

6.3.2 Project Manager/alternate(s) shall act as a central point of contact with the County.

6.3.3 Project Manager/alternate(s) shall have three (3) years of experience in supervising or managing WC claims TPA service in California.

6.3.4 County reserves the right to approve or reject the TPA's selection of the Contract Manager and any replacement recommended by the Contractor.

6.3.5 Project Manager/alternate(s) shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.

6.3.6 Project Manager/alternate(s) shall possess a valid "Certificate of Consent to Administer Self-Insured Employers WC Claims." Possession of certificate shall be required during the entire contracted period (Labor Code Section (LCS) 3702.1).

6.3.7 Project Manager/alternate(s) requirement applies to each TPA location.

## 6.4 Staffing/Organization

6.4.1 Contractor shall assign a sufficient number of employees to perform the required work in accordance with generally accepted best practices for administering California workers' compensation claims. At least one employee on site shall be authorized to act for Contractor in every detail and must speak and understand English.

6.4.2 Contractor shall be required to background check their employees as set forth in Subparagraph 7.4 of the Contract (Background & Security Investigations).

6.4.3 Sufficient number of staff shall possess professional certification to ensure capacity to comply with performance requirements outlined in Technical Exhibits VIII and IX, including but not limited to:

- A valid "Consent to Administer Self-Insured Employers WC Claims" certificate from the Self-Insurance Plans of the State of California.

- Workers' Compensation Claims Professional designation through coursework provided by the Educational Insurance Association.

- Certified Disability Management Professional designation through coursework provided by the Educational Insurance Association.

6.4.4 The Contractor shall maintain a current and accurate list of all its employees providing services under this contact. The list shall include each employee's name, current address, phone number, current salary, date of employment, date of assignment to County claims handling responsibility, termination, and any additional data on licensing and continuing education, behavior or job performance pertinent to the provision of Contract services.

6.4.5 The Contractor shall retain and provide to the County upon request a copy of the Employment Application and/or Employee Resume for all employees assigned to the County Program.

## 6.5 Program Orientation, Development, and Termination

6.5.1 The Contractor shall comply with all County Workers' Compensation Claims Administration Policies and Standards (CWCCAPS), as provided by the CCA and is responsible for overall coordination and integration of claims services. Contractor will provide a plan for 'Orientation' of department personnel to effect an orderly transition to the new Contract. The orientation plan must provide sufficient management support and staffing to effect an orderly transition of claim files and materials, including but not limited to providing for closed file storage and open pending claims, in addition to implementing new claims services.

6.5.2 Contractor shall ensure their employees are appropriately identified, as specified in Subparagraph 7.3 (Contractor's Staff Identification) of the Contract.

6.5.3 At the sole discretion of the County, the Contractor shall take necessary steps to reduce costs, increase productivity and to enhance the quality and level of claims administration service. Prior to Contract implementation, the Contractor and CCA shall prepare a list of required reports and records, with time deadlines. The reports

required to be provided by the Contractor may include, but are not limited to:

6.5.3.1 Monthly Reports

6.5.3.1.1 A report detailing the cases received and action taken in accordance with a format and data elements developed by the County in cooperation with the Contractor.

6.5.3.1.2 Statistical and narrative reports to assist the County in evaluating its WC program.

6.5.3.1.3 Statistical and narrative reports on outstanding issues to be addressed at Performance Evaluation Meetings.

6.5.3.2 Quarterly Reports

A written status report on selected open claims. Parameters and scope of the report will be established by Contractor and CCA within thirty (30) days of award of Contract.

6.5.3.3 Quarterly Meetings

The County anticipates quarterly reviews of its more serious, high exposure and litigated claims. Parameters will be established by Contractor and CCA within thirty (30) days of award of Contract. Contractor is requested to include with this proposal its suggestion for number of claims to review, criteria for selection and method of claim status/action plan presentation.

6.5.3.3 Annual Reports

A comprehensive annual statistical summary and narrative report to serve as the basis of the WC program and to permit preparation of reports required by the State Department of Industrial Relations.

6.5.3.4 Other Reports

Contractor shall furnish upon County's request loss runs for managerial, loss control, actuarial or financial purposes. The actuarial reports shall be electronically transmitted to County's designated actuary in the format required by the actuarial firm.

6.5.4 Upon Contract award, Contractor shall make arrangements for claim file record retention. All medical only claim files will be retained for ten (10) years from the date of injury. All indemnity claim files which do not involve permanent disability payment and have no payment activity for five years will be retained for ten (10) years from the date of injury. All indemnity claim files which involve payment activity within the last five years and cases with permanent disability payments or awards for lifetime medical treatment will be retained indefinitely. No claims will be destroyed without CCA approval and the Contractor shall be responsible for storage of all files within the above criteria during the term of this Contract. Contractor shall be responsible for pick up and transportation between current storage site and any new storage site the CCA may approve.

6.5.5 The Contractor shall develop a relationship with a courier service between the Contractor's office and such County offices as are designated in writing by the CCA. A schedule shall be established for the pick up and delivery of all claim files, claims mail and related items. The Contractor shall pay the costs of such services out of its own resources, including any and all expenses involved in transferring case files to the Contractor at the beginning of the Contact.

6.5.6 In the event of contract expiration or termination prior to expiration of the Contract, Contractor agrees to maintain staffing at the caseload per examiner/adjuster level contracted per Subparagraph 6.4 above. Contractor shall also provide for the transition to whatever service replacement method the County determines to be in its best interest. Contract termination transition shall be in compliance with Contract provisions, California law and best practices for transfer of responsibility.

## 6.6 Materials and Equipment

The purchase of materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee. Materials and Equipment required includes, but is not limited to:

6.6.1 Computer Interface equipment shall be provided by the Contractor, including provision of a local area network, having (minimally) Pentium r 20 GHz PCs with 256 megabytes of RAM, with Windows 2000 or XP operating system, and Ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible acceptable or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment.

6.6.2 Work space and work stations, furniture, transportation, supplies, office equipment, materials, and other items necessary to perform all services required by this SOW.

6.6.3 Contractor shall provide safe, adequate and ergonomically correct work station for its employees, County Monitors, and other County Contractors having a need access the Contractor's location. Access shall include free parking, work station, computer access, communication system access, and necessary supplies.

6.6.4 Contractor shall provide state-required forms (e.g., DWC-1, DWC-7, 5020, Notice of MPN – if applicable) to client departments.

## 6.7 Training

6.7.1 Contractor shall provide training programs for all new employees and continuing in-service training for all employees to ensure compliance with performance standards.

6.7.2 All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. If applicable, all employees must wear safety and protective gear according to OSHA standards.

6.7.3 Contractor shall provide Special Investigation (SIU) Policies and Procedures Manual.

6.7.3.1 Within thirty (30) days of Contract inception, at no cost to the County, the Contractor will develop written Special Investigation Unit (SIU) policies and procedures relating to the identification, investigation and prosecution of potential fraud cases.

6.7.3.2 Within sixty (60) days of contract inception, at no cost to the County, the Contractor will train key personnel with SIU training to ensure aggressive, cost effective investigation and appropriate referrals to the Department of Insurance and District Attorney.

6.7.4 Contractor shall provide Claims Administration Procedure Manual and Business Continuity Plan:

6.7.4.1 Within six (6) months of contract award, the Contractor's Claims Administration Procedure (CCAP) will be provided to the CCA for approval. The CCAP describing policies and procedures for the administration of County claims is expected to detail delegation of authority, staff responsibilities, reporting requirements, maintenance of

information in the CIS, requirements for: legal and outside services usage and billing review; and work flow process requirements contributing to successful compliance with performance standards. The CCAP is to be available to Contractor's staff and the CCA for use in 'new employee orientation' and as an ongoing reference.

6.7.4.2 Within six (6) months of contract award, the Contractor will provide the CCA its Business Continuity Plan describing a structured and integrated process to ensure uninterrupted provision of critical services related to this Contract following an event likely to interrupt business operations. The plan is expected to include, but not be limited to:

6.7.4.2.1 Description of critical services and business processes.

6.7.4.2.2 Contractor policies and procedures to assure continued business operations following an event.

6.7.4.2.3 Address, computer, telephone, facsimile, key contact(s), and all other critical information concerning alternative business processes and/or location(s) following an event.

6.7.4.3 The Contractor is expected to provide the CCA with annual updates on the annual anniversary of the Contract.

6.7.4.4 This plan is subject to the County's review. The CCA shall not be required to identify, nor notify Contractor of deficiencies in the Contractor's Business Continuity Plan. The County shall neither assume responsibility nor liability for the Contractor's Business Continuity Plan.

## 6.8 Contractor's Office

6.8.1 Contractor shall maintain an office within 75 miles of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, with a telephone in the company's name where Contractor conducts business. It is preferred the service office be located within the County or an adjacent county.

6.8.2 Office location must comply with Contract requirement during term of Contract.

6.8.3 Contractor shall maintain office physical security to safeguard all County claims and property provided for the Contractor's care, custody and control. At the close of each workday, checks, claim files, supplies, equipment, and computer access shall be secured by the Contractor.

6.8.4 Contractor shall maintain office security providing a means of and be responsible for restricting access to the claim data files, and computer terminals to only authorized persons.

## 7.0 HOURS/DAY OF WORK

The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one (1) employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. The Contractor shall answer calls received by the answering service within two (2) hours of receipt of the call.

## 8.0 WORK SCHEDULES

8.1 Contractor shall submit for review and approval a work schedule for each facility to the County Contract Administrator within five (5) days prior to starting work. Said work schedules shall be set on an annual calendar identifying all the required on-going maintenance tasks and task frequencies. The schedules shall list the time frames by day of the week, morning, and afternoon the tasks will be performed.

8.2 Contractor shall submit revised schedules when actual performance differs substantially from planned performance. Said revisions shall be submitted to the County Project Manager for review and approval within five (5) working days prior to scheduled time for work.

## 9.0 INTENTIONALLY OMITTED

## 10.0 SPECIFIC WORK REQUIREMENTS

10.1 Claims Management

Contractor's responsibility for specific claims management activity includes compliance with County's policies and procedures and LCS 5402 by:

10.1.1 Initiating timely contact with claimant, department, witnesses and treatment providers to initiate investigation and compensability evaluation.

10.1.2 Complete claim set up accurately and timely.

10.1.3 Where compensability is questionable or apportionment likely, complete investigation (including Insurance Service Office (ISO) bodily injury index and EDEX reporting at no cost to the County, statements of pertinent parties, development of medical history, use of qualified medical examination as appropriate).

10.1.4 Provide timely and appropriate Division of Workers' Compensation (DWC) benefit determinations (accept, delay, deny, pay benefits, end benefits, resume benefits, and potential eligibility notices).

10.1.5 For delayed claims, use a compensability determination checklist similar to the "Delayed Claims Administration Report" shown in Technical Exhibits, Exhibit VI.

10.1.6 Maintain statutory compliance (benefit notices, wage verification, MMSEA identification and reporting, etc.)

10.1.7 Develop and implement disposition plan to resolve claims by:

10.1.7.1 Determining the extent and degree of permanent disability using consultative ratings from the Disability Evaluation Unit or independent rating experts.

10.1.7.2 Obtain County approvals in accordance with approval limits established by the CCA prior to the negotiation of any compromise and release agreement or stipulation resolving controversy.

10.1.8 Refer suspected fraud to the Special Investigation Unit and follow up for report to appropriate authority where investigation is supportive.

10.1.9 Accurately input information developed and received into the CIS data fields during periodic claim action plan review and implementation follow up scheduled no less than 45-day intervals for active indemnity claims and 90-day intervals for future medical claims.

10.1.10 Maintain communication with Department WC Coordinators to provide status updates, concurrence with action plan and response to day-to-day inquiries.

10.1.11 Provide the County's Risk Management Branch or the long-term and short-term disability (LTD and STD) claims adjusting contractor with copies of the employee's report of injury, medical reports from the WC claim, and the award letter to exchange pertinent claim information on those WC claims also having a long-term disability

claim with the County for the same condition. The LTD and STD shall provide an authorization signed by the employee.

10.2 Medical Management

Contractor's responsibility for specific medical management activity includes compliance with County's policies and procedures to implement:

10.2.1 Treatment monitoring to ensure positive outcome through use of:

10.2.1.1 Communication with injured worker and the primary treatment provider (PTP) to assess appropriateness of treatment plans and injured worker healing progress.

10.2.1.2 Petition for PTP removal where non-compliance with California Code of Regulations Section (CCRS) 9785 is unaffected by communications.

10.2.1.3 The County has contracts with various Medical Provider Networks (MPNs). The Contractor is expected to facilitate medical control using the MPN.

10.2.1.4 Utilization review (UR) in compliance with LCS 4610, and/or sections 9792.6 through 9792.12 of Title 8, CCR. Expected UR usage includes: prospective review; retrospective review; concurrent review; 'Petition to DIR Medical Director for Second Surgical Opinion'; pharmacy review; and peer review. Maintain adequate staffing to respond timely to treatment authorization requests per LCS 4600.4.

10.2.1.5 Telephonic or field nurse case management (TNCM or FNCM) to ensure treatment planning is consistent with treatment guidelines adopted by the DIR and where insufficient to promote healing, nationally accepted treatment guidelines such as those promoted by the American College of Occupational and Environmental Medicine (ACOEM) and/or Official Disability Guidelines (ODG) providing disability and treatment duration guidance. Contractor is responsible to develop a NCM plan of action and budget as well as review related expense bills for compliance.

10.2.2 Medical cost containment through use of:

10.2.2.1 Medical bill review (BR) with medical provider communication to provide explanation of benefits timely objecting to excessive charges in compliance with

LCS4622 and CCRS 9792.5. Obtain request for reconsideration where BR results are questioned by the provider in an effort to resolve disputes.

10.2.2.2 Lien closure efforts including, but not limited to, negotiation and resolution within authority and mandatory preparation/submission of lien resolution affidavit to County's Hearing Representative (HR) or Defense Attorney (DA) at least 10 days prior to the Mandatory Settlement Conference (MSC).

10.3 Return to Work, Rehabilitation/Supplemental Job Displacement Benefits

10.3.1 Under the direction of the CCA, Contractor will support County departments to implement the County's Return-to-Work Program, including:

10.3.1.1 Obtaining work capacity reports from PTP using evidence-based disability guidelines (MD Guidelines or Official Disability Guidelines) to establish expectations and goals in the RTW process and provide the information to the Department RTW Coordinator timely and accurately.

10.3.1.2 Providing PTP with job description for RTW consideration.

10.3.1.3 Coordinating ergonomic services to identify and resolve work environmental obstacles to keeping employee at work or returning employee to work.

10.3.1.4 Where modified return to work (MRTW) is successfully coordinated, follow up for increased work capacity to facilitate regular return to work (RRTW).

10.3.1.5 Where permanent and stationary status is reached and RRTW is precluded, work with Department WC Representative to ensure compliance with County modified/alternative work policy as well as the Americans with Disability Act (ADA) and the California Fair Housing and Employment Act (FEHA).

10.3.1.6 Where an Offer of Work accommodating permanent disability is extended and accepted, reduce the permanent disability rate by fifteen percent (15%) per LCS 4658(d)(2)(3) for injuries after January 1, 2005 and before January 1, 2013, involving temporary disability.

10.3.2 Where the interactive process results in determination that the County is unable to accommodate permanent disability, determine eligibility for:

10.3.2.1 Rehabilitation benefits pursuant to LCS 139.5 (subject to SB899 ending obligation for injuries January 1, 2004 and more recent and establishing 'Sunset' provisions effective January 1, 2009 for injuries prior to January 1, 2004) provide appropriate benefits and services.

10.3.2.2 Supplemental Job Displacement Benefits pursuant to LCS 4658.6 and DWC-AD 10133.50 – 10133.50 and 10294.5 and provide appropriate benefits.

10.3.2.3 Increase in permanent disability rate by fifteen percent (15%) per LCS 4658(d)(2)(3) for injuries after January 1, 2005 and before January 1, 2013.

10.4 Subrogation and Other Recoveries Management

10.4.1 Contractor is responsible to identify eligibility for recovery related to:

10.4.1.1 Second Injury Fund eligibility.

10.4.1.2 Subrogation against third party tort-feasor at fault for cause of injury to County employee.

10.4.1.3 Co-defendant responsible for contribution to extent of injury due to share of cumulative trauma period or apportionment.

10.4.2 Contractor is responsible for pursuit of recovery, including but not limited to:

10.4.2.1 Communication of notice of intent to pursue recovery.

10.4.2.2 Periodic follow up to update subrogation eligibility where third party is at fault for cause of injury to County employee.

10.4.2.3 Negotiations to obtain recovery with assistance from legal counsel as approved by County Counsel where representation is necessary to preserve legal rights to recovery.

10.4.2.4 Refer subrogation matters above County established threshold (currently $3,500) to the Risk Management

Branch designee for oversight and assistance with recovery pursuit.

10.4.3 Contractor is responsible to appropriately handle recoveries by:

10.4.3.1 Recording the recovery in the CIS for the claim.

10.4.3.2 Deposit funds appropriately documenting claim with evidence of deposit.

10.4.4 Provide the CEO Risk Management Branch a written status report on cases open for recovery. Establish parameters for the report with CCA.

10.5 Litigation Management

10.5.1 Contractor is responsible to identify and resolve injured employee problems arising out of the industrial injuries in an effort to avoid litigation, as appropriate.

10.5.2 At County direction, at Contractor's own expense, consult with employee groups, County departmental representatives, management, or central staff, to resolve problems, and avoid litigation in accordance with County policies.

10.5.3 Where litigation occurs, work with County Counsel or a designated private law firm from the approved panel (Attachment 1 to this SOW) to:

10.5.3.1 Timely assign claim for development of legal strategy, providing file material and discovery assistance.

10.5.3.2 Provide County Counsel with litigation file within thirty (30) days from date WCAB application or notice of representation is received.

10.5.3.3 Provide defense attorney and/or County Counsel with copy of medical reports, benefit notices and correspondence received within five days.

10.5.3.4 Provide defense attorney a complete summary of all benefits (amounts and periods) paid to the injured employee along with a completed 'Balance Sheet' per Technical Exhibit XIV, at least ten (10) days prior to any MSC and provide an updated summary as necessary for other WCAB proceedings.

10.5.3.5 Obtain litigation progress reports and update department on progress at appropriate intervals and respond to requests for information from defense attorney within two (2) weeks or sooner if claim has WCAB Calendar date.

10.5.4 Provide the CEO Risk Management Branch a written status report on cases open for litigation. Establish parameters for the report with CCA.

10.6 Fiscal Management

10.6.1 Contractor is expected to approve claims for payment and, as directed by CCA, input and process payments through the County's WC CIS, financial or accounts payable system.

10.6.2 Contractor's payment accountability includes, but is not limited to:

10.6.2.1 Compliance with Government Code Section 31000.8 by establishing and maintaining payment control procedures to ensure accurate and secure payment processing within delegated authority (see Technical Exhibit XI). Where authority delegated is insufficient, payment or settlement authority request is directed to the Contractor's supervisor and CCA to obtain approval from appropriate authority level.

10.6.2.2 Entering payments to the County's WC CIS for:

10.6.2.2.1 Determined eligibility for temporary disability and permanent disability and other indemnity compensation benefits in accordance with medical advice and return to work/rehabilitation efforts.

10.6.2.2.2 Determined eligibility for medical and allocated loss expense.

10.6.3 Contractor's Fiscal responsibility includes maintaining accurate reserves by:

10.6.3.1 Establishing initial reserves within two (2) days of claim receipt.

10.6.3.2 Documenting review of reserves during interval claim reviews no less frequently than semi-annually.

10.6.3.3 Completing 'Balance Sheet' to reconcile payments made with payments due.

10.6.3.4 Adjusting reserves for changes in claim value to reflect:

10.6.3.4.1 Estimated temporary total disability;

10.6.3.4.2 Estimated LCS 4850 disability;

10.6.3.4.3 Estimated permanent disability or death benefits;

10.6.3.4.4 Estimated rehabilitation or SJDB;

10.6.3.4.5 Estimated medical treatment;

10.6.3.4.6 Estimated legal expense; and

10.6.3.4.7 Estimated other expense.

10.7 Support Services

The County has contracts with a number of private firms as discussed above in Subparagraph 6.24 to provide medical management and cost containment services. The Contractor shall use only those firms approved by the County.

Contractor shall establish and maintain panels of firms that provide services peripheral to the management of workers' compensation claims: AOE/COE and sub-rosa investigation services (Attachment 2 to this SOW), transportation services, record copying services, subpoena services, ergonomic vendors (Attachment 3 to this SOW), etc. Contractor shall ensure such firms provide quality services at competitive prices. Contractor shall disclose any business interest, direct or indirect, in the panel firms. The panels shall be submitted to the CCA at the inception of the Contract. Contractor shall immediately notify the CCA of any additions to the panels. At the CCA's request, Contractor shall immediately remove any firm from the panels. The County retains the right to contract for services addressed in this paragraph.

Outside peripheral services shall be employed only when necessary and only with the Claims Supervisor's authorization. Documentation of assignment shall include specific reasons for referral and direction provided for peripheral service provider's activities. Contractor shall copy the designated County representative on all referrals.

## 11.0 GREEN INITIATIVES

11.1 Contractor shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

11.2 Contractor shall notify County's Project Manager of Contractor's new green initiatives prior to the contract commencement.

## 12.0 PERFORMANCE REQUIREMENTS SUMMARY

Technical Exhibits VIII and IX provide the 'Performance Requirements Summary' and 'Best Practices' expected by the County during the term of the Contract. This is an important tool for the County and includes:

- List of services required by the contract; and
- Indication of the method of monitoring.

All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on Contractor.

However, recent updates to Paragraph 10.0 (Specific Work Requirements) above are to be addressed in the process of developing contracts. Fee impact performance audits will be completed annually by an independent auditor chosen by the County.

## 13.0 PAYMENT AND ADJUSTMENTS TO PAYMENT

13.1 Payment

13.1.1 Base Monthly

The County shall pay the Contractor on a fee basis as set forth in the Payment Schedule. Payment for assumption and administration of all take-over claims is included in this fee. The County will not make and Contractor is not entitled to any additional payment for the assumption or administration of any take-over claim.

13.2 Adjustment to Payment

The Contractor shall invoice the County monthly in arrears for fees due for the billing period. The invoices shall clearly reflect and provide reasonable detail as determined by the County of the services provided.

The County will adjust the invoice as follows and pay the invoice within 60 days of receipt.

13.2.1 The County shall adjust the monthly invoice fee based upon compliance with proposed staffing per analysis of loss experience reports and performance audits. The adjustment will be made to the monthly payment of the annual contract, per Subparagraph 13.2.2.

The Contractor shall reimburse the County for any overpayment, fine, penalty, or other cost incurred due to the Contractor's failure to comply with State of California WC statutes, codes, regulations, or any term or condition of the Contract. Such failures include but are not limited to:

13.2.1.1 Late payment or nonpayment of any benefit to any applicant or medical provider resulting in penalty or attorney fees.

13.2.1.2 Overpayment of any benefit owed to any applicant, any lien claimant, or other party in a claim due to Contractor's error.

13.2.2 The County may increase or reduce the annual flat contract fee pursuant to the performance incentives related to annual claims administration performance audit. At the County's sole discretion, mutually beneficial performance and financial incentives shall be applied as follows:

| | |
|---|---|
| Annual Audit Performance Score < 75% | Base Fee Less 4.5% |
| Annual Audit Performance Score ≥ 75% but <80% | Base Fee Less 1.5% |
| Annual Audit Perfomance Score ≥80% but <85% | 100% of Base Fee |
| Annual Audit Performance Score ≥85% but <90% | Base Fee Plus 1.5% |
| Annual Audit Performance Score ≥90% but <95% | Base Fee Plus 3.0% |
| Annual Audit Performance Score ≥95% | Base Fee Pluis 4.5% |
| Subrogation recoveries during contract year exceeds subrogation recoveries during prior year | Base Fee Plus .5%, subject to a maximum of 50% of the increased recovery dollars. |
| Examiner staffing levels do not meet requirements of Subparagraph 6.4 of this SOW | $7,000 for each aggregate thirty (30) calendar days a position is vacant. |

The performance score (%) shall be determined by random-sample audits commencing soon after the end of the first contract year and conducted at least annually thereafter by the County Monitors or an independent auditor for compliance with standards described in Technical Exhibits, Exhibits VIII and IX, 'Quality of Work Performance Requirement Summary.' The CCA may update the areas to be audited and the factors to be considered in determining the performance score, providing notice to the Contractor. Initial performance audit for application of incentives shall focus on performance from six (6) months post contract onset through first contract anniversary. Thereafter, audits shall focus on annual performance periods.

Reimbursements overdue by 60 days may be added to the adjustment to monthly fee payments.

13.2.2.1 Incentives are incorporated to facilitate partnership between the County and the Contractor to achieve operational efficiency and contain costs. The County reserves the right to determine the final audit and/or evaluation criteria for incentives.

13.2.3 The County shall give notice to the Contractor of any assessment or adjustments to payments planned detailing the determination methodology. The Contractor shall have 60 days to respond in writing to the notice. The response shall include but not be limited to:

13.2.3.1 Evidence that the penalty was not incurred or an overpayment or excessive cost was not made.

13.2.3.2 Evidence that the Contractor's act(s) and/or omissions(s) did not cause the penalty, overpayment, or excess cost.

13.2.4 Second level dispute resolution process

13.2.4.1 If after the Contractor's response to the County's notice of assessment of adjustment to payments, the County and Contractor are in disagreement, a second level dispute resolution process will be conducted. The CCA or his/her appointed designee and the appropriate Contractor designee shall review the evidence and resolve the dispute. Second level dispute resolution process shall be completed within sixty (60) calendar days.

13.2.4.2 At the end of the second-level dispute resolution process, the County shall be entitled to reduce the Contractor's monthly invoices for assessments of adjustments to payments.

13.2.5 Any increase or decrease calculated based on the performance score shall use the Base Fee at the time audited work was performed by the Contractor. Payment may be made in a lump sum within 60 days after the County submits the final audit results, or by equal monthly installments over a one year-period commencing within the same 60-day period.

## 14.0 INTENTIONALLY OMITTED

## 15.0 ADJUSTMENT TO PAYMENTS FOLLOWING AUDIT

15.1 If, at any time during the term of the Contract or within five years after the expiration or termination of the Contract, authorized representatives of the County conduct an audit of the Contractor regarding the services provided to the County hereunder and if as a result of such audit it is determined that the County's dollar liability for such services is less than payments made by the County to the Contractor, then the Contractor agrees that the difference, at the CCA's option, shall be either: (1) repaid forthwith by the Contractor to the County by cash payment, or (2) credited against any future payments hereunder to the Contractor.

15.2 If as a result of such audit it is determined that the County's dollar liability for services provided hereunder is more than payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County provided that in no event shall the County's maximum obligation exceed the amount appropriated by the Board of Supervisors.

# PAYMENT SCHEDULE

| PRICING CRITERIA | ANNUAL FLAT FEE | MONTHLY PAYMENT |
|---|---|---|
| Flat Annual Fee - Contract Year 1[a,b] (payable monthly during Contract period) | **$4,578,672** | **$381,556.00** |
| Flat Annual Fee – Contract Year 2[a,b] | **$4,693,139** | **$391,094.92** |
| Flat Annual Fee – Contract Year 3[a,b] | **$4,810,467** | **$400,872.25** |
| Flat Annual Fee – Contract Year 4[a,b] | **$4,930,729** | **$410,894.08** |
| Flat Annual Fee – Contract Year 5[a,b] | **$5,053,997** | **$421,166.42** |
| **MAXIMUM TOTAL BASE FEE** | **$24,067,004** | |

a) The number of new indemnity claims submitted for the 12 months from January 1, 2012 through December 31, 2012 for Unit 2 was 804. For any calendar year where the number of new indemnity claims, administered by workers' compensation examiners, exceeds 804 by 175, the County shall pay the Contractor an additional $59,866 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 804 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay Contractor an additional $119,732 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 804 by 525 new indemnity claims, administered by workers' compensation claim examiners, the County shall pay the Contractor an additional $179,598 within 60 days of the end of the calendar year, and etc.

b) The number of open indemnity claims as of December 31, 2012 for Unit 2 was 3,819. For any quarter where the Contractor's open indemnity caseload is equal to or less than 3,644, the monthly base fee shall be reduced by $4,989. For any quarter where the Contractor's open indemnity caseload is equal

to or less than 3,469, the monthly fee shall be reduced by $9,978. For any quarter where the Contractor's open indemnity caseload is equal to or less than 3,294, the monthly base fee shall be reduced by $14,967, and etc.

EXHIBIT C

**INTENTIONALLY OMITTED**

EXHIBIT D

# CONTRACTOR'S EEO CERTIFICATION

T
Tristar Insurance Group
Contractor Name

100 Oceangate #700, Long Beach, CA 90802
Address

95-2791831
Internal Revenue Service Employer Identification Number

## GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

## CONTRACTOR'S SPECIFIC CERTIFICATIONS

| | | | |
|---|---|---|---|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes X | No ☐ |
| 2. | The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes X | No ☐ |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes X | No ☐ |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes X | No ☐ |

Victoria Gonzales, Vice President of Human Resources
Authorized Official's Printed Name and Title

Victoria J Gonzales
Authorized Official's Signature

April 29, 2013
Date

EXHIBIT E

# COUNTY'S ADMINISTRATION

CONTRACT NO. _____

**COUNTY RISK MANAGER:**

Name: Steve Robles

Title: Assistant Chief Executive Officer

Address: 3333 Wilshire Blvd., Suite 820

Los Angeles, CA 90010

Telephone: (213) 351-5346 Facsimile: (213) 252-0404

E-Mail Address: srobles@ceo.lacounty.gov

**COUNTY CONTRACT ADMINISTRATOR:**

Name: Alex Rossi

Title: Manager, CEO

Address: 3333 Wilshire Blvd., Suite 1000

Los Angeles, CA 90010

Telephone: (213) 738-2154 Facsimile:(213) 637-0822

E-Mail Address: arossi@ceo.lacounty.gov

**COUNTY MONITOR:**

Name: Anthony Taras

Title: Chief Program Specialist

Address: 3333 Wilshire Blvd., Suite 1000

Los Angeles, CA 90010

Telephone: (213) 351-6405 Facsimile: (213) 637-0822

E-Mail Address: ataras@ceo.lacounty.gov

EXHIBIT F

# CONTRACTOR'S ADMINISTRATION

**CONTRACTOR'S NAME:** TRISTAR Risk Management

**CONTRACT NO:** _____

**CONTRACTOR'S CLAIMS MANAGER:**

Name: James Soto
Title: Vice-President Regional Manager
Address: _____
_____
Telephone: (562) 495-6600 ext. 1032
Facsimile: (562) 495-6684
E-Mail Address: james.soto@tristargroup.net

**CONTRACTOR'S AUTHORIZED OFFICIAL(S)**

Name: Thomas J. Veale
Title: President
Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
Telephone: (562) 495-6600 ext. 1043 Facsimile: (562) 432-8619
E-Mail Address: tom.veale@tristargroup.net

Name: James Soto
Title: Vice President Regional Manager
Address: _____
_____
Telephone: (562) 495-6600 ext. 1043
Facsimile: (562) 495-6684
E-Mail Address: james.soto@tristargroup.net

**Notices to Contractor shall be sent to the following:**

Name: Thomas J. Veale
Title: President
Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
Telephone: (562) 495-6600 ext. 1043 Facsimile: (562) 432-8619
E-Mail Address: tom.veale@tristargroup.net

EXHIBIT G

# FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

*Applicability of the forms below is based on the type of contract. A contract involving Information Technology (IT) services includes Copyright Assignment language whereas a non-IT Contract omits the Copyright Assignment language.*

*Additionally, a determination must be made whether the Contactor will complete a Confidentiality Agreement on behalf of its employees or whether the Contractor's employees and non-employees will complete the Confidentiality Agreements individually.*

## NON-IT CONTRACTS

G1 INTENTIONALLY OMITTED

G2 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

G3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

# EXHIBIT G-1

## INTENTIONALLY OMITTED

EXHIBIT G2

# CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No._____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

# CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____

Contract No._____

Non-Employee Name _____

## GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

## NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

## CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other

than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

## 2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.

C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

3. A purchase made through a state or federal contract; or

4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or

2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

## 2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

## 2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,

2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,

2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000; and,

3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

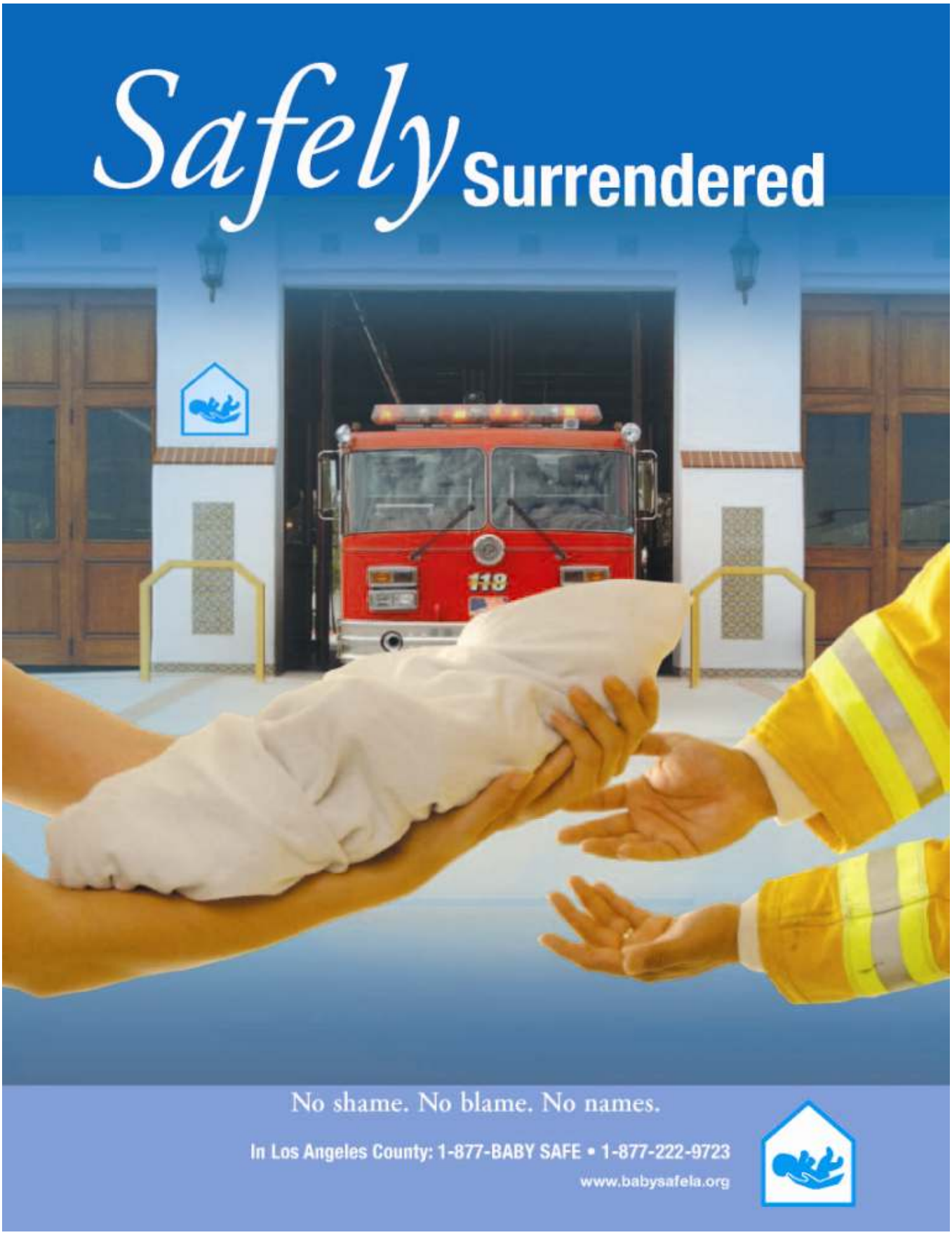
"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

# SAFELY SURRENDERED BABY LAW


Safely Surrendered
118
No shame. No blame. No names.
In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

In Los Angeles County: 1 877 BABY SAFE 1 877 222 9723
www.babysafela.org

# Safely Surrendered Baby Law

## What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

## How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

## What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

## Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

## Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

## Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

## What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

## What happens to the parent or surrendering adult?

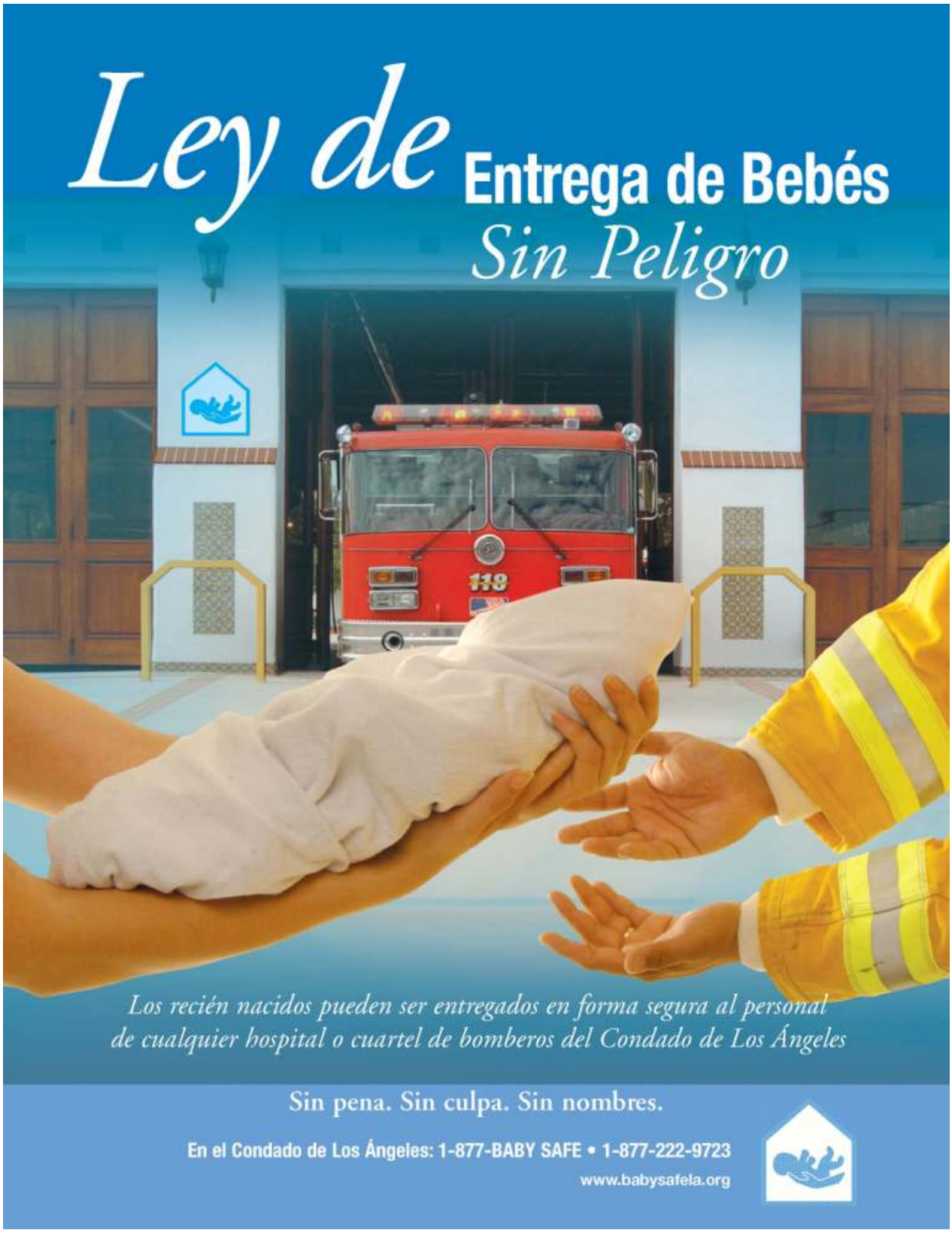
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

## Why is California doing this?

The purpose of the **Safely Surrendered Baby Law** is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The **Safely Surrendered Baby Law** prevents this tragedy from ever happening again in California.

## *A baby's story*

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.


Ley de Entrega de Bebés
Sin Peligro
118
Los recién nacidos pueden ser entregados en forma segura al personal
de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles
Sin pena. Sin culpa. Sin nombres.
En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

# *Ley de* Entrega de Bebés *Sin Peligro*

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

## ¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al **1-800-540-4000**.

## ¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan *si tienen custodia legal.*

## ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

## ¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

## ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

## ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

## ¿Por qué se está haciendo esto en California? ?

La finalidad de la **Ley de Entrega de Bebés sin Peligro** es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La **Ley de Entrega de Bebés sin Peligro** impide que vuelva a suceder esta tragedia en California.

## *Historia de un bebé*

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

**2.201.010 Findings.**
The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 2007-0011 § 1, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.020 Definitions.**

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.

B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.

C. "Employer" means:

1. An individual or entity who has a contract with the county:

a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or

b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and

c. Who has received or will receive an aggregate sum of $25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or

2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.

D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.

E. “Proposition A contract” means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business. (Ord. 2007-0011 § 2, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.030 Prospective effect.**

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)
* **Editor’s note:** Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

**2.201.040 Payment of living wage.**

A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be $9.64 per hour with health benefits, or $11.84 per hour without health benefits.

B. To qualify for the living wage rate with health benefits, an employer shall pay at least $2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.

C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate. (Ord. 2007-0011 § 3, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.050 Other provisions.**

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer’s employees, except that this

restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.060 Employer retaliation prohibited.**

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.070 Employee retention rights.**

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

A. A "retention employee" is an employee of a predecessor employer:

1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;

2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and

3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.

B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

C. A subsequent employer is not required to hire a retention employee who:

1. Has been convicted of a crime related to the job or his or her job performance; or

2. Fails to meet any other county requirement for employees of a contractor.

D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.080 Enforcement and remedies.**

For violation of any of the provisions of this chapter:

A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.

B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:

1. Assess liquidated damages as provided in the contract; and/or

2. Recommend to the board of supervisors the termination of the contract; and/or

3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code. (Ord. 2007-0011 § 4, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.090 Exceptions.**

A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.

D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

2. Has 20 or fewer employees during the contract period, including full time and part time employees; and

3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed $1,000,000.00; or

4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed $2,500,000.00.

“Dominant in its field of operation” means having more than 20 employees, including full time and part time employees, and more than $1,000,000.00 in annual gross revenues or $2,500,000.00 in annual gross revenues if a technical or professional service.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999: Ord. 99-0048 § 1 (part), 1999.)

**2.201.100 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 199

Exhibit K

# COUNTY OF LOS ANGELES
# LIVING WAGE ORDINANCE

## MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

**Instruction Box:** Please complete all sections of this form. *(Information to complete this form can be obtained from your weekly certified payroll reports)* Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign this form before submitting.

| | | | |
|---|---|---|---|
| **(1) Name:** **Contractor** ☐ **Subcontractor** ☐ | | **Address:** (Street, City, State, Zip) | |
| **(2) Payroll No.:** | **(3) Work Location:** | **(4) From Payroll period** / / **To Payroll period** / / | **(5) For Month Ending:** |
| **(6) Department Name:** | **(7) Contract Service Description:** | **(8) Contract Name & Number:** | |
| **(9 ) Contractor Health Plan Name(s):** | | **(10) Contractor Health Plan ID Number(s):** | |

| (11) Employee Name, Address & Last 4 digits of SS# | (12) Work Classification | (13) Total Hours Worked Each Week of Monthly Pay Period | | | | | (14) Total Aggregate Hours | (15) Employer Paid Health Benefit Hourly Rate | (16) Gross Amount Paid (14x15) | (17) Employee Paid Health Benefit Hourly Rate | (18) Gross Amount Paid (14x17) | (19) Aggregate $ Health Benefits Paid (16+18) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | | | | | | |
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| **I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.** | **Total** (This Page) | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | 0 |
| **Print Authorized Name:** | **Grand Total** (All Pages) | | | | | | | | | | | |

| | | | |
|---|---|---|---|
| **Authorized Signature:** | **Date:** | **Title:** | **Telephone Number (include area code) ( )** | **Page:** _____ of _____ |

SAMPLE

# COUNTY OF LOS ANGELES

## LIVING WAGE ORDINANCE

### MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

**Instruction Box:** Please complete all sections of this form. *(Information to complete this form can be obtained from your weekly certified payroll rerorts)* Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign the form before submitting.

| | | | |
|---|---|---|---|
| (1) Name: Tough Guy, Inc. | Contractor ☑ Subcontractor ☐ | Address: (Street, City, State, Zip) 1501 Torrance Blvd., Sre. 11A, Torrance, CA 90503 | |
| (2) Payroll No: 81600 | (3) Work Location: various County facilities | (4) From payroll period: 6/1/2011 to payroll period: 6/30/2011 | (5) For Month Ending: June |
| (6) Department Name: ISD | (7) Contract Service Description: Security Services - | (8) Contract Name & Number: Security Services at County Facilities #95260 | |
| (9 ) Contractor Health Plan Name(s): General Health Plan | | (10) Contractor Health Plan ID Number(s): HS3567-06 | |

| (11) Employee Name, Address & Last 4 digits of Social Security Number | (12) Work Classification | (13) Total Hours Worked Each Week of Monthly Pay Period 1 | 2 | 3 | 4 | 5 | (14) Total Aggregate Hours | (15) Employer Paid Health Benefit Hourly Rate | (16) Gross Amount Paid (14x15) | (17) Employee Paid Health Benefit Hourly Rate | (18) Gross Amount Paid (14x17) | (19) Aggregate $ Health Benefits Paid (16+18) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Del Real, Rafael<br>14821 Larch Avenue<br>Lawndale, CA 90260<br>Last 4 digits of ss#: 1111 | Security Guard II | 35 | 45 | 32 | 48 | | 160 | $0.90 | $144.00 | $0.24 | $38.40 | $182.40 |
| 2 Masterson, Philip<br>15567 Reeves Avenue<br>Culver City, CA 90230<br>Last 4 digits of ss#: 2222 | Post Commander | 39 | 32 | 40 | 35 | | 146 | $2.20 | $321.20 | $0.11 | $16.06 | $337.26 |
| 3 Hernandez, Jaime R.<br>9404 Stanford Avenue<br>South Gate, CA 90280<br>Last 4 digits of ss#: 3333 | Security Guard I | 40 | 40 | 40 | 40 | | 160 | 0 | 0 | N/A | 0 | N/A |
| 4 Palmeri, Thomas<br>1711 Masontown Road<br>Long Beach, CA 90802<br>Last 4 digits of ss#: 4444 | Security Guard I | 32 | 40 | 40 | 35 | | 147 | 0 | $0.00 | N/A | 0 | $0.00 |
| 5 Figueroa, Arturo<br>5569 Via Marisol<br>Los Angeles, CA 90042<br>Last 4 digits of ss#: 5555 | Security Guard-Supvr | 40 | 46 | 40 | 48 | | 174 | 0 | 0 | N/A | 0 | N/A |
| I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct. | Total (This Page) | 186 | 203 | 192 | 206 | | 787 | | $465.20 | | | $519.66 |
| Print Authorized Name: Mr. Tough Guy | Grand Total (All Pages) | 186 | 203 | 192 | 206 | | 787 | | $465.20 | | $54.46 | $519.66 |

Not Applicable

Not Applicable

Not Applicable

| | | | | |
|---|---|---|---|---|
| Authorized Signature: | Date: 7/15/2011 | Title: Payroll | Telephone Number (include area code) | Page: 1 of 1 |

**COUNTY OF LOS ANGELES**
**LIVING WAGE PROGRAM**

# PAYROLL STATEMENT OF COMPLIANCE

I, _____, _____
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____ ;
(Company or subcontractor Name) (Service, Building or Work Site)
that during the payroll period commencing on the _____day of _ _____,and
(Calendar day of Month) (Month and Year)
ending the _____ day of _ _____ all persons employed on said work site
(Calendar day of Month) (Month and Year)
have been paid the full weekly wages earned, that no rebates have been or will be made, either directly or indirectly, to or on behalf of _____
(Company Name)
from the full weekly wages earned by any person, and that no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

_____

_____

_____

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

☐ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

| I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct. | |
|---|---|
| Print Name and Title | Owner or Company Representative Signature:<br><br>**Date:** |
| **THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.** | |

EXHIBIT M

INTENTIONALLY OMITTED

EXHIBIT N

**INTENTIONALLY OMITTED**

EXHIBIT O

INTENTIONALLY OMITTED

# TECHNICAL EXHIBITS

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# CHIEF EXECUTIVE OFFICE
# RISK MANAGEMENT BRANCH

All of the programs below contribute to the following objectives: to place employees in jobs in which they can perform safely and effectively; to reduce the loss of time due to illness or injury; to reduce the number of retirements which are a result of disability; to meet legal mandates related to health, safety and insurance; and to accomplish the above at the least possible cost.

## WORKERS' COMPENSATION CLAIMS PROGRAM

The primary objective of the program is to provide all workers' compensation benefits required under state law to injured County employees on a timely basis and at the least possible cost to the County. These benefits include medical care, temporary disability compensation, permanent disability compensation, vocational rehabilitation and supplemental job displacements benefits, and death benefits.

Major activities include: determining the County's workers' compensation liability for job-related injuries and illnesses newly reported each year; providing statutory workers' compensation benefits and expenses; coordinating statutory benefits with salary continuation and Labor Code 4850 benefits for injury claims determined to be work related involving leave of absence from work; investigating all disability; monitoring medical care of injured employees to ensure necessary and appropriate treatment is offered and arranged; coordinating the preparation of all litigated cases with the County Counsel; referring appropriate claims to departmental Return-to-Work Coordinators and rehabilitation staff; and identifying possible safety problems to timely provide this information to appropriate County staff.

## EARLY RETURN-TO-WORK PROGRAM

The Early Return-to-Work Program was established to conserve human resources by returning ill or injured employees to work as soon as possible during the recovery period. The Program's activities are carried out by departmental Return-to-Work Coordinators, with technical assistance and policy guidance of the return-to-work/rehabilitation staff of the Chief Executive Office. Successful return-to-work program efforts increase employee productivity through reduction and control of lost time, the costs of rehabilitation benefits, long-term disability payments, and disability retirement benefits.

## LONG TERM DISABILITY AND SURVIVOR PLAN

The Long-Term Disability Plan provides income benefits to employees who are expected to be disabled from the job for six months or more. The Plan also provides survivor benefits to the spouse or eligible children of any deceased employee who would otherwise have qualified for disability benefits. The staff of the Long Term Disability third party administrator receives, evaluates, and determines eligibility of disability and survivor claimants. The plan covers approximately 83,052 Active General Members of Retirement Plans A - E.

## MEGA-FLEX SHORT TERM DISABILITY

The Short-Term Disability (STD) Plan covers approximately 11,254 employees who are enrolled in the County's Mega-Flex benefit program. The STD Plan provides disability benefits for periods of disability of less than six months for either work-related or non-work-related illness or injury. The STD benefits are coordinated with workers' compensation temporary disability benefits.

## OTHER COUNTY DEPARTMENTS PROVIDING WORKERS' COMPENSATION PROGRAM SERVICES

### COUNTY COUNSEL: Workers' Compensation Division

The Workers' Compensation Division represents the County of Los Angeles in the defense of workers' compensation claims that are filed against the County before the Workers' Compensation Appeals Board and the State Appellate Courts. This Division provides advice and counsel to the Risk Management Branch of the Chief Executive Office and also designates private law firms to provide legal counsel.

### COUNTY AUDITOR-CONTROLLER: Disbursements Division

The Risk Management Branch and the Third Party Administrators (TPAs) authorize the payments to be made on workers' compensation claims. The General Claims Section of the Disbursements Division of the Auditor-Controller receives the authorizations and issues the warrants. The Workers' Compensation and Budget and Fiscal Services of the Chief Executive Office provide fiscal, clerical, and data processing support services relating to all payment activity.

## OPEN INDEMNITY CLAIMS COUNTYWIDE – BY UNIT*

| Month Ending | Unit 1 | Unit 2 | Unit 3 | Unit 4 | TOTAL |
|---|---|---|---|---|---|
| 3/31/2010 | 6335 | 3905 | 6778 | 5360 | 22378 |
| 4/30/2010 | 6408 | 3904 | 6748 | 5397 | 22457 |
| 5/31/2010 | 6412 | 3931 | 6823 | 5361 | 22527 |
| 6/30/2010 | 6501 | 3887 | 6812 | 5398 | 22598 |
| 7/31/2010 | 6522 | 3912 | 6778 | 5324 | 22536 |
| 8/31/2010 | 6581 | 3933 | 6776 | 5357 | 22647 |
| 9/30/2010 | 6667 | 3943 | 6815 | 5451 | 22876 |
| 10/31/2010 | 6639 | 3922 | 6871 | 5374 | 22806 |
| 11/30/2010 | 6532 | 3926 | 6767 | 5380 | 22605 |
| 12/31/2010 | 6378 | 3861 | 6748 | 5467 | 22454 |
| 1/31/2011 | 6512 | 3948 | 6744 | 5485 | 22689 |
| 2/28/2011 | 6548 | 3927 | 6782 | 5489 | 22746 |
| 3/31/2011 | 6629 | 3904 | 6762 | 5436 | 22731 |
| 4/30/2011 | 6674 | 3910 | 6813 | 5481 | 22878 |
| 5/31/2011 | 6733 | 3928 | 6845 | 5512 | 23018 |
| 6/30/2011 | 6523 | 3919 | 6662 | 5521 | 22625 |
| 7/31/2011 | 6593 | 3958 | 6746 | 5595 | 22892 |
| 8/31/2011 | 6647 | 3986 | 6704 | 5556 | 22893 |
| 9/30/2011 | 6697 | 4002 | 6764 | 5476 | 22939 |
| 10/31/2011 | 6731 | 4041 | 6776 | 5436 | 22984 |
| 11/30/2011 | 6721 | 4024 | 6784 | 5415 | 22944 |
| 12/31/2011 | 6367 | 3872 | 6764 | 5484 | 22487 |
| 1/31/2012 | 6517 | 3852 | 6812 | 5522 | 22703 |
| 2/29/2012 | 6566 | 3882 | 6810 | 5558 | 22816 |

*Please note only units 1, 2, and 4 are included in the current solicitation.

## OPEN CLAIMS BY DEPARTMENT – UNIT 2

| Dept. No. | Department | Indemnity Claims | Medical Only Claims | Total |
|---|---|---|---|---|
| 001 | MISSING | 4 | | 4 |
| 002 | COUNTY EMPLOYMENT NOT CONFIRMED | 17 | | 17 |
| 110 | HEALTH SERVICES ADMINISTRATION | 169 | 13 | 182 |
| 120 | HEALTH PLAN ADMINISTRATION | 7 | 4 | 11 |
| 130 | HIGH DESERT HOSPITAL | 126 | 8 | 134 |
| 140 | D P S S | 2 | | 2 |
| 160 | LAC/USC: GENERAL HOSPITAL | 1190 | 132 | 1322 |
| 161 | NORTHEAST CHC/HLTH CTRS | 82 | 5 | 87 |
| 175 | LAC/USC: WOMEN'S HOSPITAL | 2 | | 2 |
| 185 | LAC/USC: PLANT MANAGEMENT | 1 | | 1 |
| 199 | SUBSTANCE ABUSE | 18 | 1 | 19 |
| 200 | HARBOR HOSPITAL | 411 | 62 | 473 |
| 201 | LONG BEACH CHC/COASTAL HLTH CTRS | 16 | | 16 |
| 218 | LAC/USC: MED CENTER ADMIN | 2 | | 2 |
| 225 | MARTIN LUTHER KING HOSPITAL | 308 | 12 | 320 |
| 226 | METRO SOUTH CHC/HLTH CTRS | 58 | | 58 |
| 240 | OLIVE VIEW HOSPITAL | 272 | 35 | 307 |
| 241 | MID-VALLEY CHC/HLTH CTRS | 27 | | 27 |
| 250 | CALIFORNIA CHILDREN'S SERVICES | 111 | 11 | 122 |
| 260 | RANCHO LOS AMIGOS MED CTR | 193 | 26 | 219 |
| 280 | ANTELOPE VALLEY REHAB CENTER | 17 | 1 | 18 |
| 290 | PROBATION HEALTH | 60 | 1 | 61 |
| 295 | PUBLIC HEALTH PROGRAMS | 341 | 20 | 361 |
| 296 | AIDS PROGRAMS | 23 | 2 | 25 |
| 325(326/765) | COMM SENIOR CITIZEN | 1 | | 1 |
| 435 | 350(120) CHILDREN SERVICES | 1 | | 1 |
| 435 | MENTAL HEALTH | 421 | 43 | 464 |
| 620 | ANIMAL CONTROL | 1 | | 1 |
| | SHERIFF | 1 | | 1 |
| | TOTALS | 3882 | 376 | 4258 |

## NEW CLAIMS BY YEAR AND MONTH – UNIT 2

| YEAR-MONTH | MEDICAL ONLY | INDEMNITY | TOTAL |
|---|---|---|---|
| 2007-01 | 60 | 51 | 111 |
| 2007-02 | 76 | 58 | 134 |
| 2007-03 | 87 | 67 | 154 |
| 2007-04 | 73 | 60 | 133 |
| 2007-05 | 69 | 54 | 123 |
| 2007-06 | 102 | 76 | 178 |
| 2007-07 | 85 | 62 | 147 |
| 2007-08 | 68 | 61 | 129 |
| 2007-09 | 80 | 49 | 129 |
| 2007-10 | 98 | 74 | 172 |
| 2007-11 | 77 | 71 | 148 |
| 2007-12 | 84 | 55 | 139 |
| 2008-01 | 73 | 53 | 126 |
| 2008-02 | 82 | 56 | 138 |
| 2008-03 | 75 | 46 | 121 |
| 2008-04 | 95 | 65 | 160 |
| 2008-05 | 74 | 48 | 122 |
| 2008-06 | 77 | 30 | 107 |
| 2008-07 | 98 | 54 | 152 |
| 2008-08 | 113 | 40 | 153 |
| 2008-09 | 95 | 53 | 148 |
| 2008-10 | 78 | 49 | 127 |
| 2008-11 | 59 | 30 | 89 |
| 2008-12 | 95 | 49 | 144 |
| 2009-01 | 55 | 39 | 94 |
| 2009-02 | 73 | 45 | 118 |
| 2009-03 | 90 | 48 | 138 |
| 2009-04 | 86 | 36 | 122 |
| 2009-05 | 102 | 42 | 144 |
| 2009-06 | 93 | 56 | 149 |
| 2009-07 | 113 | 64 | 177 |
| 2009-08 | 125 | 43 | 168 |
| 2009-09 | 161 | 50 | 211 |
| 2009-10 | 64 | 34 | 98 |
| 2009-11 | 86 | 60 | 146 |
| 2009-12 | 68 | 61 | 129 |
| 2010-01 | 74 | 49 | 123 |
| 2010-02 | 70 | 67 | 137 |
| 2010-03 | 111 | 53 | 164 |
| 2010-04 | 89 | 63 | 152 |
| 2010-05 | 102 | 48 | 150 |
| 2010-06 | 83 | 55 | 138 |
| 2010-07 | 91 | 48 | 139 |
| 2010-08 | 114 | 51 | 165 |

| YEAR-MONTH | MEDICAL ONLY | INDEMNITY | TOTAL |
|---|---|---|---|
| 2010-09 | 106 | 57 | 163 |
| 2010-10 | 95 | 54 | 149 |
| 2010-11 | 74 | 66 | 140 |
| 2010-12 | 95 | 43 | 138 |
| 2011-01 | 80 | 52 | 132 |
| 2011-02 | 63 | 65 | 128 |
| 2011-03 | 92 | 73 | 165 |
| 2011-04 | 80 | 79 | 159 |
| 2011-05 | 85 | 70 | 155 |
| 2011-06 | 80 | 78 | 158 |
| 2011-07 | 69 | 74 | 143 |
| 2011-08 | 90 | 97 | 187 |
| 2011-09 | 85 | 89 | 174 |
| 2011-10 | 81 | 76 | 157 |
| 2011-11 | 47 | 82 | 129 |
| 2011-12 | 50 | 78 | 128 |
| 2012-01 | 51 | 86 | 137 |
| 2012-02 | 64 | 86 | 150 |

# Work Load Statistics
# Historical Annual Self-Insurance Plans Reports

## For Fiscal Years:

## 2010-2011, 2009-2010, 2008-2009, and 2007-2008

| Unit Correlation | |
|---|---|
| Unit | Certificate Number |
| 1 & 2 | A-7002-06-195 |
| 3 | A-7002-05-239 |
| 4 | A-7002-08-146 |

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://slp.dir.ca.gov
E-mail: slp@dir.ca.gov

## PUBLIC SELF INSURER'S ANNUAL REPORT

**I. GENERAL-To be completed by the employer**

1. CERTIFICATE NUMBER:
A-7002-05-239
☒ Active ☐ Revoked

2. PERIOD OF REPORT:
☒ Full Year ☐ Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP +4 90010
FEDERAL TAX ID. NUMBER
95-3893470

4. TYPE OF PUBLIC AGENCY:
☒ CITY/COUNTY ☐ POLICE/FIRE ☐ TRANSIT
☐ SCHOOL ☐ HOSPITAL ☐ OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | ☐ Yes | ☒ No |
| Changes in name or identify | ☐ Yes | ☒ No |
| Any addition to Self Insurance Program? | ☐ Yes | ☒ No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2010-2011 FOR THIS SELF INSURER:**
(a) NUMBER OF EMPLOYEES 99,162
(Number of individual employees listed on for DE-6 for year ending June 30, 2011)
(b) TOTAL WAGES AND SALARIES PAID $ 7,259,374,887
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?
TITLE Manager FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@ceo.lacounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.
SIGNATURE (Original Only): DATE:
TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 10/11**

Form A4-40b & c (4/92) **ANNUAL REPORT IS DUE OCTOBER 1, 2011**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

**A. CASES AND BENEFITS** (to nearest dollar) From Date (mm/dd/yy) To Date (mm/dd/yy)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2011 reported prior to FY 2006-07 | 4,414 | 560,857,645 | 584,266,443 | 399,552,487 | 392,274,816 | 161,305,158 | 191,991,627 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2006-07 Total cases Reported | 5,445 | 48,970,918 | 32,731,084 | 34,880,687 | 19,873,094 | | |
| FY 2006-07 Cases open | 548 | 35,696,385 | 24,788,684 | 21,606,154 | 11,930,694 | 14,090,231 | 12,857,990 |
| b. FY 2007-08 Total Cases Reported | 5,693 | 59,552,871 | 44,157,434 | 37,870,635 | 22,905,018 | | |
| FY 2007-08 Cases Open | 748 | 46,955,325 | 37,135,068 | 25,273,089 | 15,882,652 | 21,682,236 | 21,252,416 |
| c. FY 2008-09 Total Cases Reported | 5,845 | 62,134,163 | 45,394,894 | 33,425,518 | 19,630,438 | | |
| FY 2008-09 Cases Open | 1,092 | 54,840,671 | 40,422,871 | 26,132,026 | 14,658,415 | 28,708,645 | 25,764,456 |
| d. FY 2009-10 Total Cases Reported | 5,922 | 48,689,268 | 42,102,806 | 18,772,212 | 14,575,936 | | |
| FY 2009-10 Cases Open | 1,520 | 45,955,318 | 38,869,308 | 16,038,262 | 11,342,438 | 29,917,056 | 27,526,870 |
| e. FY 2010-11 Total Cases Reported | 6,089 | 26,189,442 | 33,574,524 | 4,768,918 | 5,637,757 | | |
| FY 2010-11 Cases Open | 3,152 | 25,568,437 | 32,416,264 | 4,147,913 | 4,479,497 | 21,420,524 | 27,936,767 |

| | $ Indemnity | $ Medical |
|---|---|---|
| SUBTOTAL | 277,123,850 | 307,330,126 |
| **3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)** TOTAL | 584,453,976 | |
| | $ Indemnity | $ Medical |
| **4. Total Benefits paid during FY 2010-11 (including all case expenditures):** | 67,296,070 | 62,013,117 |

| | |
|---|---|
| **5. Number of MEDICAL-ONLY cases reported in FY 2010-11:** | 2,841 |
| **6. Number of INDEMNITY cases reported in FY 2010-11:** | 3,248 |
| **7. TOTAL of 5 and 6 (also entered in 2e above):** | 6,089 |
| **8. TOTAL number of open indemnity cases (all years):** | 10,441 |
| **9. Number of Fatality cases reported in FY 2010-11** | 4 |
| **10. (a) Number of FY 2010-11 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2010-11:** | 923 |
| **10. (b) Number of non-FY 2010-11 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2010-11:** | 481 |

**Fiscal Year**
**10/11**

NOTE: Complete both sides of this page for ALL annual reports

**State of California**
**Department of Industrial Relations**
**Self Insurance Plans**
**2265 Watt Avenue, Suite 1**
**Sacramento, CA 95825**
**Web site http://sip.dir.ca.gov**
**E-mail: sip@dir.ca.gov**

## PUBLIC SELF INSURER'S ANNUAL REPORT

**I. GENERAL-To be completed by the employer**

1. CERTIFICATE NUMBER:
A-7002-05-239
☒ Active ☐ Revoked

2. PERIOD OF REPORT:
☒ Full Year ☐ Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP +4 90010
FEDERAL TAX ID. NUMBER
95-3893470

4. TYPE OF PUBLIC AGENCY:
☒ CITY/COUNTY ☐ POLICE/FIRE ☐ TRANSIT
☐ SCHOOL ☐ HOSPITAL ☐ OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | ☐ Yes | ☒ No |
| Changes in name or identify | ☐ Yes | ☒ No |
| Any addition to Self Insurance Program? | ☐ Yes | ☒ No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2009-2010 FOR THIS SELF INSURER:**
(a) NUMBER OF EMPLOYEES 101,723
(Number of individual employees listed on for DE-6 for year ending June 30, 2010)
(b) TOTAL WAGES AND SALARIES PAID $ 7,629,065,593
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?
TITLE Manager FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd, Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@CEO.LACounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.

SIGNATURE (Original Only): DATE: 9/27/10
TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd, Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 09/10**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2010**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

**A. CASES AND BENEFITS** (to nearest dollar) From Date (mm/dd/yy) To Date (mm/dd/yy)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2009 reported prior to FY 2005-06 | 4,567 | 576,687,900 | 573,836,480 | 395,945,757 | 380,034,525 | 180,742,143 | 193,801,955 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2005-06 Total cases Reported | 5,527 | 54,403,522 | 36,181,351 | 36,830,036 | 22,692,290 | 17,573,486 | 13,489,061 |
| FY 2005-06 Cases open | 623 | 39,313,051 | 28,484,838 | 21,739,565 | 14,995,777 | | |
| b. FY 2006-07 Total Cases Reported | 5,424 | 47,532,105 | 32,693,789 | 29,891,129 | 16,811,039 | 17,640,976 | 15,882,750 |
| FY 2006-07 Cases Open | 716 | 39,290,697 | 27,085,321 | 21,649,721 | 11,202,571 | | |
| c. FY 2007-08 Total Cases Reported | 5,679 | 54,768,550 | 41,030,626 | 29,621,384 | 18,068,749 | 25,147,166 | 22,961,877 |
| FY 2007-08 Cases Open | 1,012 | 48,488,788 | 37,051,728 | 23,341,622 | 14,089,851 | | |
| d. FY 2008-09 Total Cases Reported | 5,823 | 51,032,224 | 73,733,893 | 20,952,870 | 13,514,302 | 30,079,354 | 60,219,591 |
| FY 2008-09 Cases Open | 1,418 | 48,330,216 | 71,018,225 | 18,250,862 | 10,798,634 | | |
| e. FY 2009-10 Total Cases Reported | 5,887 | 31,954,272 | 35,111,077 | 5,018,869 | 5,379,695 | 26,935,403 | 29,731,382 |
| FY 2009-10 Cases Open | 2,864 | 31,238,411 | 33,849,247 | 4,303,008 | 4,117,865 | | |
| | | | | | | $ Indemnity | $ Medical |
| | | | | | SUBTOTAL | 298,118,528 | 336,086,616 |
| 3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical) | | | | | TOTAL | 634,205,144 | |
| | | | | | | $ Indemnity | $ Medical |
| 4. Total Benefits paid during FY 2009-10 (including all case expenditures): | | | | | | 66,702,065 | 63,734,064 |

| | |
|---|---|
| 5. Number of MEDICAL-ONLY cases reported in FY 2009-10: | 2,622 |
| 6. Number of INDEMNITY cases reported in FY 2009-10: | 3,265 |
| 7. TOTAL of 5 and 6 (also entered in 2e above): | 5,887 |
| 8. TOTAL number of open indemnity cases (all years): | 10,388 |
| 9. Number of Fatality cases reported in FY 2009-10 | 10 |
| 10. (a) Number of FY 2009-10 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2009-10: | 749 |
| 10. (b) Number of non-FY 2009-10 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2009-10: | 279 |

**Fiscal Year**
**09/10**

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail: sip@dir.ca.gov

## PUBLIC SELF INSURER'S ANNUAL REPORT

**I. GENERAL-To be completed by the employer**

1. CERTIFICATE NUMBER: A-7002-05-239
☒ Active ☐ Revoked

2. PERIOD OF REPORT:
☒ Full Year ☐ Interim/Amended Report for the Period of:
From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
NAME County of Los Angeles
ADDRESS 3333 WILSHIRE BLVD., STE 820
CITY LOS ANGELES STATE CA
ZIP+4 90010
FEDERAL TAX ID. NUMBER 95-3893470

4. TYPE OF PUBLIC AGENCY:
☒ CITY/COUNTY ☐ POLICE/FIRE ☐ TRANSIT
☐ SCHOOL ☐ HOSPITAL ☐ OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | ☐ Yes | ☒ No |
| Changes in name or identify | ☐ Yes | ☒ No |
| Any addition to Self Insurance Program? | ☐ Yes | ☒ No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2008-2009 FOR THIS SELF INSURER:**
(a) NUMBER OF EMPLOYEES 103,701
(Number of individual employees listed on for DE-6 for year ending June 30, 2009)
(b) TOTAL WAGES AND SALARIES PAID $ 7,252,281,183
(As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?
TITLE Manager FIRST NAME Alex MI LAST Rossi
COMPANY NAME: County of Los Angeles
ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404
E-MAIL ADDRESS: arossi@ceo.lacounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.
SIGNATURE (Original Only): DATE: 9/22/09
TYPED NAME: Alex Rossi
AGENCY NAME: County of Los Angeles
STREET ADDRESS: 3333 Wilshire Blvd., Suite 820
CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 08/09**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2009**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

**A. CASES AND BENEFITS** (to nearest dollar) From Date (mm/dd/yy) To Date (mm/dd/yy)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2009 reported prior to FY 2004-05 | 4,906 | 595,779,845 | 624,305,086 | 407,520,796 | 383,419,832 | 188,259,049 | 240,885,254 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2004-05 Total Cases Reported | 5,488 | 51,761,605 | 36,896,132 | 37,341,353 | 21,906,907 | 14,420,252 | 14,989,225 |
| FY 2004-05 Cases open | 694 | 38,984,725 | 28,171,154 | 24,564,473 | 13,181,929 | | |
| b. FY 2005-06 Total Cases Reported | 5,525 | 48,867,072 | 35,142,966 | 31,213,944 | 18,058,734 | 17,653,128 | 17,084,232 |
| FY 2005-06 Cases Open | 794 | 39,315,207 | 29,463,855 | 21,662,079 | 12,379,623 | | |
| c. FY 2006-07 Total Cases Reported | 5,421 | 45,167,086 | 32,294,211 | 22,893,650 | 13,214,630 | 22,273,436 | 19,079,581 |
| FY 2006-07 Cases Open | 958 | 41,098,608 | 28,626,775 | 18,825,172 | 9,547,194 | | |
| d. FY 2007-08 Total Cases Reported | 5,679 | 47,118,081 | 36,848,703 | 18,953,178 | 11,524,545 | 28,164,903 | 25,324,158 |
| FY 2007-08 Cases Open | 1,333 | 44,785,261 | 34,424,648 | 16,620,358 | 9,100,490 | | |
| e. FY 2008-09 Total Cases Reported | 5,820 | 31,410,793 | 65,674,480 | 6,026,594 | 4,674,938 | 25,384,199 | 60,999,542 |
| FY 2008-09 Cases Open | 2,931 | 30,580,826 | 64,626,554 | 5,196,627 | 3,627,012 | | |

| | $ Indemnity | $ Medical |
|---|---|---|
| SUBTOTAL | 296,154,967 | 378,361,992 |
| **3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)** TOTAL | 674,516,959 | |
| | $ Indemnity | $ Medical |
| **4. Total Benefits paid during FY 2008-09 (including all case expenditures):** | 66,470,849 | 58,588,885 |

**5. Number of MEDICAL-ONLY cases reported in FY 2008-09:** 2,796

**6. Number of INDEMNITY cases reported in FY 2008-09:** 3,024

**7. TOTAL of 5 and 6 (also entered in 2e above):** 5,820

**8. TOTAL number of open indemnity cases (all years):** 10,654

**9. Number of Fatality cases reported in FY 2008-09** 8

**10. (a) Number of FY 2008-09 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2008-09:** 682

**10. (b) Number of non-FY 2008-09 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2008-09:** 249

**Fiscal Year**
**08/09**

NOTE: Complete both sides of this page for ALL annual reports

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail: sip@dir.ca.gov

## PUBLIC SELF INSURER'S ANNUAL REPORT

**I. GENERAL-To be completed by the employer**

1. CERTIFICATE NUMBER: A-7002-05-239
   [X] Active [ ] Revoked

2. PERIOD OF REPORT:
   [X] Full Year [ ] Interim/Amended Report for the Period of:
   From Date (mm/dd/yy) To Date (mm/dd/yy)

3. NAME OF MASTER CERTIFICATE HOLDER
   NAME County of Los Angeles
   ADDRESS 3333 WILSHIRE BLVD., STE 820
   CITY LOS ANGELES STATE CA
   ZIP+4 90010
   FEDERAL TAX ID. NUMBER 95-3893470

4. TYPE OF PUBLIC AGENCY:
   [X] CITY/COUNTY [ ] POLICE/FIRE [ ] TRANSIT
   [ ] SCHOOL [ ] HOSPITAL [ ] OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary, affiliate, JPA's or its member agencies?

| | | |
|---|---|---|
| A merger or unification? | [ ] Yes | [X] No |
| Changes in name or identify | [ ] Yes | [X] No |
| Any addition to Self Insurance Program? | [ ] Yes | [X] No |

If yes, explain:

6. **TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2007-2008 FOR THIS SELF INSURER:**
   (a) NUMBER OF EMPLOYEES 102,717
   (Number of individual employees listed on for DE-6 for year ending June 30, 2008)
   (b) TOTAL WAGES AND SALARIES PAID $ 6,820,849,093
   (As reported on EDD Form DE-6 Line M for all four quarters)

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?
   TITLE Principal Analys FIRST NAME Alex MI LAST Rossi
   COMPANY NAME: County of Los Angeles
   ADDRESS: 3333 Wilshire Blvd., Suite 820
   CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
   PHONE: (213) 738-2154 FAX: (213) 252-0404
   E-MAIL ADDRESS: arossi@ceo.lacounty.gov

8. CERTIFICATION BY AGENCY OFFICIAL:
   I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and believe it is true, correct and complete.
   SIGNATURE (Original Only): DATE: 9/25/08
   TYPED NAME: Alex Rossi
   AGENCY NAME: County of Los Angeles
   STREET ADDRESS: 3333 Wilshire Blvd., Suite 820
   CITY: Los Angeles STATE: CA ZIP+4: 90010-4110
   PHONE: (213) 738-2154 FAX: (213) 252-0404

**Fiscal Year 07/08**

Form A4-40b & c (4/92)

**ANNUAL REPORT IS DUE OCTOBER 1, 2008**

*NOTE:* **Claims Administrator**
*Complete this page for ALL reports*

## II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7002-06-195
Name of Master Certificate Holder: County Of Los Angeles
Type of Report:

☒ **Original** Report (Due October 1 each year) ☐ Amended Report for the Period of: ☐ Interim Report

From Date (mm/dd/yy) To Date (mm/dd/yy)

**A. CASES AND BENEFITS** (to nearest dollar)

| | Number | Incurred Liability | | Paid to Date | | Future Liability | |
|---|---|---|---|---|---|---|---|
| | | $ Indemnity | $ Medical | $ Indemnity | $ Medical | $ Indemnity | $ Medical |
| 1. Cases open as of 6/30/2008 reported prior to FY2003-04 | 4541 | 571,162,709 | 531,255,199 | 383,192,397 | 354,670,370 | 187,970,312 | 176,584,829 |
| 2. Open & Closed Cases: | | | | | | | |
| a. FY 2003-04 Total Cases Reported | 6,155 | 74,716,836 | 47,754,399 | 49,846,324 | 28,658,977 | 24,870,512 | 19,095,422 |
| FY 2003-04 Cases open | 797 | 55,576,090 | 36,146,684 | 30,705,578 | 17,051,262 | | |
| b. FY 2004-05 Total Cases Reported | 5,486 | 49,587,006 | 36,700,399 | 32,633,646 | 18,827,278 | 16,953,360 | 17,873,121 |
| FY 2004-05 Cases Open | 844 | 41,181,997 | 31,451,152 | 24,228,637 | 13,578,031 | | |
| c. FY 2005-06 Total Cases Reported | 5,527 | 45,273,766 | 33,569,775 | 24,534,304 | 14,063,459 | 20,739,462 | 19,506,316 |
| FY 2005-06 Cases Open | 1,028 | 39,993,599 | 29,846,771 | 19,254,137 | 10,340,455 | | |
| d. FY 2006-07 Total Cases Reported | 5,419 | 37,433,892 | 30,576,727 | 13,418,696 | 9,271,458 | 24,015,196 | 21,305,269 |
| FY 2006-07 Cases Open | 1,219 | 35,811,020 | 28,121,946 | 11,795,824 | 6,816,677 | | |
| e. FY 2007-08 Total Cases Reported | 5,676 | 31,692,793 | 30,817,610 | 4,916,940 | 4,056,510 | 26,775,853 | 26,761,100 |
| FY 2007-08 Cases Open | 2,633 | 30,841,835 | 29,731,020 | 4,065,982 | 2,969,920 | | |

| | $ Indemnity | $ Medical |
|---|---|---|
| SUBTOTAL | 301,324,695 | 281,126,057 |
| **TOTAL** | 582,450,752 | |

**3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)**

| | $ Indemnity | $ Medical |
|---|---|---|
| **4. Total Benefits paid during FY 2007-08 (including all case expenditures):** | 67,154,275 | 54,033,789 |
| **5. Number of MEDICAL-ONLY cases reported in FY 2007-08:** | 2,814 | |
| **6. Number of INDEMNITY cases reported in FY 2007-08:** | 2,862 | |
| **7. TOTAL of 5 and 6 (also entered in 2e above):** | 5,676 | |
| **8. TOTAL number of open indemnity cases (all years):** | 10,198 | |
| **9. Number of Fatality cases reported in FY 2007-08** | 5 | |
| **10. (a) Number of FY 2007-08 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2007-08:** | 711 | |
| **10. (b) Number of non-FY 2007-08 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2007-08:** | 419 | |

**Fiscal Year**
**07/08**

# DELAYED CLAIMS ADMINISTRATION REPORT

| | | | |
|---|---|---|---|
| **EMPLOYEE NO.:** | | **Examiner:** | |
| **Claim Number: 3000- -** | | **Name:** | |
| **Claim Report:** | ☐ **30 day** | ☐ **60 day** | ☐ **90 day** |
| | | | |
| **Date of Employer's Knowledge of Injury:** | | | |
| **Basis for this date (Claim form, Discussion with employer, Application, etc.):** | | | |
| | | | |
| **Date Contractor must Decide Acceptance or Denial:** | | | |
| **Date of Contractor's Receipt of Claim:** | | | |
| **Parts of Body Alleged Injured:** | | | |
| **Lost Time:** | ☐ **None** | **From:** | **To:** |
| **Employer sent employee to Doctor?** | | ☐ **Yes** | ☐ **No** |
| **If No: QME Exam(s) set for AOE/COE:** | | | |
| **Name of Doctor:** | **Name of Doctor:** | **Name of Doctor:** | |
| **Date of Exam:** | **Date of Exam:** | **Date of Exam:** | |
| **Specialty:** | **Specialty:** | **Specialty:** | |
| **AOE/COE Invest:** | **Date Requested:** | ☐ **Not necessary** | |
| **Personnel File:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Wage Statement:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Job Description:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Medical Releases:** | **Date Requested:** | ☐ **Not Necessary** | |
| **Date records sent to QME for review:** | | | |
| **Case Final Outcome:** | | | |
| **Date of Denial:** | | **Number days since DOK:** | |
| **Date of Acceptance:** | | **Number days since DOK:** | |
| **Case Litigated:** | ☐ **Yes** | ☐ **No** | |
| **If yes: Date application received by Contractor:** | | | |
| **Date litigation file forwarded to County Counsel:** | | | |
| **Case Reserves:** | ☐ **Yes** | ☐ **No** | |
| **Case on Diary:** | ☐ **Yes** | ☐ **No** | |
| **Sub status Codes:** | ☐ **Yes** | ☐ **No** | |
| **Supervisor Review:** | ☐ **Yes** | ☐ **No** | |
| **Employer Advised of Status of Claim: Date(s) Advised:** | | | |
| **Action to be taken:** | | | |

## COUNTY INFORMATION SYSTEMS
## EQUIPMENT LIST TO CONNECT TO GENCOMP

Equipment lists to connect to the County of Los Angeles' Workers' Compensation Computer System:

Computer Equipment Provided by County

1. IBM RISC System/6000 computer
2. GenComp claims administration software
3. The GIFW application will install the following on the client PC's:
    - GIFW – the necessary GenIRIS for Windows applications including GenWORD;
    - UniVerse UVODBC driver – the ODBC driver needed for the UniVerse database;
    - UniVerse OniObjects – proprietary API for the UniVerse database;
    - English Wizard – reporting tool used to ask "English" questions to query against the database; and
    - Sybase SOL Anywhere 5.0 – two small single-user, read-only databases, and the necessary ODBC drivers.

In addition, the client PCs must have Microsoft Word (version 97 w/SR1 or higher through XP) and Microsoft WordViewer, which can be downloaded from the Microsoft's website.

GenSource is currently recommending Pentium 4 2.0 GHz PCs with 256 MB of RAM. GIFW will run on slower PCs; however, faster PCs will provide faster response times. The Contractor shall have a minimum configuration of Pentium 3 800 MHz PCs with 256 MB of RAM. GIFW requires approximately 100MB for installation. GIFW has been tested with Windows 9X, NT workstation, and Windows 2000 Professional. GenSource clients are using GIFW with Windows XP, but GenSource has not officially certified it on Windows XP.

Additional Equipment to be Provided by TPA

4. Ethernet Local Area Network with personal computers having Pentium 4 2.0 GHz processors with 256 MB of RAM. In addition, the personal computers must have Windows, Microsoft Word (version 2000 or XP), Excel (2000), and Microsoft WordViewer.

5. Communications
    a. Telephone link-upT-1 lines or other compatible or better electronic link-up.

    b. GIFW requires the TCP/IP protocol running on ports 23, 512 and 31438. Ideally, the client PCs and the database server will be located in the same LAN at 33 Mbps or better.

6. Printers compatible with the County's GENCOMP System

Software Vendor: GenSource, Inc.
25572 Avenue Stanford
Valencia, CA 91355
(661) 294-1300

## Examples of Data Fields in the County's Workers' Compensation Computer System

1. Status of Case
2. Claim Number
3. Employee Number
4. Location Code
5. Current and Old Dept. No.
6. Social Security Number
7. Employee Name
8. Sex (Male/Female)
9. Date of Birth
10. Occupation Description
11. Occupation Code
12. Date of Injury
13. Employee's Address
14. Employee's Phone Number
15. Date of Employment
16. Weekly/Monthly Salary
17. Employee Status
18. Employer's Report Date
19. Doctor's Report
20. Date of Knowledge
21. Last Day Worked
22. Case Rejected/ Accepted
23. Date Case Closed
24. Injury Codes, ICD Codes
25. Activity at Time of Accident
26. Date of Death
27. Injury Description
28. Hospital Date
29. Date Case Opened
30. Dates Case Reopened
31. Dates Cases Reclosed
32. Compensation Reserves
33. Medical Reserves
34. PO Awarded
35. Final PO Rating
36. Lifetime Medical
37. Lifetime Medical Award
38. Compensation Rate
39. Periods of Compensation
40. Compensation Paid to Date
41. Medical Paid to Date
42. Remaining Medical Reserves
43. Remaining Comp. Reserves
44. Comments
45. WCAB Board Number
46. Application Date
47. Retirement App. Status
48. Retirement Status
49. Long Term Disability Plan
50. Various Diary Dates
51. Type of Award
52. Date of Award
53. Date Award Paid
54. Rehab. Bureau Number
55. Subrogation Status
56. Date of Legal Representation

# QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

## A. Introduction

The County or its authorized representative shall have the right at all times to monitor and inspect Contractor's performance under this Contract. This Exhibit sets forth the performance requirements that will apply to Contractor's service hereunder. Exhibit IX sets forth the County's performance expectations.

The County expects a high standard of the Contractor's performance under this Contract. The Contractor shall provide the County, or its authorized representative, reasonable access at all times during the Contractor's business hours for the purpose of monitoring and inspecting the Contractor's services hereunder. The County Contract Administrator (CCA) will make every effort to work with the Contractor to resolve any areas of difficulty; however, it is the Contractor's responsibility to satisfactorily provide all the services in the Statement of Work.

## B. Measurements

The County may use a variety of inspection methods to evaluate the Contractor's performance. The methods of monitoring may include, but are not limited to the following:

- A comprehensive and complete audit by an independent auditor shall be conducted on each administrator annually to determine fee impact focusing on results;
- The Risk Management Branch designee shall request periodic audits of each administrator by County staff or an independent auditor to develop desired TPA performance focusing on processes;
- Monitoring by OSCRs;
- The County will have access to the appropriate employment documents to verify that the claims examiners meet the minimum qualifications and experience;
- Departmental complaints or user complaints;
- Random sampling of completed reports and case files. An audit shall be performed by the QAE, County representatives for periodic audits or an independent outside auditor for annual fee impact audits; and
- Other methods deemed by the CCA/designee to be appropriate for the evaluation of the Contractor's performance.

Measured components are described in Appendix B, Section 10 and Appendix C, Technical Exhibit IX.

## C. Performance Indicators

The County will apply performance indicators to work requirements under the contract in accordance with industry best practices described in Appendix C, Technical Exhibit IX and the County's own Audit Criteria. The County's Audit Tool addresses components including Liability Decision, Investigation, Subrogation, Reserve Adequacy, Gencomp Database (usage), Payment Data, Case Administration, Return to Work and Medical Only. Each component is assessed using detailed instructions for reviewing each claim against component criteria questions, which when answered "yes," "no," or "not applicable" are weighted based upon the importance of the claims handling activity to the County. For reviewed claims, weighting is applied to 'yes' and 'no' determinations and the sum is divided into the sum for 'yes' to determine the TPA's percentage of compliance.

These performance indicators and the County's Audit Tool may change from time to time due to statutory requirements or agreement with the Contractor. The County's Audit Tool shall be thoroughly discussed with the TPA selected as a result of this solicitation during contract negotiations.

## SAMPLE SIZE CHART

| LOT SIZE | NORMAL SAMPLE SIZE | REDUCED SAMPLE SIZE |
|---|---|---|
| 2-8 | 2 | 2 |
| 9-15 | 3 | 2 |
| 16-25 | 5 | 2 |
| 26-50 | 8 | 3 |
| 51-90 | 13 | 5 |
| 91-150 | 20 | 8 |
| 151-280 | 32 | 13 |
| 281-500 | 50 | 20 |
| 501-1,200 | 80 | 32 |
| 1,201-3,200 | 125 | 50 |
| 3,201-10,000 | 200 | 80 |
| 10,001-35,000 | 315 | 125 |

## QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

## "BEST PRACTICES"
## WORKERS' COMPENSATION CLAIMS PROGRAM

1. Contact and Setup

Best practices require initial three-point contact (employee, department, and physician) within three days of receipt of assignment. If contact is not successful within that time frame, documentation must reflect at least three attempts to do so. Initial contact must be effective in determining or verifying incident facts, establishing rapport, and developing a strategy for further handling.

Physician contact may be completed by a nurse case manager, if assigned.

The claim must be entered accurately into the County's CIS system within 24 hours of receipt to allow timely recording and response to inquiries from employees and physicians. CIS data must be updated as necessary throughout the claim.

*Does the TPA:*

- *Establish contact with the parties within the required time frame?*
- *If not, does the TPA document its efforts to do so, and take steps to contact through the mail or through the employee's supervisor?*
- *Obtain information necessary to confirm compensability, or establish a strategy to determine compensability?*
- *If contact with the department is not successful, does the examiner take steps to obtain assistance from the OSCR?*
- *Enter claims into the CIS system within one business day?*
- *Enter claims information accurately?*
- *Update CIS data promptly?*

2. Claims Investigation and Compensability Determination

Best practices require the determination to accept, delay or deny the claim be made within 14 days of the employee filing a DWC-1. All decisions must have a factual basis and be documented in the claims file. If compensability is not determined, an action plan must address needed steps and anticipated time frame. While the statute allows 90 days for benefit determination, this determination must be made as soon as reasonably possible. The County requires ISO index reporting and EDEX reporting for all indemnity claims. Indexing should be repeated at reasonable intervals to identify intervening accidents. Investigation requires the examiner to obtain all relevant medical records to establish apportionment.

*Does the TPA:*

- *Properly determine and document compensability?*
- *Determine compensability timely according to statute AND reasonable investigation needs?*
- *Recognize the need for and pursue outside field investigation?*
- *Pursue sub-rosa investigation with necessary approvals where appropriate?*
- *Conduct investigation adequately to determine compensability?*
- *Complete the investigation timely?*
- *Identify and pursue potential fraud?*
- *Complete index and EDEX filings timely?*
- *Identify apportionment and obtain medical records to support it?*

3. Compliance with Statutes

Best practices for statutory compliance include adherence to all state and federal laws and regulations regarding the administration of claims. These laws and regulations govern timely provision of indemnity, supplemental job disability and medical benefits, including self-imposed penalties, timely and accurate provision of benefit notices, and compliance with regulations for Medicare reporting requirements.

*Does the TPA:*

- *Make initial benefit payments within statutory time requirements?*
- *Make subsequent payments timely?*
- *Issue self-imposed penalties where required?*
- *Issue transportation expenses timely?*
- *Issue medical payments timely, addressing disputes in writing?*
- *Issue award payments timely?*
- *Issue benefit notices in compliance with DIR regulations?*
- *Identify potential Medicare claims for reporting as required by MMSEA?*
- *Report claims involving Medicare recipients as required by MMSEA?*

4. Claim File Documentation

Best practices require a claim file to contain documentation supporting decisions and payments and require examiners to document significant activities and discussions that influence decisions. Electronic notes should mirror the paper file documentation. Paper and/or electronic documentation must include all documents required by the DIR. Documentation should be updated regularly, usually at 45-day intervals for active indemnity claims and 180 day intervals for future medical claims. Documentation must include a current action plan. Supervision at 120-day intervals must ensure compliance with documentation best practices.

*Does the TPA:*

- *Document all significant activity in claim notes?*

- *Support electronic documentation with the paper file?*
- *Maintain all required documents, such as the DWC-1, 5020, benefit notice copies, etc.*
- *Update active indemnity claims at 45-day intervals?*
- *Update medical only claims at 90-day intervals?*
- *Update future medical claims at 180-day intervals?*
- *Provide evidence of supervisory review every 120 days?*

5. Medical and Disability Management

Best practices require controlling medical care to the extent possible, using field and telephonic case management on appropriate claims, and complying with utilization review requirements. Medical verification of continued disability is required prior to issuing checks for temporary disability. Examiner oversight is required to ensure treating physician compliance with DIR regulations for treatment and reporting. Qualified and Agreed Medical Examiners should be used where appropriate, with supporting rationale documented. The examiner (or assigned nurse) must work with the treating physician and department to facilitate early return to modified work, with eventual return to full duty. Examiners must be proficient in estimating disability ratings, using independent rating experts where necessary.

*Does the TPA:*

- *Actively seek to control medical treatment within the first 30 days of the claim?*
- *Obtain utilization review for all but the most routine procedures?*
- *Have a written process governing utilization review procedures?*
- *Complete the utilization review process timely and ensure issuance of required notices?*
- *Mitigate temporary disability by providing the Department RTW Coordinator with work capacity guidance from the PTP within 10 days of receipt?*
- *Facilitate ergonomic activity required to promote return to work?*
- *Object timely to inappropriate medical treatment?*
- *Obtain medical verification of continuing disability prior to check issuance?*
- *Ensure physician compliance with DIR reporting regulations?*
- *Ensure injured worker is provided with QME notice in the event of a benefit termination or denial?*
- *Ensure a QME is requested on behalf of the employer if the employee does not make the request in the required time frame?*
- *Support rationale for use of AME versus QME in disputed claims?*
- *Proficiently estimate permanent disability?*
- *Properly apply the 15% increase or reduction to permanent disability?*

6. Litigation Management

Best practices require referral of new litigation to counsel within 30 days of receipt. A referral should include the examiner's assessment of the case and recommend strategy for disposition. The examiner must ensure counsel is provided copies of all investigation and medical reports and kept continually updated with new reports. Claim files must document communication between examiner and counsel to keep each other informed of resolution activities and hearing cancellations.

*Does the TPA:*

- *Take steps to avoid litigation where possible?*
- *Refer qualifying cases to counsel within 30 days of receipt?*
- *Include case assessment and proposed strategy in referral?*
- *Include copies of all investigation and medical reports with referral?*
- *Provide updated medical reports to counsel within 15 days of receipt?*
- *Update counsel with negotiation activities?*
- *Advise counsel to cancel hearings when case has been settled?*

7. Fiscal Management

Best practices for fiscal management include documentation of semi-annual balancing to ensure payments are paid appropriately. This requires comparing benefits owed to benefits paid. In cases of multiple losses with the same person, the examiner must confirm payments are made on the appropriate file. A sample "balancing sheet" is included in Appendix C, Technical Exhibit XVI. All payments must document appropriate payment authority.

Vendor payments must be paid promptly.

*Does the TPA:*

- *Verify statutory benefits owed match benefits paid for a given accounting period?*
- *Balance claim files with continuing indemnity payments at least semi-annually?*
- *Document balancing by clearly showing benefits owed, benefits paid, and anticipated benefits due?*
- *Pay vendors within 21 days of receipt of billing?*
- *Verify payment authority?*

8. Disposition Management

Best practices for disposition management include maintaining an appropriate diary to ensure an updated action plan focuses on case resolution. Diary review is anticipated at minimal 45 day intervals for active indemnity claims and 180 days for future medical claims. Diary must be documented and off-diary claims must generate supervisory intervention. Examiner evaluation of potential resolution should be documented within 10 days of receipt of information such as a

final medical report, a QME report, AME report, or attorney demand letter. Settlement rationale and settlement authority must be documented.

*Does the TPA:*

- *Maintain effective diary to ensure timely resolution is addressed?*

- *Supervise to ensure timely and effective diary review?*

- *Document diary review at 45-day intervals on active indemnity claims?*
- *Document diary review at 180-day intervals on future medical claims?*
- *Review documentation indicating potential resolution and evaluate within 10 days of receipt?*
- *Review and resolve liens where appropriate?*
- *Evaluate settlement and support evaluation with documented rationale?*
- *Document settlement authority?*

9. Communication

Best practices for communication require the administrator maintain continued contact with unrepresented injured workers to ensure rapport continues until disposition. The examiner must also keep in touch with departments to verify work status, facilitate return to modified duty and ultimately full duty. The examiner must update the department on the disposition plan. To maintain confidence and credibility, all written correspondence reasonably requiring a response should have a response within five working days. Telephone calls should be returned as soon as possible, but no later than prior to the end of the next business day. Required reports must be completed accurately within mandated time frames.

*Does the TPA:*

- *Maintain contact with the unrepresented injured worker at least bi-weekly during the period of temporary total or temporary partial disability?*
- *Maintain contact with the unrepresented injured worker at least monthly until MMI?*
- *Maintain contact with the department to facilitate return to work within medical restrictions?*
- *Confirm work status in conjunction with verification of disability?*
- *Update the department on the disposition plan?*
- *Respond to written correspondence within five working days?*
- *Respond to telephone calls prior to the end of the next business day?*
- *Complete reports within required timeframes?*
- *Provide the County's LTD/STD claims adjusting contractor with required information from the claim file?*

10. Reserve Management

Best practices for reserving require maintaining adequate reserves by component (medical, indemnity, expense) for the most probable ultimate outcome. Initial reserves must be set within the first seven days based on information received with the initial report and contacts. Adjustments are required within 30 days of receipt of information indicating an adjustment is required. Indemnity reserves should document anticipated temporary and permanent disability, including death benefits, if applicable. Medical reserves should document the type of treatment and the anticipated future costs. Once MMI, reserves should be based on average recurring cost for life expectancy, not reduced to present value. Expense reserves must represent anticipated legal costs, and other allocated expenses, including medical cost containment expenses.

*Does the TPA:*

- *Set the initial reserve within seven days of receipt of the claim?*
- *Rationalize initial reserves and subsequent reserves by component?*
- *Adjust reserves within 30 days of receipt of new information requiring an adjustment?*
- *Maintain a sufficient indemnity reserve?*
- *Maintain a sufficient medical reserve?*
- *Maintain a sufficient expense reserve?*
- *Reserve for the supplemental job disability benefit if the PD estimate qualifies and the injured worker has not returned to full duty?*

11. Recovery Management

Best practices for recoveries require the administrator to promptly identify and pursue subrogation opportunities. Pursuit requires prompt identification and notification of responsible parties. Once subrogation is established, the responsible party should be updated regularly on subrogation amounts. The statute of limitations should be protected and any legal activity should be preceded by a cost benefit analysis and approval by the County. Recovery amounts should be credited to the claim and posted to the CIS.

A claim involving potential excess coverage should be reported promptly to the excess carrier. The carrier's reporting requirements govern initial reporting and updates; absent written requirements, the carrier should be notified of any catastrophic injury or any claim where the incurred is expected to exceed 50% of the retention. Update reports should be provided at six month intervals, unless mandated sooner by the excess carrier. Excess payments should be requested quarterly to semi-annually, depending on amounts, with recoveries credited to the claim and posted to the CIS.

*Does the TPA:*

- *Have a process to promptly identify potential subrogation opportunities?*
- *Notify responsible parties within 10 days of identification?*
- *Update the responsible party bi-monthly on the subrogation amount?*
- *Protect the statute of limitations?*
- *Evaluate the cost versus benefit of litigating a subrogation claim?*
- *Identify potential second injury fund recovery?*
- *Provide the excess carrier with a prompt initial claim report?*
- *Provide the excess carrier with prompt update reports?*
- *Document recovery in the claim file within 10 days of receipt?*
- *Post recovery to CIS?*

12. Cost Containment

Best practices for cost containment require establishing agreements for billing practices with service providers. Bills received from service providers must be checked against the work product received and the agreements to assess reasonableness and reduce charges as warranted. Medical bills must be reviewed against the state fee schedule and any preferred provider agreements in place. A medical review service must be efficient to provide timely review and facilitate payment within the statutory time period, providing the biller with a clear explanation of the payment.

*Does the TPA:*

- *Review vendor bills for work product and compliance to billing agreements?*
- *Reduce charges, providing explanation, where warranted?*
- *Facilitate a timely bill review process?*
- *Provide accurate medical bill review?*

## Contract Discrepancy Report

To:
From:
Date Prepared: _____
Date Returned to Contractor: _____
Date Action Completed: _____

Discrepancy Problems:

_____
_____
_____

_____ _____
Signature of County Representative Date

Contractor Response (Cause and Corrective Auction):

_____
_____
_____

_____ _____
Signature of Contractor Representative Date

County Evaluation of Contractor Response:

_____
_____
_____

_____ _____
Signature of County Representative Date

County Action:

_____
_____

County Representative Signature and Date: _____

County Representative Signature and Date: _____

## Workers' Compensation Payments and Negotiation Authorization Limits

Worker' Compensation Claims Manual, Section Number 9.06, Effective 05/16/1995.

It is the policy of the County of Los Angeles to establish and negotiate authorization limits for Third Party Administrator and County staff.

When the payment amount/negotiation level exceeds the individual's authorization limits, the payment/written justification and the claims file will be forwarded to the appropriate level for review and approval. No payment above one's authority will be processed without higher level approval. No negotiation of settlements above one's authority should take place without higher level approval.

Limits shown in Table XI-1 will be reviewed and revised periodically by the County.

Table XI-1
Payments and Negotiation Authority

| **Personnel** | **$ Payments Authority** | **$ Negotiation Authority** |
|---|---|---|
| Claims Assistant - TPA | 1,000 | 0 |
| Adjuster – TPA | 4,000 | 5,000 |
| Supervisor – TPA | 5,000 | 10,000 |
| Manager – TPA | 7,500 | 20,000 |
| QAE-CEO | 50,000 | 50,000 |
| Assistant Division Chief, CEO – Risk Management Branch | 75,000 | 75,000 |
| Assistant Administration Officer, Risk Management Branch | 75,000+ | 75,000+ |

## Examples of Overpayments and Excess Costs

Overpayments include but are not limited to:

- Duplicate payments of indemnity or medical costs;
- Indemnity paid at the wrong rate;
- Indemnity paid for dates where none is due;
- Salary continuation authorized although claimant not eligible;
- Indemnity paid for non-industrial disability;
- Medical paid for non-industrial treatment;
- Indemnity or medical payments made to the wrong provider;
- Medical providers paid more than RVS without justification in file;
- Failure to take credit for subrogation lien, VPA lien, EDD lien, or other liens against indemnity or medical benefits;
- Failure to follow-up on Auditor-Controller overpayment letter resulting in an unrecoverable overpayment of indemnity;
- Inaccurate benefit notices sent to the department resulting in an overpayment or underpayment of benefits and associated penalties;
- Benefits paid on the wrong claim resulting in higher rates or additional benefits being paid in error;
- Failure to timely request canceled checks resulting in inability to defend the County against claims of non-payment;
- Duplicate medical exams, investigations, etc., ordered and paid for;
- Payment made without adequate file documentation to explain or justify the payment;
- TD picked up on settlement case beyond five years from DOI where WCAB has no jurisdiction to order additional TD;
- Any other overpayments resulting from Contractor's mistakes, errors, or omissions;
- Additional costs awarded due to TPA failure to defend the County and/or provide necessary documentation or accounting;
- Over advancement of indemnity without benefit of commutation resulting in loss of interest saved to the County;
- Failure to timely object to inaccurate Orders and Awards resulting in payments over what should be due under the Labor Code;
- Benefits paid on a questionable or non-industrial injury due to failure to deny claim timely;
- Case settlement for more than its true value due to TPA failure to obtain timely and appropriate defense medicals, AOE-COE investigations, or to otherwise defend the County; and
- Other excess costs as a result of Contractor's mistakes, errors, or omissions.

# Sample Balance Sheet

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Name: | XXXXXXX, XXXXXX | | | | Claim #: | 1000-92-XXXX | |
| Injury Date: | ##### | | | | | Out of Service / Retirement Date: | |
| | | | | | Abstract Date: | 5/8/1998 | |
| | | | (Attach abstract to Balance Sheet) | | | | |
| TD, VRTD, VRMA #wks | Rate | From Date | Through Date | Pay Cat | = Total | Benefit | Amount |
| 33 6/7 | 336 | 1/17/1992 | 9/9/1992 | 26 | 11,376.00 | Indemnity | 37,719.54 |
| 3 6/7 | 336 | 12/5/1992 | 12/31/1992 | 26 | 1,296.00 | Rehab | 8,999.38 |
| 17 1/7 | 336 | 1/1/1993 | 4/30/1993 | 26 | 5,760.00 | Pending | 0 |
| 4 1/7 | 336 | 6/2/1994 | 6/30/1994 | 26 | 1,392.00 | Total on Abstract: | 46718.92 |
| 15 1/7 | 406 | 7/1/1994 | 10/14/1994 | 26 | 6,148.00 | Being Paid Now: | |
| 41 4/7 | 246 | 10/15/1994 | 8/1/1995 | 26 | 10,226.57 | Injured | 288.2 |
| 7 2/7 | 422.16 | 8/2/1995 | 9/21/1995 | 26 | 3,075.74 | Attorney | |
| | | | | Sub Total $ | 39,274.31 | Other | |
| P.D. | 20% | | | | | Internal Correction: | -168 |
| 70.50 | 140 | | | Sub Total $ | 9,870.00 | Internal Correction: | -788.8 |
| Compromise and Release | | | | Sub Total $ | | Internal Correction: | 956.8 |
| L.P. start: | | | | | | Sub-total | 288.2 |
| | | | | Sub Total $ | | | |
| Interest | | | | | | PD Remaining: | |
| Saved (-) | | | | | | 6.5 wks @ $140 | 910 |
| Paid (+) | | | | | | LP Remaining | 0 |
| Penalty (+) | | | | | | Rehab Atty Fees W/H: @ 12% | $1,227.19 |
| Interest/Penalty (+/-) | | | | Sub Total $ | | | |
| Other (explain) | | | | | | | |
| PDAs, etc. | (+/-) | | | Sub Total $ | | | |
| Overpayments (+/-) | | | | Sub Total $ | | | |
| | | | Total $ | | 49144.31 | Total $ | 49144.31 |

## Claim Status Report

**For: (Department)**
**By: (TPA)**

| | |
|---|---|
| **Employee:** | **Claims Examiner:** |
| **Employee Number:** | **Examiner Telephone Number:** |
| **Claim Number:** | **Examiner E-Mail Address:** |
| **Date of Injury:** | **Date of Report:** |

**Injury and Cause:**

**Disability & Medical Treatment:**

**Litigation Status:**

**Issues & Exposures:**

# Los Angeles County Code 5.31.050

## 5.31.050 Workers' Compensation System.

A. The Director of Personnel shall establish, administer and operate, as part of the county-wide safety program, a complete self-insured workers' compensation system to ensure the full provision of benefits under the law to employees whose injuries arise out of and in the course of employment. The system shall include provision for medical, surgical, hospital, and other treatment required to cure and relieve the effects of injury, as well as payment of temporary and permanent disability compensation and death benefits as prescribed by state law or by county ordinance. As part of this responsibility, the Director of Personnel shall establish and administer procedures to provide for the following:

1. Reporting, investigation, and adjustment of claims arising out of accidents and injuries;

2. Determination of compensability of medical treatment and the payment of all workers' compensation benefits prescribed by state law or county ordinance;

3. Collection, compilation and reporting of statistical data, including departmental cost experience and actuarial projections;

4. Establishment and review of reserves on each case to reflect incurred cost of all anticipated benefits;

5. Control of workers' compensation costs consistent with provision of full benefits under the law.

B. The county counsel shall provide legal counsel and representation in any litigation related to workers' compensation. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 82-0264 § 1 (part), 1982: Ord. 9802 § 5, 1969; Ord. 8740 § 3, 1969: Ord. 8512 § 4 (part), 1963: Ord. 4099 Art. 3 § 78.02, 1942.)

CHIEF EXECUTIVE OFFICE
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION
FY 2012-13
**PROP A COST ANALYSIS - YORK RISK SERVICES GROUP - UNIT 1**
**A-C PREPARED**

| CONTRACTOR COSTS | | | | | | COUNTY COSTS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (A) | (B) | (C) | (D) | (E) | | | (F) | (G) | (H) | (I) | (J) | (K) |
| CLASSIFICATION | NO. OF POSITIONS [1] | ANNUAL SALARIES [1] | ANNUAL EMPLOYEE BENEFITS | ANNUAL EMPLOYEE PAYROLL TAXES | TOTAL SALARIES & EB | ITEM NO. | CLASSIFICATION [2] | STAFFING BASED ON PWH [3] | ANNUAL SALARIES [4] (Mthly Salary*12*F) | APPLICABLE BONUSES [5] (Empl. MOU) | 5TH STEP VARIANCE [6] (G*95.0955%) | EMPLOYEE BENEFITS [7] (I*42.965%) | TOTAL ANNUAL S&EB (H+I+J) |
| **YORK RISK SERVICES GROUP** | | | | | | | | | | | | | |
| ASSISTANT VICE PRESIDENT | 2 | $ 106,902.00 | | | $ 213,804.00 | 0845A | MANAGER, CEO | 2 | $ 310,786.32 | $ - | $ 295,543.80 | $ 126,980.40 | $ 422,524.20 |
| CLIENT RELATIONS DIRECTOR | 1 | $ 98,004.00 | | | $ 98,004.00 | | | | | | | | |
| UNIT MANAGER | 9 | $ 91,140.00 | | | $ 820,260.00 | 0818A | PROGRAM SPECIALIST IV, CEO | 11 | $ 1,161,131.40 | $ - | $ 1,104,183.71 | $ 474,412.53 | $ 1,578,596.24 |
| INDEMNITY EXAMINER | 23 | $ 67,130.04 | | | $ 1,543,990.92 | 0817A | PROGRAM SPECIALIST III, CEO | 27 | $ 2,422,107.36 | $ - | $ 2,303,315.10 | $ 989,619.33 | $ 3,292,934.44 |
| CLAIMS ASSISTANT | 15 | $ 37,455.48 | | | $ 561,832.20 | 0815A | PROGRAM SPECIALIST I, CEO | 18 | $ 1,231,102.80 | $ - | $ 1,170,723.36 | $ 503,001.29 | $ 1,673,724.66 |
| FUTURE MEDICAL EXAMINER | 9 | $ 39,445.32 | | | $ 355,007.88 | 0816A | PROGRAM SPECIALIST II, CEO | 13 | $ 991,096.08 | $ - | $ 942,487.77 | $ 404,939.87 | $ 1,347,427.64 |
| MEDICAL ONLY EXAMINER | 2 | $ 39,445.32 | | | $ 78,890.64 | | | | | | | | |
| CLERICAL SUPPORT | 9 | $ 30,870.60 | | | $ 277,835.40 | 1136A | CLERK | 13 | $ 355,750.20 | $ - | $ 338,302.43 | $ 145,351.64 | $ 483,654.07 |
| CLERICAL UNIT MANAGER | 1 | $ 60,000.00 | | | $ 60,000.00 | 1174 | SUPERVISING CLERK | 1 | $ 41,041.08 | $ - | $ 39,028.22 | $ 16,768.47 | $ 55,796.70 |
| Labor Costs | 71 | $ 570,392.76 | | | $ 4,009,625.04 | Labor Costs | | 85 | $6,513,015.24 | $ - | $ 6,193,584.41 | $ 2,661,073.54 | $ 8,854,657.95 |
| Employee Benefits & Payroll Taxes | | | $ 414,372.41 | $ 328,529.49 | $ 742,901.90 | Employee Benefits & Payroll Taxes | | | | | | | |
| **ANNUAL LABOR COSTS** | **71** | **$ 570,392.76** | **$ 414,372.41** | **$ 328,529.49** | **$ 4,752,526.94** | **ANNUAL LABOR COSTS** | | **85** | **$6,513,015.24** | **$0.00** | **$6,193,584.41** | **$2,661,073.54** | **$8,854,657.95** |
| **ANNUAL SUPPLIES AND SERVICES COSTS** | | | | | **$ 935,534.37** | **ANNUAL SUPPLIES AND SERVICES COSTS [8]** | | | | | | | **$41,937.30** |
| **ANNUAL INDIRECT COSTS** | | | | | **$ 1,094,814.34** | **ANNUAL INDIRECT COSTS [9]** | | | | | | | **$0.00** |
| **ANNUAL PROFIT (5.9%)** | | | | | **$ 425,013.35** | **ANNUAL PROFIT** | | | | | | | **$0.00** |
| **TOTAL ANNUAL COSTS** | **71** | **$ 570,392.76** | **$ 414,372.41** | **$ 328,529.49** | **$ 7,207,889.00** [10, 11, 12] | **TOTAL ANNUAL COSTS** | | **85** | **$6,513,015.24** | **$0.00** | **$6,193,584.41** | **$2,661,073.54** | **$8,896,595.25** |

| | |
|---|---|
| **TOTAL ESTIMATED AVOIDABLE COSTS** | **$8,896,595.25** |
| **TOTAL ESTIMATED CONTRACT COSTS:** | **$7,207,889.00** |
| **ESTIMATED SAVINGS FROM CONTRACTING** | **$1,688,706.25** |
| **ESTIMATED SAVINGS PERCENTAGE** | **18.98%** |

**FOOTNOTES:**

(1) We obtained the number of positions and salaries from the Contractor's Budget Sheet (i.e., Exhibit 13).

(2) We determined the County staff classifications based on the Contractor's Budget Sheet (i.e., Exhibit 13). We compared the titles/responsibilities of each staff and their monthly salary to the Department of Human Resources' (DHR) Class Specifications and Class and Salary Listing. Based on this comparison, we selected the County position that was comparable to the Contractor's position.

(3) We obtained the productivity factor from the A-C Accounting Division website (http://auditorweb.co.la.ca.us/Auditor-Controller/Accounting/Cost%20Accounting). We used the FY 2012-13 rate since it was the most current rate as of June 2013. The rate was calculated as follows: 2,080 Total Labor Hours / 1,765 Annual Productive Work Hours = 1.178. In addition, we rounded the staffing levels to include one additional person since the County generally does not hire part-time employees. The number of Clerks is based on a ratio of three Program Specialist IIs/IIIs to one Clerk.

(4) The salary rates are based on the DHR's Class and Salary Listings as of May 1, 2013 (http://cao.lacounty.gov/pdf/alpha.pdf).

(5) The employees do not qualify for any bonuses that should be included in this analysis.

(6) The Top Step Variance Factors for FY 2012-13 were obtained from A-C Accounting. The Top Step Variance Factor for CEO is 95.0955%.

(7) We used the FY 2012-13 Budgeted Employee Benefits (EB) Rate obtained from Rick Vandenberg of A-C Accounting. In addition, we determined the avoidable EB rate by subtracting Retirement Debt Services, Unemployment Insurance, Retiree Insurance, and Disability from the total EB percentage. The avoidable EB rate for CEO is 42.965%.

(8) For 85 employees, the County would incur costs totaling $41,937.30 for Services and Supplies. See "S&S Cost" for detailed information.

(9) The County would not incur incremental indirect costs since they are absorbed by existing County resources.

(10) Contractor's pricing is based on an annual flat fee which increases by 0.5% in years two through five. The Contractor indicated that these gradual increases are to motivate and retain quality claims professionals for the program. The contract remains cost effective through year five.

(11) The number of new indemnity claims submitted during 1/1/2012 through 12/31/2012 for Unit 1 was 2,144. For any calendar year where the number of new indemnity claims, exceeds 2,144 by 175 claims, the County must pay the Contractor an additional $66,888 per each additional 175 claims. In addition, the number of open indemnity claims as of 12/31/2012 for Unit 1 was 6,340. For any quarter where the caseload is equal to or less than 6,165, the monthly base fee will be reduced by $5,574 per each 175 claims.

(12) The annual flat fee for each contract may also be increased or reduced pursuant to performance incentives which are determined based on the annual claims administration performance audit. At the County's sole discretion, mutually beneficial performance and financial incentives are applied where the base could be increased or reduced up to 4.5%. In addition, if subrogation recoveries during a contract year exceed recoveries from the prior year, the base could be increased by 0.5%, subject to a maximum of 50% of the increased recovery dollars. Also, if examiner staffing levels do not meet requirements in the Statement of Work, there will be a $7,000 reduction for each aggregate 30 calendar days a position is vacant.

CHIEF EXECUTIVE OFFICE
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION
FY 2012-13
**PROP A COST ANALYSIS - TRISTAR RISK MANAGEMENT - UNIT 2**

**A-C PREPARED**

| CONTRACTOR COSTS | | | | | | COUNTY COSTS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (A) | (B) | (C) | (D) | (E) | | | (F) | (G) | (H) | (I) | (J) | (K) |
| CLASSIFICATION | NO. OF POSITIONS [1] | ANNUAL SALARIES [1] | ANNUAL EMPLOYEE BENEFITS | ANNUAL EMPLOYEE PAYROLL TAXES | TOTAL SALARIES & EB | ITEM NO. | CLASSIFICATION [2] | STAFFING BASED ON PWH [3] | ANNUAL SALARIES [4] (Mthly Salary*12*F) | APPLICABLE BONUSES [5] (Empl. MOU) | 5TH STEP VARIANCE [6] (G*95.0955%) | EMPLOYEE BENEFITS [7] (I*42.965%) | TOTAL ANNUAL S&EB (H+I+J) |
| **TRISTAR RISK MANAGEMENT** | | | | | | | | | | | | | |
| CONTRACT MANAGER | 1 | $ 107,097.60 | | | $ 107,097.60 | 0845A | MANAGER, CEO | 1 | $ 155,393.16 | $ - | $ 147,771.90 | $ 63,490.20 | $ 211,262.10 |
| SUPERVISOR | 4 | $ 79,507.20 | | | $ 318,028.80 | 0818A | PROGRAM SPECIALIST IV, CEO | 5 | $ 527,787.00 | $ - | $ 501,901.69 | $ 215,642.06 | $ 717,543.75 |
| CLAIMS EXAMINER | 22 | $ 59,865.60 | | | $ 1,317,043.20 | 0817A | PROGRAM SPECIALIST III, CEO | 26 | $ 2,332,399.68 | $ - | $ 2,218,007.14 | $ 952,966.77 | $ 3,170,973.90 |
| CLAIMS ASSISTANT | 10 | $ 32,524.80 | | | $ 325,248.00 | 0816A | PROGRAM SPECIALIST I, CEO | 12 | $ 820,735.20 | $ - | $ 780,482.24 | $ 335,334.20 | $ 1,115,816.44 |
| CLERKS | 6 | $ 24,288.00 | | | $ 145,728.00 | 1136A | CLERK | 9 | $ 246,288.60 | $ - | $ 234,209.38 | $ 100,628.06 | $ 334,837.43 |
| ADMINISTRATIVE ASSISTANT | 1 | $ 53,068.80 | | | $ 53,068.80 | 1174A | SUPERVISING CLERK | 1 | $ 41,041.08 | $ - | $ 39,028.22 | $ 16,768.47 | $ 55,796.70 |
| Labor Costs | 44 | $ 356,352.00 | | | $ 2,266,214.40 | Labor Costs | | 54 | $4,123,644.72 | $ - | $ 3,921,400.56 | $ 1,684,829.75 | $ 5,606,230.32 |
| Employee Benefits & Payroll Taxes | | | $ 164,463.72 | $ 315,228.00 | $ 479,691.72 | Employee Benefits & Payroll Taxes | | | | | | | |
| **ANNUAL LABOR COSTS** | **44** | **$ 356,352.00** | **$ 164,463.72** | **$ 315,228.00** | **$ 2,745,906.12** | **ANNUAL LABOR COSTS** | | **54** | **$4,123,644.72** | **$0.00** | **$3,921,400.56** | **$1,684,829.75** | **$5,606,230.32** |
| **ANNUAL SUPPLIES AND SERVICES COSTS** | | | | | **$ 769,464.00** | **ANNUAL SUPPLIES AND SERVICES COSTS [8]** | | | | | | | **$26,642.52** |
| **ANNUAL INDIRECT COSTS** | | | | | **$ 804,132.00** | **ANNUAL INDIRECT COSTS [9]** | | | | | | | **$0.00** |
| **ANNUAL PROFIT (5.7%)** | | | | | **$ 259,170.13** | **ANNUAL PROFIT** | | | | | | | **$0.00** |
| **TOTAL ANNUAL COSTS** | **44** | **$ 356,352.00** | **$ 164,463.72** | **$ 315,228.00** | **$ 4,578,672.25** [10, 11] | **TOTAL ANNUAL COSTS** | | **54** | **$4,123,644.72** | **$0.00** | **$3,921,400.56** | **$1,684,829.75** | **$5,632,872.84** |

| | |
|---|---|
| **TOTAL ESTIMATED AVOIDABLE COSTS:** | **$5,632,872.84** |
| **TOTAL ESTIMATED CONTRACT COSTS:** | **$4,578,672.25** |
| **ESTIMATED SAVINGS FROM CONTRACTING:** | **$1,054,200.59** |
| **ESTIMATED SAVINGS PERCENTAGE:** | **18.72%** |

**FOOTNOTES:**

(1) We obtained the number of positions and salaries from the Contractor's Budget Sheet (i.e., Exhibit 13).

(2) We determined the County staff classifications based on the Contractor's Budget Sheet (i.e., Exhibit 13). We compared the titles/responsibilities of each staff and their monthly salary to the Department of Human Resources' (DHR) Class Specifications and Class and Salary Listing. Based on this comparison, we selected the County position that was comparable to the Contractor's position.

(3) We obtained the productivity factor from the A-C Accounting Division website (http://auditorweb.co.la.ca.us/Auditor-Controller/Accounting/Cost%20Accounting). We used the FY 2012-13 rate since it was the most current rate as of June 2013. The rate was calculated as follows: 2,080 Total Labor Hours / 1,765 Annual Productive Work Hours = 1.178. In addition, we rounded the staffing levels to include one additional person since the County generally does not hire part-time employees. The number of Clerks is based on a ratio of three Program Specialist IIs/IIIs to one Clerk.

(4) The salary rates are based on the DHR's Class and Salary Listings as of May 1, 2013 (http://cao.lacounty.gov/pdf/alpha.pdf).

(5) The employees do not qualify for any bonuses that should be included in this analysis.

(6) The Top Step Variance Factors for FY 2012-13 were obtained from A-C Accounting. The Top Step Variance Factor for CEO is 95.0955%.

(7) We used the FY 2012-13 Budgeted Employee Benefits (EB) Rate obtained from Rick Vandenberg of A-C Accounting. In addition, we determined the avoidable EB rate by subtracting Retirement Debt Services, Unemployment Insurance, Retiree Insurance, and Disability from the total EB percentage. The avoidable EB rate for CEO is 42.965%.

(8) For 54 employees, the County would incur costs totaling $26,642.52 for Services and Supplies. See "S&S Cost" for detailed information.

(9) The County would not incur incremental indirect costs since they are absorbed by existing County resources.

(10) Contractor's pricing is based on an annual flat fee which increases by 2.5% in years two through five. The Contractor indicated that the annual flat fee is increased each year by any increase in the Consumer Price Index (CPI) as published in the Semi Annual CPI Detailed Report or 2.5%, whichever is greater. The contract remains cost effective through year five.

**(11)** The annual flat fee for each contract may also be increased or reduced pursuant to performance incentives which are determined based on the annual claims administration performance audit. At the County's sole discretion, mutually beneficial performance and financial incentives are applied where the base could be increased or reduced up to 4.5%. In addition, if subrogation recoveries during a contract year exceed recoveries from the prior year, the base could be increased by 0.5%, subject to a maximum of 50% of the increased recovery dollars. Also, if examiner staffing levels do not meet requirements in the Statement of Work, there will be a $7,000 reduction for each aggregate 30 calendar days a position is vacant.