



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE  
OPERATIONS CLUSTER**

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** July 21, 2016  
**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 – James Blunt / Gevork Simdjian
  - A) **Board Letter – APPROVE PREDEVELOPMENT AGREEMENT AND EXCLUSIVE NEGOTIATING AGREEMENT FOR DEVELOPMENT OF COUNTY-OWNED PROPERTIES IN THE VERMONT CORRIDOR**  
CEO/CDC – David Howard and Sean Rogan or designee(s)
  - B) **Board Letter – APPROVAL OF COMPENSATION, EMPLOYEE BENEFITS, AND ACTUARIAL CONSULTING SERVICES MASTER AGREEMENT**  
CEO – Maryanne Keehn or designee
  - C) **Board Memo – BOARD MOTION OF MARCH 22, 2016 AGENDA ITEM NO. 13 - EXPANDING THE PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM**  
ISD/TTC – Dave Chittenden and Joseph Kelly or designee(s)
  - D) **Board Letter – AMENDMENT NUMBER TEN TO CONTRACT NO. 74576 FOR ADMINISTRATIVE SERVICES FOR CAFETERIA AND NON-CAFETERIA BENEFIT PLANS AND ABSENCE MANAGEMENT SERVICES; AND AMENDMENT NUMBER FOUR TO CONTRACT NO. 76489 FOR EMPLOYEE BENEFITS COMMUNICATION CONSULTING SERVICES AND MATERIALS**  
DHR – Lisa Garrett 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>

SACHI A. HAMAI  
Chief Executive Officer

Board of Supervisors  
HILDA L. SOLIS  
First District  
MARK RIDLEY-THOMAS  
Second District  
SHEILA KUEHL  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

August 9, 2016

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 COMPENSATION, EMPLOYEE BENEFITS, AND ACTUARIAL  
CONSULTING SERVICES MASTER AGREEMENT  
ALL DISTRICTS  
(3 VOTES)**

**SUBJECT**

The Chief Executive Officer is requesting approval of the Compensation, Employee Benefits, and Actuarial Services Master Agreement and authority to execute Master Agreements with qualified vendors to provide compensation, employee benefits, and actuarial consulting services on an as-needed basis for the Chief Executive Office and the Department of Human Resources.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the attached Master Agreement for Compensation, Employee Benefits, and Actuarial Services (Attachment A), commencing August 15, 2016, or the date of approval by the Board of Supervisors (Board), whichever is later, and terminating on August 14, 2021, with two one-year renewal options and six one-month periods for the provision of as-needed compensation, employee benefits, and actuarial consulting services for the Chief Executive Office and the Department of Human Resources.
2. Delegate authority to the Chief Executive Officer, or designee, to execute Master Agreements, substantially similar to the attached Master Agreement for Compensation, Employee Benefits, and Actuarial Services, with qualified

*"To Enrich Lives Through Effective And Caring Service"*

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vendors listed in Attachment B commencing August 15, 2016, or upon execution by the Chief Executive Officer, or designee, whichever is later, and terminating on August 14, 2021.

3. Delegate authority to the Chief Executive Officer, or designee, to execute additional Master Agreements throughout the term of the Master Agreement as necessary to meet the service needs of the County with other vendors that submit a Statement of Qualifications (SOQ) during any open submission period that meets the requirements outlined in the initial Request for Statement of Qualifications (RFSQ) released on April 18, 2016, and are determined to be qualified, upon approval as to form by County Counsel.
4. Delegate authority to the Chief Executive Officer, or designee, to execute amendments to the Master Agreements that exercise the two one-year renewal option periods and six month-to-month extensions, to meet the needs of the Chief Executive Office and the Department of Human Resources, provided sufficient funding is available, upon approval as to form by County Counsel.
5. Delegate authority to the Chief Executive Officer, or designee, to approve and execute amendments to the Master Agreements for: a) non-material changes; b) additions and/or changes to certain standard County of Los Angeles (County) contract terms and conditions as required by the Board, or designee, including all applicable documents; c) the addition or deletion of service categories within the scope of services of the Master Agreement, and d) modifications to effectuate an assignment of the Master Agreement pursuant to Subparagraph 8.2 of the Master Agreement.
6. Delegate authority for the execution of individual requests for services, Master Agreement work orders, and change orders to amend outstanding Master Agreement work orders during the term of the Master Agreement as follows: a) to the Chief Executive Officer, or designee, and b) to the Director of the Department of Human Services, or designee, utilizing the Master Agreement.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Chief Executive Office (CEO) maintains a panel of compensation, employee benefits, and actuarial services consultants to advise the CEO and Department of Human Resources (DHR) regarding non-routine salary and employee benefit issues which may have significant countywide impact. The recommended Master Agreement for Compensation, Employee Benefits, and Actuarial Services (Master Agreement) will provide the CEO and DHR with a centralized source and streamlined process to obtain as-needed consulting services. Approval of the recommended Master Agreement will

ensure CEO and DHR continued access to a pool of readily available, qualified Vendors past the August 14, 2016 expiration date of the current contracts.

The compensation, employee benefits, and actuarial consultant services to be provided through the Master Agreement process are critical to the capability of the CEO and DHR to advise the Board on a wide range of salary and employee benefit issues. Through a Request for Statements of Qualifications (RFSQ) process, the CEO identified qualified Vendors with specialized compensation, employee benefits, and/or actuarial technical expertise not available within the County, to facilitate the evaluation and analysis of particular projects that, in most cases, impacts issues or programs subject to the collective bargaining process, and where significant salary and employee benefits may be at stake. The initial RFSQ established three service categories:

- Compensation Policy Development and Program Administration Consulting Services
- Employee Benefits Policy Development and Program Administration Consulting Services
- Actuarial Consulting Services

Your Board's approval of the proposed Master Agreement will allow the CEO and DHR to continue to obtain compensation, employee benefits, and actuarial professional services on an as-needed basis.

### **Implementation of Strategic Plan Goals**

The recommended Master Agreement supports the County's Strategic Goal 1, Operational Effectiveness/Fiscal Sustainability, by effectively managing County resources to provide efficient and responsive compensation, employee benefits, and actuarial professional services, thereby allowing the CEO and DHR to maximize the effectiveness of the County's ongoing compensation and employee benefits programs and/or related County initiatives.

### **FISCAL IMPACT/FINANCING**

The Master Agreement guarantees no minimum amount of work to any vendor and the County only incurs an obligation when work is required and a work order is executed. Expenditures resulting from these agreements vary each year based on usage by the CEO and DHR, which are responsible for ensuring they have adequate funding prior to requesting services under the Master Agreement. Funding for these anticipated services will be included in the County Budget for FY 2016-17 in CEO and DHR budgets. Future fiscal year funding will be requested as necessary in CEO and DHR

budgets for each annual term and any extensions. Expenditures in any given fiscal year will remain within the CEO's and DHR's budgeted appropriation for such services.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County has continuously contracted for as-needed compensation, employee benefits, and actuarial consulting services since 2005. The CEO currently contracts for compensation, employee benefits, and actuarial consulting services under existing Contract Nos. 77473, 77474, 77475, 77476, 77478, 77479, 77480, 77481 and 77481, which were approved by your Board on February 15, 2011. The recommended Master Agreement will provide continued compensation, employee benefits, and actuarial consulting services on an as-needed basis for the CEO and DHR for a five year term that terminates on August 14, 2021, with County options to extend by two one-year terms and six one-month terms for a potential maximum contract term of seven years and six months.

The Chief Executive Office will act as the County's Master Agreement Program Director for the recommended Master Agreement and will provide overall administration and oversight. The proposed Master Agreement provides the CEO and DHR with a non-exclusive list of pre-qualified firms that have demonstrated relevant work experience and organizational capacity to provide the requested services. Firms are not guaranteed work by virtue of their inclusion on the Master Agreement list; they will be solicited under competitive conditions to provide compensation, employee benefits, and/or actuarial consulting services through the request for services process. The CEO or DHR will issue a request for services at the time the County identifies a need to procure services within the specific service category. Each request for services shall include a statement of work describing in detail the particular project and the work required for the performance thereof, set forth the vendor's submission requirements, establish the proposal evaluation criteria, as applicable, determine the purchase method, and provide other related guidance, as necessary. Only those firms qualified for the specific service category will be contacted to submit a work order proposal. As stated in the RFSQ, the County, in its sole discretion, may limit the release of a request for services to three qualified firms, based on relevant information available at the time of the service need, to those determined to be specially trained, experienced, expert and competent to perform the required work requirements, depending on the service needs of the County. The County, in its sole discretion, may utilize other evaluation methodologies that take factors other than lowest cost into consideration and are in the best overall interest of the County. If an evaluation methodology other than lowest cost is utilized, it will be explicitly indicated in the individual request for services.

At the time the CEO and/or DHR identifies a need to contract with a Master Agreement

firm, the CEO and/or DHR will designate a County's Project Manager for their respective department's as-needed consulting projects. The County's Project Manager will be responsible for: 1) issuing a request for services in the desired service category and requesting submission of work order proposals for providing specified services; 2) managing the work order proposal evaluation and contractor selection process; 3) executing individual Master Agreement work orders and change notices to Master Agreement work orders, if applicable; 4) monitoring contract compliance and the contractor's performance and progress on the project; 5) reviewing and approving project tasks, deliverables, invoices and closeout; and 6) providing direction to the contractor in the areas relating to County policy, information requirements and procedural requirements.

The provisions of services under the proposed agreements are not subject to Los Angeles County Code Section 2.121, in that the compensation, employee benefits, and actuarial consulting services are required intermittently on an as-needed basis, and the work performed by these consultants is highly technical in nature. As such, the proposed agreements are exempt for the requirement of the County's Living Wage Program under Los Angeles County Code Section 2.121.

The recommended Master Agreement includes the Board's required contract provisions and has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

On April 18, 2016, the CEO, in collaboration with DHR, released an RFSQ to solicit Statement of Qualifications (SOQs) from qualified vendors for Compensation, Employee Benefits, and Actuarial Consulting Services. The initial RFSQ established three separate service categories:

- Compensation Policy Development and Program Administration Consulting Services;
- Employee Benefits Policy Development and Program Administration Consulting Services; and
- Actuarial Consulting Services

The RFSQ solicitation and contracting opportunity announcement was posted on the County's "Doing Business with Us" website, with an initial submission deadline of May 23, 2016, however, the County may elect to accept SOQs throughout the duration of the term of the recommended Master Agreement to qualify additional firms for any/all service categories, depending on the service needs of the County. One potential vendor, Aon Consulting Inc., submitted a Request for a Solicitation Requirements

Review within the timeline stipulated in the RFSQ. The CEO considered the request and conducted a Solicitation Requirements Review. The CEO's review determined this potential vendor's submittal did not demonstrate the application of the minimum requirements and business requirements of the RFSQ disadvantaged the firm and therefore, the assertions presented in the submittal were not valid. The written results of the CEO's review were provided to the potential vendor in advance of the initial SOQ submission due date.

Three vendors submitted Statement of Qualifications (SOQs) by the initial closing date of May 23, 2016. Each SOQ was reviewed for compliance with the RFSQ requirements and adherence to the minimum qualifications. Based on a review of these SOQs, all three of the vendors met the minimum qualifications and were determined to be qualified in the respective service categories to provide the required services. Therefore, the Chief Executive Officer is recommending the three vendors listed in Attachment B for the Master Agreement. Upon the Board's approval, the Chief Executive Officer, or designee, intends to execute agreements with the following qualified vendors: Aon Consulting, Inc.; The Segal Group; and The Unisource Group, Inc.

Additional vendors may seek to qualify for a Master Agreement by submitting an SOQ as the RFSQ remain open and other qualified vendors will be subsequently added to the Master Agreement provided they meet the minimum qualifications. In addition, the Chief Executive Officer, or designee, may add or delete service categories during the term of the recommended Master Agreement, based on the County's service needs and at the County's sole discretion. Qualified vendors wishing to expand the number of service categories for which they are eligible may also apply at any time during the term of the Master Agreement to be added to the lists of qualified vendors for new service categories.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will ensure the CEO and DHR continue to receive compensation, employee benefits and actuarial services on an as-needed basis.

Respectfully submitted,

Sachi A. Hamai  
Chief Executive Officer

The Honorable Board of Supervisors  
August 9, 2016  
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SAH:JJ:SK: MTK  
NV:TL

Attachments

c: Executive Office, Board of Supervisors  
County Counsel

DRAFT



**MASTER AGREEMENT**

**BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**CHIEF EXECUTIVE OFFICE**

**AND**

**(CONTRACTOR)**

**FOR**

**COMPENSATION, EMPLOYEE BENEFITS, AND ACTUARIAL  
CONSULTING SERVICES**

**Master Agreement No.:**\_\_\_\_\_

**COMPENSATION, EMPLOYEE BENEFITS AND ACTUARIAL SERVICES  
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**G FORMS REQUIRED FOR EACH WORK ORDER BEFORE WORK BEGINS**

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H2 CONTRACTOR’S ASSIGNMENT AND TRANSFER OF COPYRIGHT

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**J SUBSEQUENT EXECUTED WORK ORDERS (not attached) .....**

**MASTER AGREEMENT  
BETWEEN  
COUNTY OF LOS ANGELES,  
CHIEF EXECUTIVE OFFICE  
AND**

---

**FOR  
COMPENSATION, EMPLOYEE BENEFITS AND ACTUARIAL  
CONSULTING SERVICES**

This Master Agreement and Exhibits made and entered into this \_\_\_ day of \_\_\_\_\_, 201\_ by and between the County of Los Angeles, Chief Executive Office hereinafter referred to as County and \_\_\_\_\_, hereinafter referred to as Contractor, to provide Compensation, Employee Benefits and/or Actuarial Consulting Services.

**RECITALS**

WHEREAS, the County may contract with private businesses for Compensation, Employee Benefits, and/or Actuarial Consulting Services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing Compensation, Employee Benefits, and/or Actuarial Consulting Services; and

WHEREAS, this Master Agreement is therefore authorized under California Codes, Government Code Section 31000 which authorizes the County of Los Angeles Board of Supervisors (Board of Supervisors) to contract for special services; and

WHEREAS, the Board of Supervisors has authorized the Chief Executive of Office or designee to administer this Master Agreement, execute new Master Agreements, and terminate Master Agreement; a

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, and J are attached to and form a part of this Master Agreement. 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 Master Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Master Agreement and then to the Exhibits according to the following priority:

### **Standard Exhibits:**

- 1.1 EXHIBIT A - County's Administration
- 1.2 EXHIBIT B - Contractor's Administration
- 1.3 EXHIBIT C - Contractor's EEO Certification
- 1.4 EXHIBIT D - Jury Service Ordinance
- 1.5 EXHIBIT E - Safely Surrendered Baby Law
- 1.6 EXHIBIT F- Sample Work Order Formats
- 1.7 EXHIBIT G - Forms Required For Each Work Order Before Work Begins

### **Unique Exhibits:**

#### **Intellectual Property Developed/Designed by Contractor Forms**

- 1.8 EXHIBIT H - Forms Required at Completion of Each Work Order Involving Intellectual Property that is Developed/Designed by Contractor

#### **Health Insurance Portability and Accountability Act (HIPAA) Agreement**

- 1.9 EXHIBIT I - Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")

## **Work Orders Executed Under this Master Agreement**

### **1.10 EXHIBIT J - Subsequent Executed Work Orders**

This Master Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Master Agreements, written and oral, and all communications between the parties relating to the subject matter of this Master Agreement. No change to this Master Agreement shall be valid unless prepared pursuant to sub-paragraph 8.1 - Amendments and signed by both parties.

## **2.0 DEFINITIONS**

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Active Contractor:** Identifies a Qualified Contractor who is in compliance with the terms and conditions and whose evidence of insurance requirements have all been received by the Department and are valid and in effect at the time of a given Work Order award. As used herein, the terms Active Contractor and Contractor may be used interchangeably throughout this document.
- 2.2 Contractor's Project Manager:** The individual designated by the Contractor to administer the Master Agreement operations after the Master Agreement award.
- 2.3 County's Master Agreement Program Director (MAPD):** Person designated by Director with authority to negotiate and recommend all changes on behalf of County as set forth in sub-paragraph 6.1 - County's Master Agreement Program Director (MAPD).
- 2.4 County's Project Director:** Person designated by Director with authority to approve all Request for Services (RFS) and executions as set forth in sub-paragraph 6.2 - County's Project Director.
- 2.5 County's Project Manager:** Person designated as chief contact person with respect to the day-to-day administration of the Master Agreement as set forth in sub-paragraph 6.4 - County's Project Manager.
- 2.6 County's Work Order Director:** Person responsible for coordinating and monitoring the Work Order as set forth in sub-paragraph 6.3 - County's Work Order Director.
- 2.7 Day(s):** Calendar day(s) unless otherwise specified.
- 2.8 Director:** Chief Executive Officer.

- 2.9 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.10 Master Agreement:** This agreement, which is County's standard agreement executed between County and individual Contractors. It sets forth the terms and conditions for the issuance and performance of, and otherwise governs, subsequent Work Orders.
- 2.11 Qualified Contractor:** A Contractor who has submitted a Statement of Qualifications (SOQ) in response to County's Request For Statement of Qualifications (RFSQ); has met the minimum qualifications listed in the RFSQ, and has an executed Master Agreement with the Chief Executive Office. .
- 2.12 Request for Services (RFS):** A solicitation (also referred to herein as "Work Order solicitation/bid") by the County for as-needed services issued to Qualified Contractors to request submission of bids/proposals under this Master Agreement. The RFS will describe the as-needed services or specific project, including but not limited to, the scope of work, completion date, any applicable evaluation and selection criteria, if any, and any other required work requirements or relevant information necessary to bid on a RFS.
- 2.13 Request For Statement of Qualifications (RFSQ):** A solicitation based on establishing a pool of Qualified Vendors to provide services through Master Agreements.
- 2.14 Statement of Qualifications (SOQ):** A Contractor's response to an RFSQ.
- 2.15 Statement of Work (SOW):** A written description of tasks and/or deliverables desired by County for a specific Work Order.
- 2.16 Work Order:** A subordinate agreement executed wholly within and subject to the provisions of this Master Agreement, for the performance of tasks and/or provision of deliverables as described in a specification or a Statement of Work. Each Work Order shall result from bids/proposals, solicited by and tendered to County, by Qualified Contractors submitted in response to a RFS. Unless otherwise specified in the RFS, County shall select the lowest cost, qualified bid/proposal responding to the requirements of the proposed Work Order. No work shall be performed by Contractors except in accordance with validly bid and executed Work Orders.

### **3.0 WORK**

- 3.1** Pursuant to the provisions of this Master Agreement, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth herein.
- 3.2** Work Orders shall generally conform to either Exhibit F1 or F2, depending on whether the particular Work Order is to be performed

on a time and materials basis (see Exhibit F1), on a fixed price per deliverable basis (see Exhibit F2), or any other purchase method set forth in the Work Order, as determined by County. Each Work Order shall include an attached Statement of Work, which shall describe in detail the particular project and the work required for the performance thereof. Payment for all work shall be either on a time and materials basis or on a fixed priced per deliverable basis, or any other purchase method set forth in the Work Order, subject to the Total Maximum Amount specified on each individual Work Order.

- 3.3 If Contractor provides any task, deliverable, service, or other work to County that utilizes other than approved Contractor Personnel, and/or that goes beyond the Work Order expiration date, and/or that exceeds the Total Maximum Amount as specified in the Work Order as originally written or modified in accordance with sub-paragraph 8.1, Amendments, these shall be gratuitous efforts on the part of Contractor for which Contractor shall have no claim whatsoever against County.
- 3.4 County procedures for issuing and executing Work Orders are as set forth in this sub-paragraph 3.4 and Exhibit F3, Sample Request For Services (RFS), of this Master Agreement. The County, in its sole discretion, may limit the release of a RFS to three (3) qualified Vendors, based on relevant information available at the time of the service need, to those determined to be specially trained, experienced, expert and competent to perform the required work requirements, depending on the service needs of the County. Each interested Qualified Contractor so contacted shall submit a bid/proposal to the County address and within the timeframe specified in the solicitation. Failure of Contractor to provide a bid/proposal within the specified timeframe may disqualify Contractor for that particular Work Order.
- 3.5 Upon completion of evaluations, County shall execute the Work Order by and through the Chief Executive Office or Department of Human Resources staff identified in this Master Agreement with the lowest cost Qualified Contractor unless the RFS specifies bid/proposal evaluation criteria other than lowest cost. Using this Work Order award process, the County shall select the proposal that the County deems to be in the overall best interest of the County based on predetermined evaluation criteria, which will be described in the RFS. It is understood by Contractor that the County's evaluation of the response to a RFS may have the effect that no Work Orders are awarded to some Master Agreement Qualified Contractors. Work Orders are usually issued for periods not extending past the end of County's current fiscal year (June 30<sup>th</sup>) with the exception of Work Orders for as needed services on a time and material basis, which may be issued to correspond with the term

of the Master Agreement. However, at such time the Work Order is only extended through the end of the fiscal year, County may either rebid the Work Order tasks or extend the Work Order if technical or cost circumstances require it.

- 3.6 County estimates that selection of any Contractor shall occur within five (5) business days of completion of the evaluations of the particular RFS bids/proposals. Following selection, all Contractors selected must be available to meet with County on the starting date specified in the Work Order. Inability of Contractor to comply with such commencement date may be cause for disqualification of Contractor from the particular Work Order as determined in the sole discretion of County's Project Director.
- 3.7 In the event Contractor defaults three times under sub-paragraph 3.6 within a twelve (12) month period, then County may terminate this Master Agreement pursuant to sub-paragraph 8.42, Termination For Default.

#### **4.0 TERM OF MASTER AGREEMENT**

- 4.1 The term of this Master Agreement shall be effective upon the date of execution by the Chief Executive Officer or designee, as authorized by the Board of Supervisors, and shall expire on August 31, 2021, unless sooner extended or terminated, in whole or in part, as provided in this Master Agreement.
- 4.2 The County shall have the sole option to extend the Master Agreement term for up to two (2) additional one-year periods and six (6) month to month extensions, for a maximum total Master Agreement term of seven (7) years and six (6) months. Each such option and extension shall be exercised at the sole discretion of the Chief Executive Officer or designee as authorized by the Board of Supervisors.
- 4.3 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.
- 4.4 Contractor shall notify the County when this Master Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the MAPD at the address herein provided in Exhibit A.

#### **5.0 CONTRACT SUM**

- 5.1 Contractor shall not be entitled to any payment by County under this Master Agreement except pursuant to validly executed and satisfactorily performed Work Orders. In each year of this Master

Agreement, the total of all amounts actually expended by County hereunder (“maximum annual expenditures”) may not exceed amounts allocated to the Chief Executive Office by the County Board of Supervisors in their approved budgets. The County has sole discretion to expend some, all, or none of such budgeted amounts.

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, in accordance with this Master Agreement, including sub-paragraph 8.2, Assignment and Delegation.

5.3 **No Payment for Services Provided Following Expiration/Termination of Master Agreement**

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Master Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Master Agreement shall not constitute a waiver of County’s right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Master Agreement.

5.4 **Invoices and Payments**

5.4.1 For providing the tasks, deliverables, services, and other work authorized pursuant to this Master Agreement, Contractor shall separately invoice the County for each Work Order.

5.4.2 Payment for all work shall be in accordance with each Work Order and subject to the Total Maximum Amount specified in each Work Order less any amounts assessed in accordance with sub-paragraph 8.25, Liquidated Damages, or other offsets.

5.4.3 County shall not pay Contractor for any overtime premiums, travel expenses, meals, lodging, holidays, vacation, sick leave, per diem, or miscellaneous expenses, etc.

5.4.4 All work performed by, and all invoices submitted by, Contractor pursuant to Work Orders issued hereunder must receive the written approval of County's Work Order Director, who shall be responsible for a detailed evaluation of Contractor's performance before approval of work and/or payment of invoices is permitted.

5.4.5 Invoices under this Master Agreement shall be submitted to the address(es) set forth in the applicable Work Order.

**5.4.6 Invoice Content**

The period of performance specified in Contractor's invoice(s) must coincide with the period of performance specified in the applicable Work Order.

Each invoice submitted by Contractor shall specify:

- County numbers of the Work Order and Contractor's Master Agreement;
- Period of performance of work being invoiced;
- Name(s) of persons who performed the work;
- Number of hours being billed for the individual(s) and the labor rate(s) as specified in the Work Order; and
- Total amount of the invoice.

**5.4.7 Local Small Business Enterprises – Prompt Payment Program (if applicable)**

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

**6.0 ADMINISTRATION OF MASTER AGREEMENT - COUNTY**

**COUNTY ADMINISTRATION**

A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit A. The County shall notify the Contractor in writing of any change in the names or addresses shown.

**6.1 County's Master Agreement Program Director (MAPD)**

The MAPD has the authority to negotiate, recommend all changes to this Master Agreement, and resolve disputes between the County and Contractor.

## **6.2 County's Project Director**

The County's Project Director, or designee, is the approving authority for individual Requests for Services (RFS) and executions.

## **6.3 County's Work Order Director**

A Work Order Director will be assigned for each Work Order by County's Project Director.

### **6.3.1 The responsibilities of the Work Order Director include:**

- ensuring that the technical standards and task requirements articulated in the individual Work Order are satisfactorily complied with, and shall provide, on request, such information, coordination, documentation, and materials as may be reasonably required by Contractor to perform Work Orders;
- coordinating and monitoring the work of Contractor personnel assigned to the Work Order Director's specific projects, and for ensuring that this Master Agreement's objectives are met;
- monitoring, evaluating and reporting Contractor performance and progress on the Work Order;
- coordinating with Contractor's Project Manager, on a regular basis, regarding the performance of Contractor's personnel on each particular project;
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.3.2 County's Work Order Directors are not authorized to make any changes in Work Order labor rates, dollar totals or periods of performance, or in the terms and conditions of this Master Agreement, except through formally prepared Change Orders, in accordance with sub-paragraph 8.1.

## **6.4 County's Project Manager**

The County's Project Manager is County's chief contact person with respect to the day-to-day administration of this Master Agreement. The Project Manager shall prepare and issue Work Orders and any Change Orders thereto in accordance with sub-paragraph 8.1, and generally be the first person for Contractor to contact with any questions.

## **7.0 ADMINISTRATION OF MASTER AGREEMENT - CONTRACTOR**

### **7.1 Contractor's Project Manager**

7.1.1 Contractor's Project Manager is designated in Exhibit B. 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 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Master Agreement and shall coordinate with County's Work Order Director on a regular basis with respect to all active Work Orders.

### **7.2 Contractor's Authorized Official(s)**

7.2.1 Contractor's Authorized Official(s) are designated in Exhibit B. Contractor shall promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

7.2.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Master Agreement on behalf of Contractor.

### **7.3 Approval of Contractor's Staff**

County has the absolute right to approve or disapprove all of Contractor's staff performing work hereunder and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Manager. Contractor shall provide County with a resume of each proposed substitute and an opportunity to interview such person prior to any staff substitution.

### **7.4 Contractor's Staff Identification**

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

7.4.2 Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County facility. Contractor personnel may be asked to leave a County facility by a County representative if they do not have the proper County ID badge on their person.

7.4.3 Contractor shall notify the County within one business day when staff is terminated from working under this Master Agreement. Contractor shall retrieve and return an employee's ID badge to the County on the next business day

after the employee has terminated employment with the Contractor.

- 7.4.4 If County requests the removal of Contractor's staff, Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has been removed from working on the County's Master Agreement.

## **7.5 Background and Security Investigations**

- 7.5.1 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 must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. 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.

- 7.5.2 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.

- 7.5.3 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.

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

## **7.6 Confidentiality**

- 7.6.1. 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.
- 7.6.2 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 this Paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 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.
- 7.6.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.6.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit G3.

## 8.0 STANDARD TERMS AND CONDITIONS

### 8.1 AMENDMENTS

#### 8.1.1 Amendments-Master Agreement

##### 1. Board of Supervisors/Chief Executive Officer Changes

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 Master Agreement during the term of this Master Agreement. 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 orders, an Amendment to the Master Agreement shall be prepared by the County and executed by the Contractor and by the Chief Executive Officer or designee.

##### 2. Assignment and Delegation Changes

In accordance with Paragraph 8.2 (Assignment and Delegation), any assumption, assignment, delegation, company name change 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, company name change or any other mechanism, under the Master Agreement, shall be done pursuant to an Amendment to the Master Agreement that is prepared by County and executed by the Contractor and the Chief Executive Officer or designee. Such Amendment will be prepared only after County has granted its prior written approval.

##### 3. Extensions of Time

The Chief Executive Officer, or his/her designee may, at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Master Agreement. The Contractor agrees that such extensions of time shall not change any other term or condition of this Master Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Master Agreement shall be prepared and executed by the Contractor and by the Chief Executive Officer or designee.

4. Addition/Deletion of Service Categories/Technical Specializations

Throughout the term of this Master Agreement the Chief Executive Officer or designee may, at his or her sole discretion, add to or delete Service Categories or Technical Specializations. An Amendment to the Master Agreement shall be prepared by the County and executed by the Contractor and by the Chief Executive Officer or designee to add or delete Service Categories or Technical Specializations.

5. Non-material Changes

For any change which does not materially affect the scope of work, period of performance, price, or any other term or condition included under this Master Agreement, an Amendment shall be prepared by County and executed by the Contractor.

8.1.2 Change Orders-Master Agreement Work Orders

The Chief Executive Officer, or designee, or the Director of the Department Human Services, or designee may, at the County's sole discretion, amend an outstanding Work Order issued during the term of the Master Agreement. For any change to amend an outstanding Work Order, a Change Order will be prepared by County and executed by the Contractor and the Chief Executive Officer or designee, or the Director of the Department Human Services, or designee, as applicable to the subject Work Order. Such Change Order shall be at the mutual consent of the County and the Contractor and will be prepared only after County has granted its prior written approval.

**8.2 ASSIGNMENT AND DELEGATION**

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Master Agreement, 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 sub-paragraph, County consent shall require a written amendment to the Master Agreement, 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 Master Agreement 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 Master Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Master Agreement.

- 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 Master Agreement which may result in the termination of this Master Agreement. 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 Master Agreement 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 Master Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.

### **8.4 COMPLAINTS**

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

- 8.4.1 Within ten (10) business days after the Master Agreement effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.
- 8.4.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.4.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within ten (10) business days for County approval.
- 8.4.4 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.

- 8.4.5 The Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within ten (10) business days of receiving the complaint.
- 8.4.6 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.
- 8.4.7 Copies of all written responses shall be sent to the County's Project Manager within ten (10) business days of mailing to the complainant.

## **8.5 COMPLIANCE WITH APPLICABLE LAW**

- 8.5.1 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.
- 8.5.2 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 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 Paragraph 8.5 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 other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

## **8.6 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 Master Agreement or under any project, program, or activity supported by this Master Agreement. The Contractor shall comply with Exhibit C - Contractor's EEO Certification.

## **8.7 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM**

**8.7.1 Jury Service Program:** This Master Agreement 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 D and incorporated by reference into and made part of this Master Agreement.

### **8.7.2 Written Employee Jury Service Policy**

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), 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 Employee's regular pay the fees received for jury service.
2. For purposes of this sub-paragraph, "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 Contractor. "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 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 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Master Agreement, the subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If Contractor is not required to comply with the Jury Service Program when the Master Agreement commences, Contractor shall have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Master Agreement and at its sole discretion, that Contractor demonstrate to the County’s satisfaction that Contractor either continues to remain outside of the Jury Service Program’s definition of “Contractor” and/or that Contractor continues to qualify for an exception to the Program.
4. Contractor’s violation of this sub-paragraph of the Master Agreement may constitute a material breach of the Master Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Master Agreement and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

## **8.8 CONFLICT OF INTEREST**

- 8.8.1 No County employee whose position with the County enables such employee to influence the award of this Master Agreement or any competing Master Agreement, 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 Master Agreement.

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.

8.8.2 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 Master Agreement. 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 8.8 shall be a material breach of this Master Agreement.

**8.9 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST**

Should the Contractor require additional or replacement personnel after the effective date of this Master Agreement 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 Master Agreement.

**8.10 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS**

8.10.1 Should the Contractor require additional or replacement personnel after the effective date of this Master Agreement, 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.

8.10.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County

employees shall be given first priority.

## **8.11 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

### **8.11.1 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 Master Agreement. It is the County's policy to conduct business only with responsible Contractors.

### **8.11.2 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 this Master Agreement, 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.

### **8.11.3 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.

### **8.11.4 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.

#### **8.11.5 Subcontractors of Contractor**

These terms shall also apply to Subcontractors of County Contractors.

#### **8.12 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](http://www.babysafela.org).

#### **8.13 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:**

- 8.13.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Master Agreement 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.

8.13.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Master Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Master Agreement 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).

#### **8.14 COUNTY'S QUALITY ASSURANCE PLAN**

The County or its agent will evaluate the Contractor's performance under this Master Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Master Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Master Agreement 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 Master Agreement or impose other penalties as specified in this Master Agreement.

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.

#### **8.15 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS**

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

8.15.2 If 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 Contractor by cash payment upon demand.

## **8.16 EMPLOYMENT ELIGIBILITY VERIFICATION**

8.16.1 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 Master Agreement 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.

8.16.2 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 Master Agreement.

## **8.17 FACSIMILE REPRESENTATIONS**

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 sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Master Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

## **8.18 FAIR LABOR STANDARDS**

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.

## **8.19 FORCE MAJEURE**

- 8.19.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Master Agreement, 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 sub-paragraph as "force majeure events").
- 8.19.2 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 sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 8.19.3 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.

## **8.20 GOVERNING LAW, JURISDICTION, AND VENUE**

This Master Agreement 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 Master Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

## **8.21 INDEPENDENT CONTRACTOR STATUS**

- 8.21.1 This Master Agreement 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.

8.21.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Master Agreement 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.

8.21.3 The Contractor understands and agrees that all persons performing work pursuant to this Master Agreement 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 Master Agreement.

8.21.4 The Contractor shall adhere to the provisions stated in subparagraph 7.6 – Confidentiality.

## **8.22 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 and/or relating to this Master Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

## **8.23 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 this Section and Section 8.24 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.

#### 8.23.1 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 Sub-Contractor 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  
Benefits and Compensation Division  
500 W. Temple Street, Room 784  
Los Angeles, CA 90012

Attention: Marco Morejon

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 Sub-Contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

#### **8.23.2 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.

#### **8.23.3 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.

#### 8.23.4 **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.

#### 8.23.5 **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.

#### 8.23.6 **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.

#### 8.23.7 **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.

#### 8.23.8 **Sub-Contractor Insurance Coverage Requirements**

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

#### **8.23.9 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.

#### **8.23.10 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.

#### **8.23.11 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.

#### **8.23.12 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.

#### **8.23.13 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.

#### **8.23.14 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.

## 8.24 INSURANCE COVERAGE

8.24.1 **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

8.24.2 **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.

8.24.3 **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.

### 8.24.4 Unique Insurance Coverage

- **Professional Liability/Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 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 LIQUIDATED DAMAGES**

8.25.1 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.

8.25.2 If the Chief Executive Officer or designee, determines that there are deficiencies in the performance of this Master Agreement 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, or as may be specified in any Performance Requirements Summary (PRS) Charts in future Work Orders, 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.

8.25.3 The action noted in sub-paragraph 8.25.2 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 Master Agreement.

8.25.4 This sub-paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Master Agreement provided by law or as specified in the PRS or sub-paragraph 8.25.2, and shall not, in any manner, restrict or limit the County's right to terminate this Master Agreement as agreed to herein.

## **8.26 MOST FAVORED PUBLIC ENTITY**

If the Contractor's prices decline, or should the Contractor at any time during the term of this Master Agreement 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 Master Agreement, then such lower prices shall be immediately extended to the County.

## **8.27 NONDISCRIMINATION AND AFFIRMATIVE ACTION**

8.27.1 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.

8.27.2 The Contractor shall certify to, and comply with, the provisions of Exhibit C - Contractor's EEO Certification.

8.27.3 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.

8.27.4 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.

- 8.27.5 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 Master Agreement or under any project, program, or activity supported by this Master Agreement.
- 8.27.6 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 sub-paragraph 8.27 when so requested by the County.
- 8.27.7 If the County finds that any provisions of this sub-paragraph 8.27 have been violated, such violation shall constitute a material breach of this Master Agreement upon which the County may terminate or suspend this Master Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Master Agreement 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 Master Agreement.
- 8.27.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Master Agreement, 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 Master Agreement.

## **8.28 NON EXCLUSIVITY**

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

### **8.29 NOTICE OF DELAYS**

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

### **8.30 NOTICE OF DISPUTES**

The Contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Master Agreement. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Chief Executive Officer, or designee shall resolve it.

### **8.31 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.

### **8.32 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 E of this Master Agreement and is also available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

### **8.33 NOTICES**

All notices or demands required or permitted to be given or made under this Master Agreement 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 A, County's Administration and B, Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Chief Executive Officer or designee shall have the authority to issue all notices or demands required or permitted by the County under this Master Agreement.

### **8.34 PROHIBITION AGAINST INDUCEMENT OR PERSUASION**

Notwithstanding the above, the Contractor and the County agree that, during the term of this Master Agreement 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.

### **8.35 PUBLIC RECORDS ACT**

8.35.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to sub-paragraph 8.37 - Record Retention and Inspection/Audit Settlement of this Master Agreement; as well as those documents which were required to be submitted in response to the Request for Statement of Qualifications (RFSQ) used in the solicitation process for this Master Agreement, 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.

8.35.2 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 an SOQ 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.

### **8.36 PUBLICITY**

8.36.1 The Contractor shall not disclose any details in connection with this Master Agreement 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 Master Agreement within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Master Agreement, 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 Project Director. The County shall not unreasonably withhold written consent.

8.36.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Master Agreement with the County of Los Angeles, provided that the requirements of this subparagraph 8.36 shall apply.

### **8.37 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT**

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Master Agreement 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 Master Agreement. 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 Master Agreement. 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 Master Agreement 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.

8.37.1 In the event that an audit of the Contractor is conducted specifically regarding this Master Agreement 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 Master Agreement. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.37.2 Failure on the part of the Contractor to comply with any of the provisions of this sub-paragraph shall constitute a material breach of this Master Agreement upon which the County may terminate or suspend this Master Agreement.

8.37.3 If, at any time during the term of this Master Agreement or within five (5) years after the expiration or termination of this Master Agreement, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Master Agreement, 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 Master Agreement 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 Master Agreement exceed the funds appropriated by the County for the purpose of this Master Agreement.

### **8.38 RECYCLED BOND PAPER**

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 Master Agreement.

### **8.39 SUBCONTRACTING**

8.39.1 The requirements of this Master Agreement 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 Master Agreement.

8.39.2 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.
- 8.39.3 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 Contractor employees.
- 8.39.4 The Contractor shall remain fully responsible for all performances required of it under this Master Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.39.5 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 Master Agreement. The Contractor is responsible to notify its subcontractors of this County right.
- 8.39.6 The County's MAPD 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.
- 8.39.7 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.
- 8.39.8 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  
Benefits and Compensation Division  
500 W. Temple Street, Room 784  
Los Angeles, CA 90012  
Attention: Marco Morejon

before any subcontractor employee may perform any work hereunder.

**8.40 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of the Contractor to maintain compliance with the requirements set forth in sub-paragraph 8.13 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default under this Master Agreement. Without limiting the rights and remedies available to the County under any other provision of this Master Agreement, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which the County may terminate this Master Agreement pursuant to sub-paragraph 8.42 - Termination for Default and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

**8.41 TERMINATION FOR CONVENIENCE**

8.41.1 County may terminate this Master Agreement, and any Work Order issued hereunder, in whole or in part, from time to time or permanently, 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 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.

8.41.2 Upon receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall immediately:

- Stop work under the Work Order or under this Master Agreement, as identified in such notice;
- Transfer title and deliver to County all completed work and work in process; and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.41.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Master Agreement or Work Order shall be maintained by the Contractor in accordance with sub-paragraph 8.37, Record Retention AND Inspection/Audit Settlement.

## **8.42 TERMINATION FOR DEFAULT**

8.42.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Master Agreement, if, in the judgment of County's Project Director:

- Contractor has materially breached this Master Agreement;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Master Agreement or any Work Order issued hereunder; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements of any Work Order issued under this Master Agreement, or of any obligations of this Master Agreement 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.

8.42.2 In the event that the County terminates this Master Agreement in whole or in part as provided in sub-paragraph 8.42.1, 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 Master Agreement to the extent not terminated under the provisions of this sub-paragraph.

8.42.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 8.42.2 if its failure to perform this Master Agreement, including any Work Order issued hereunder, 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 sub-paragraph 8.42.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.42.4 If, after the County has given notice of termination under the provisions of this sub-paragraph 8.42, it is determined by the County that the Contractor was not in default under the provisions of this sub-paragraph 8.42, or that the default was excusable under the provisions of sub-paragraph 8.42.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to sub-paragraph 8.41 - Termination for Convenience.

8.42.5 The rights and remedies of the County provided in this sub-paragraph 8.42 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

### **8.43 TERMINATION FOR IMPROPER CONSIDERATION**

8.43.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Master Agreement 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 Master Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Master Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Master Agreement. 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.

8.43.2 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.

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

#### **8.44 TERMINATION FOR INSOLVENCY**

8.44.1 The County may terminate this Master Agreement 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.

8.44.2 The rights and remedies of the County provided in this subparagraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

#### **8.45 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE**

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 Master Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Master Agreement.

#### **8.46 TERMINATION FOR NON-APPROPRIATION OF FUNDS**

Notwithstanding any other provision of this Master Agreement, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Master Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Master Agreement in the County's Budget for each such future fiscal year. In the event

that funds are not appropriated for this Master Agreement, then this Master Agreement 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.

**8.47 VALIDITY**

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

**8.48 WAIVER**

No waiver by the County of any breach of any provision of this Master Agreement 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 Master Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this sub-paragraph 8.48 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

**8.49 WARRANTY AGAINST CONTINGENT FEES**

8.49.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Master Agreement upon any agreement 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.

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

**8.50 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.

#### **8.51 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 Paragraph 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 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.

#### **8.52 TIME OFF FOR VOTING**

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

### **9.0 UNIQUE TERMS AND CONDITIONS**

#### **9.1 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA")**

9.1.1 Contractor expressly acknowledges and agrees that, unless otherwise indicated in the identified Request(s) for Services, the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records/patient information for any reason whatsoever.

9.1.1.1 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers,

employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

9.1.1.2 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

9.1.2 The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). The County and Contractor therefore agree to the terms of Exhibit I, "Business Associate Under Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). If, under the identified Request(s) for Services, the Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit I, the terms of Exhibit I shall apply.

## **9.2 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM**

9.2.1 This Master Agreement 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.

- 9.2.2 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 Local Small Business Enterprise.
- 9.2.3 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 Local Small Business Enterprise.
- 9.2.4 If 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 Master Agreement/Work Order to which it would not otherwise have been entitled, shall:
1. Pay to the County any difference between the work order amount and what the County's costs would have been if the work order 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 10 percent of the amount of the work order; 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, the County Department of Consumer and Business Affairs, and County Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

### **9.3 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT**

- 9.3.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, documents, writings, drawings, pictorial reproductions, graphical representations, and tools (hereafter "materials") which are originated or created

through Contractor's work pursuant to this Master Agreement. Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in the County all Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to Contractor's work under this Master Agreement.

- 9.3.2 During the term of this Master Agreement and for five (5) years thereafter, Contractor shall maintain and provide security for all Contractor's working papers prepared under this Master Agreement. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Master Agreement, any and all such working papers and all information contained therein.
- 9.3.3 Any and all materials, software and tools which are developed or were originally acquired by Contractor outside the scope of this Master Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Manager as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "Propriety" or "Confidential" on each appropriate page of any document containing such material.
- 9.3.4 County will use reasonable means to ensure that Contractor's proprietary and/or confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of Contractor.
- 9.3.5 Notwithstanding any other provision of this Master Agreement, County will not be obligated to Contractor in any way under sub-paragraph 9.3.4 for any of Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by sub-paragraph 9.3.3 or for any disclosure which County is required to make under any state or federal law or order of court.
- 9.3.6 All the rights and obligations of this sub-paragraph 9.3 shall survive the expiration or termination of this Master Agreement.

#### **9.4 PATENT, COPYRIGHT AND TRADE SECRET INDEMNIFICATION**

- 9.4.1 Contractor shall indemnify, hold harmless and defend County from and against any and all liability, damages,

costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of Contractor's work under this Master Agreement. County shall inform Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support Contractor's defense and settlement thereof.

- 9.4.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:
- Procure for County all rights to continued use of the questioned equipment, part, or software product; or
  - Replace the questioned equipment, part, or software product with a non-questioned item; or
  - Modify the questioned equipment, part, or software so that it is free of claims.
- 9.4.3 Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by Contractor, in a manner for which the questioned product was not designed nor intended.

## **9.5 INTENTIONALLY OMITTED**

## **9.6 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM**

- 9.6.1 This Master Agreement is subject to the provisions of the County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.
- 9.6.2 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.
- 9.6.3 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.

9.6.4 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 work order to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the work order amount and what the County's costs would have been if the work order 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 10 percent (10%) of the amount of the work order; 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 work order award.

## **9.7 INTENTIONALLY OMMITTED**

## **9.8 DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM**

9.8.1 This Contract is subject to the provisions of the County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.

9.8.2 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 Disabled Veteran Business Enterprise.

- 9.8.3 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 Disabled Veteran Business Enterprise.
- 9.8.4 If Contractor has obtained certification as a Disabled Veteran 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 10 percent 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 ISD of this information prior to responding to a solicitation or accepting a contract award.

**9.9 INTENTIONALLY OMITTED**

**9.10 INTENTIONALLY OMITTED**

## **9.11 ENDORSEMENT**

Consultant shall not, in any manner, advertise, publish or represent that County endorses the goods or services herein mentioned without the prior written consent of County's Project Manager. Any published document by Consultant referencing County in such manner must have prior written consent of County's Project Manager.

**AUTHORIZATION OF MASTER AGREEMENT  
FOR  
COMPENSATION, EMPLOYEE BENEFITS, AND ACTUARIAL  
CONSULTING SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Master Agreement to be executed by the Chief Executive Officer or designee and approved by County Counsel, and Contractor has caused this Master Agreement to be executed in its behalf by its duly authorized officer, this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

COUNTY OF LOS ANGELES

By \_\_\_\_\_

SACHI A. HAMAI  
Chief Executive Officer

CONTRACTOR

By \_\_\_\_\_  
(Contractor)

Signed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
MARY C. WICKHAM  
County Counsel

By \_\_\_\_\_  
Principal Deputy County Counsel

**COMPENSATION, EMPLOYEE BENEFITS AND ACTUARIAL SERVICES**

**MASTER AGREEMENT QUALIFIED VENDORS**

**August 2016**

<b>Firm Name</b>	<b>Service Category</b>
Aon Consulting, Inc.	<ul style="list-style-type: none"><li>• Employee Benefits Policy Development and Program Administration Consulting Services</li><li>• Actuarial Consulting Services</li></ul>
The Segal Company	<ul style="list-style-type: none"><li>• Compensation Policy Development and Program Administration Consulting Services</li><li>• Employee Benefits Policy Development and Program Administration Consulting Services</li></ul>
The Unisource Group, Inc.	<ul style="list-style-type: none"><li>• Employee Benefits Policy Development and Program Administration Consulting Services</li></ul>



DAVE CHITTENDEN  
Chief Deputy Director

## County of Los Angeles INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue  
Los Angeles, California 90063

Telephone: (323) 267-2103  
FAX: (323) 264-7135

*"To enrich lives through effective and caring service"*

July 21, 2016

To: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Dave Chittenden  
Chief Deputy Director

Joseph Kelly  
Treasurer and Tax Collector

### **BOARD MOTION OF MARCH 22, 2016 AGENDA ITEM NO. 13 - EXPANDING THE PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM**

On March 22, 2016, your Board directed the Internal Services Department (ISD), in coordination with the Treasurer and Tax Collector (TTC) and County Counsel, to:

1. Report back on a process that will allow for the expansion of the County of Los Angeles (County) PACE Program to include other administrators if they agree to meet the terms and conditions of the County's PACE Program, which include a commitment to not engage in separate programs with individual cities, and adopt the County's legal framework for assessment bonds;
2. Immediately outreach to cities throughout the County to convey the importance of developing a coordinated, Countywide PACE Program that optimizes consumer protections including the development of a Countywide PACE Program and support for the Residential PACE Industry Standards;
3. Encourage the use of existing energy efficiency incentives (including Energy Upgrade California) in conjunction with the County PACE Program; and
4. Report to the Board of Supervisors in writing within 60 days with a proposed action plan for accomplishing the above.

## **Background**

The County officially launched the residential PACE financial program on May 28, 2015 in 86 participating cities and County unincorporated areas. Program participation in year one exceeded the County's original projections. As we reported to your Board in our May 12, 2016 memorandum, the County's two PACE Program Administrators had approved 15,300 projects totaling \$364 million.

Given year one's volume, anticipated growth, and infusion of other PACE program administrators into the marketplace, the County has identified the need for its constituents to have consistent and uniform PACE standards for all PACE program administrators.

### **1. A process to expand the County PACE Program.**

To expand the County PACE Program to include other program administrators, minimize consumer confusion, and ensure consistency in the provision of PACE Program services, ISD recommends: (i) amending the contracts with the County's current PACE Program Administrators (Renovate America and Renewable Funding) to add additional program requirements, including additional consumer protections, and (ii) developing a Request for Statements of Qualifications (RFSQ) to execute Master Agreements with vendors that meet minimum requirements and agree to provide PACE Program administration services while adhering to the County's terms and conditions. ISD will negotiate with both existing contractors to either continue with the current contracts or qualify them for a Master Agreement, as discussed below.

Several PACE program administrators operating in the State have collaborated on the development of industry standards for residential PACE consumer protection policies. The consumer protection policies articulate guidelines in fourteen different areas. We have performed a comparative review of the consumer protection policies to the terms and conditions of the County's two current contracts with the PACE Program Administrators and found that the County's terms and conditions meet or exceed the guidelines.

ISD also recommends soliciting for additional PACE program administrators via an RFSQ to provide the flexibility of adding vendors that can provide the required services. The RFSQ will be open and continuous, allowing vendors to qualify and be awarded Master Agreements through the term of the RFSQ. ISD will develop minimum requirements and a qualification process that will help ensure that PACE program administrators adhere to County terms and conditions. To qualify for a Master Agreement, vendors will be required to meet minimum requirements and qualifications in the RFSQ, including:

1. Agreeing to the terms and conditions of the County PACE Program.
2. Agreeing to not engage in separate programs with individual cities.
3. Adopting the County's AB-811 legal framework for the issuance of assessment bonds.

Some cities within the County are participating in the County PACE Program, but also entered into separate contractual relationships with PACE program administrators outside of the County PACE Program. After meeting with one representative city, the City of Los Angeles, we learned that its primary motive for entering into non-County PACE program administrator contracts was to take advantage of seismic retrofits, an eligible improvement that the County's Program does not currently provide.

When your Board approved the establishment of the County's PACE program in May 2010 pursuant to the legal framework authorized by AB 811, the types of projects eligible for PACE financing were limited to energy and water efficiency improvements. Since the establishment of the PACE Program in 2010, several legislative changes have expanded the types of projects eligible for PACE financing under the AB 811 legal structure, including:

- Seismic strengthening improvements
- Electric vehicle (EV) charging infrastructure improvements
- Leasehold or possessory interests in public property

ISD and the TTC have not identified any reason why seismic retrofits, EV charging infrastructure and leasehold or possessory interests improvements should continue to be excluded from the County PACE Program. By not offering these projects as eligible improvements in the County PACE Program, we are concerned that incorporated cities will be incentivized to enter into separate contractual relationships with program administrators outside of the County PACE Program.

If the County can offer seismic retrofit improvements, The City of Los Angeles is receptive to exploring how it could join the County PACE Program to take advantage of our substantial administrative and compliance infrastructure. Accordingly, ISD and the TTC are recommending that your Board consider revising the County PACE Program to include these improvements by formally instructing ISD and the TTC to take all administrative actions necessary to implement this recommendation.

## **2. Outreach to cities to convey the importance of developing a coordinated Countywide PACE Program.**

ISD works very closely with cities and the Councils of Governments (COGs) within the County, all of whom report that numerous PACE program administrators continually

approach their elected officials and executives about signing up with their respective PACE programs. To address this issue, these cities and COGs have repeatedly voiced the need for PACE centralization and standardization.

Once your Board instructs ISD and the TTC how to proceed with the PACE Program recommendations discussed in this report, we will communicate all developments to the cities and COGs and formally seek their support for consolidation under the County PACE Program.

**3. Encourage the use of existing energy efficiency incentives through the County PACE Program.**

Energy Upgrade California (EUC) is a State-sponsored incentive program which encourages comprehensive upgrades in single family residences. ISD administers that program within the County and provides marketing and outreach, incentives administration, and contractor training and support. Since EUC is funded by utility ratepayers, it includes standards to ensure that funding is used in a cost-effective manner and within regulatory requirements adopted by the California Public Utilities Commission (CPUC).

PACE projects far exceed the number of EUC projects in the County and the State. As the administrator of both PACE and EUC, the County is in a unique position to “align” the objectives of both programs.

ISD has developed a proposal for streamlining the EUC incentive application process and incorporating it into the PACE process, and has presented it to the two County PACE Program Administrators. The proposal overview has been submitted to the CPUC as part of a County program to help mitigate potential energy and natural gas shortages this year due to the Aliso Canyon Gas Storage Site situation; and the proposal will be submitted to the CPUC this fall as part of the SoCalREN program filing for 2017 and beyond. In the interim, ISD is working with both of its County PACE Program Administrators to implement marketing and education about the current EUC incentive.

**Conclusion**

We recommend that your Board consider revising the County PACE Program to include the following improvements permitted under State statute.

- Seismic strengthening improvements
- Electric vehicle (EV) charging infrastructure improvements
- Leasehold or possessory interests in public property

Each Supervisor  
July 21, 2016  
Page 5

If your Board wishes to revise the County PACE Program to include these types of projects as eligible improvements, ISD and the TTC will take all necessary administrative actions to implement this recommendation. We can then release a RFSQ to allow PACE program administrators that meet the County's requirements to become part of a Master Agreement of PACE Program Administrators. We would also then be able to continue our outreach to the City of Los Angeles to identify options through which it would participate under the County PACE Program to offer seismic improvements. Finally, we would initiate a formal communication outreach to all cities informing them of these significant, and we believe, positive, developments in the administration of the PACE Program in the County of Los Angeles.

Should you have any questions, please contact Dave Chittenden (323) 267-2103, or via email [dchittenden@isd.lacounty.gov](mailto:dchittenden@isd.lacounty.gov). You may also contact Joseph Kelly at (213) 974-2101, or via email at [jkelly@ttc.lacounty.gov](mailto:jkelly@ttc.lacounty.gov).

DC:JK:EBG:

c: ISD Board Deputies  
Chief Executive Officer  
Chief Operating Officer  
County Counsel  
Executive Officer, Board of Supervisors  
City of Los Angeles



**COUNTY OF LOS ANGELES  
DEPARTMENT OF HUMAN RESOURCES**

HEADQUARTERS  
579 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-2406 FAX (213) 621-0387

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3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010  
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**LISA M. GARRETT**  
DIRECTOR OF PERSONNEL

August 2, 2016

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:

**AMENDMENT NUMBER TEN TO CONTRACT NO. 74576 FOR ADMINISTRATIVE SERVICES FOR CAFETERIA AND NON-CAFETERIA BENEFIT PLANS AND ABSENCE MANAGEMENT SERVICES; AND AMENDMENT NUMBER FOUR TO CONTRACT NUMBER 76489 FOR EMPLOYEE BENEFITS COMMUNICATION CONSULTING SERVICES AND MATERIALS (ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

**SUBJECT**

The Department of Human Resources (DHR) currently contracts with Xerox Business Services, LLC (formerly known as Affiliated Computer Services, Inc.) and its wholly owned subsidiary, Buck Consultants, LLC (Buck) to provide third-party administrative (TPA) services for cafeteria and non-cafeteria benefit plans, absence management services (AMS), and Affordable Care Act (ACA) employer mandate compliance services (TPA Contract). DHR also contracts with Buck to provide employee benefit plan communications consulting services and materials (the "Communications Contract"). This Board letter requests extension of these two contracts, which expire on December 31, 2016.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Director of Personnel, or her designee, to finalize and execute an amendment, substantially similar to the attached Amendment Number Ten (Attachment I), to Contract Number 74576 with Buck, effective upon execution of the amendment: (1) to continue provision of TPA, AMS, and ACA reporting services for two additional years with two six-month extension options, from January 1, 2017

through December 31, 2019, and (2) to increase the Maximum Contract Sum by \$13,772,900 to \$63,207,100.

2. Delegate authority to the Director of Personnel, or her designee, to finalize and execute an amendment, substantially similar to the attached Amendment Number Four (Attachment II), to Contract Number 76489 with Buck, effective upon execution of the amendment: (1) to continue provision of employee benefit communications consulting services and materials for two additional years with two six-month extension options, from January 1, 2017 through December 31, 2019, and (2) to increase the Maximum Contract Sum by \$2,976,189 to \$11,806,071.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

### **Purpose**

The existing TPA and Communications Contracts will expire on December 31, 2016. Board approval will amend both contracts to extend the term through December 31, 2019 to: (1) allow Buck to continue to provide uninterrupted administrative, communications, and regulatory compliance services for all the County's employee benefit plans; (2) enable DHR to complete a competitive solicitation process for a replacement contract, in accordance with County contracting rules and policies; and (3) allow sufficient time for the successful implementation of replacement services, including migration of approximately 250,000 participant data files and testing, all with no disruption or interruption in services or exposure to regulatory compliance penalties.

### **Justification**

The services provided under these two contracts are essential in order for the County to administer and communicate its employee benefit plans and to demonstrate regulatory compliance with the ACA and the Family and Medical Leave Act (FMLA). Extension of the two contracts is needed for continued provision of these essential services until replacement services are implemented.

If the two current contracts with Buck are not extended, effective January 1, 2017 the County will not be able to administer its medical, dental, life, disability, accidental death and dismemberment (AD&D) insurance, health care spending accounts, dependent care spending accounts, elective annual leave benefits, leaves of absence rules and other health and welfare benefits on behalf of the County's approximately 100,000 employees and their approximately 150,000 dependents. It also will not be possible for the County to demonstrate regulatory compliance with state and federal laws and regulations, including the ACA employer mandate and the FMLA. Finally, it will not be possible to administer the County's employee benefit plans and leaves of absences in accordance with County Code, County Ordinances and your Board's rules and policies.

The ACA employer mandate compliance services were contracted in December 2015 to be provided by Buck once the proposed ACA regulations were finalized. The final

employer mandate regulations have already been amended by the federal government since they were “finalized” and may be amended again. Due to the fluid statutory and regulatory environment surrounding the implementation of the ACA, the County needs additional time to properly define the solicitation requirements for ACA compliance. With respect to the ACA employer mandate, failure to timely and accurately demonstrate regulatory compliance will expose the County to IRS penalties currently estimated at over \$700,000 per year. With respect to leaves of absences, the County was audited ten times by the federal Department of Labor for FMLA compliance during 2015. Additional FMLA audits are expected in future years. Failure to demonstrate compliance with the FMLA would expose the County to potential penalties and possible litigation risks, the costs of which could be substantial.

### **Implementation of Strategic Plan Goals**

The services provided under these two contracts support the County’s Strategic Plan, Goal 1, Operational Effectiveness/Fiscal Sustainability, by enabling the County to administer, communicate and demonstrate regulatory compliance with respect to the County’s employee benefit plans in an efficient and cost effective manner.

### **FISCAL IMPACT/FINANCING**

The TPA Contract amendment will increase the Maximum Contract Sum through December 31, 2019 by \$13,772,900 for a total of \$63,207,100. The Communications Contract amendment will increase the Maximum Contract Sum through December 31, 2019 by \$2,976,189 for a total of \$11,806,071.

There are no changes to the pricing terms during the extension periods.

Additionally, there are no changes to the funding for the cost of these services. The costs of administrative, communication and regulatory compliance services and materials under the contracts are partially offset by administrative fees paid by participating employees through payroll deductions. The remaining costs are fully offset by billings to County departments. Funding for both contracts is included in the FY 2016-2017 Recommended Budget. Funding for subsequent years will be included in each fiscal year’s budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Buck was awarded the TPA Contract on August 12, 2003 and the Communications Contract on March 4, 2008, in each case as a result of a competitive solicitation.

The TPA Contract’s initial term was five years and five months, with two one-year extension options through December 31, 2013. Your Board approved amendments to the TPA Contract, including an amended and restated TPA Contract in June 2011 to add AMS and to extend the contract term through December 31, 2016. The TPA Contract was most recently amended on December 4, 2015 to add the ACA employer mandate

regulatory compliance services.

The Communications Contract's initial term was five years, with two one-year extension options through February 28, 2015. On October 28, 2014, the contract was extended for a 22 month period, with a term ending on December 31, 2016 to synchronize the Communications Contract's term with the TPA Contract's, allowing the County to issue a single solicitation for all services currently provided under two separate contracts.

DHR will conduct a single competitive solicitation to replace all services currently provided by Buck under the two contracts. Buck will continue to provide services under the two contracts during the solicitation process and implementation of the replacement services. Extending the two Buck contracts will prevent interruption of essential medical and welfare benefit plan administrative, communications and compliance services and prevent regulatory compliance penalties.

Approval of the attached amendments will extend both contracts' terms from January 1, 2017 through December 31, 2019 if two six-month extension options are exercised.

Buck is in compliance with all Board and CEO requirements.

The Chief Information Office (CIO) reviewed the Board letter and proposed amendments and recommends approval. This recommended action simply extends the term of these current Contracts and does not change the scope of services that would necessitate a formal CIO Analysis.

County Counsel has reviewed and approved the attached amendments as to form.

### **CONTRACTING PROCESS**

Both the TPA Contract and the Communications Contract resulted from competitive solicitations.

Sole source notification for extending the two contracts was provided to the Board on February 2, 2016 (Attachment III). Extending the two contracts' terms will allow the County to conduct a fully competitive solicitation process for a replacement contract, with no disruption of current services or risk of regulatory compliance penalties.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There is no impact on current services. Approval of the recommended actions will ensure uninterrupted employee benefit plan administrative, communications and regulatory compliance services to County employees after the current TPA and Communications Contracts' expiration date of December 31, 2016.

**CONCLUSION**

Upon approval and execution of the Amendments, the Executive Office, Board of Supervisors, is requested to return one adopted stamped Board letter and two signed originals of the Amendments to DHR. It is requested that the Executive Officer notify the DHR's Employee Benefits Division at (213) 639-6354 when the documents are available.

Respectfully submitted,

Reviewed by:

LISA M. GARRETT  
Director of Personnel

PETER LOO  
Acting Chief Information Officer

LMG:EP:PAM  
EMC:RU:sl

Attachments (3)

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

# AMENDMENT NUMBER TEN

TO

CONTRACT NUMBER 74576

BETWEEN COUNTY OF LOS ANGELES AND

XEROX BUSINESS SERVICES, LLC AND BUCK CONSULTANTS, LLC  
FOR

ADMINISTRATIVE SERVICES FOR CAFETERIA AND NON-CAFETERIA BENEFIT  
PLANS AND ABSENCE MANAGEMENT SERVICES

**THIS AMENDMENT NUMBER TEN** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between the County of Los Angeles, a political subdivision of the State of California (hereinafter referred to as "County") and Xerox Business Services, LLC (f/k/a Affiliated Computer Services, Inc. ("ACS")) and Buck Consultants, LLC (cumulatively, and jointly and severally, "Contractor") and amends that certain Contract Number 74576, dated August 12, 2003, for administrative services for cafeteria and non-cafeteria benefit plans ("Benefit Plan Services"), as modified by all Amendments and Change Notices thereto, including without limitation by this Amendment Number Ten (hereinafter "Contract").

**WHEREAS**, on August 12, 2003, County and Contractor entered into the Contract for the provision of Benefit Plan Services; and

**WHEREAS**, on December 16, 2003, County and Contractor amended the Contract for Contractor to provide additional recordkeeping services ("Amendment One"); and

**WHEREAS**, on April 18, 2004, County and Contractor amended the Contract to comply with the Security Rule of the Health Insurance Portability and Accountability Act of 1996 ("Amendment Two"); and

**WHEREAS**, on February 5, 2007, County and Contractor amended the Contract for Contractor to provide additional recordkeeping services ("Amendment Three"); and

**WHEREAS**, on May 6, 2008, County and Contractor amended the Contract to extend the Contract term through December 31, 2011 with the option to extend the Contract term for two (2) additional one-year periods up to and through December 31, 2013 ("Amendment Four"); and

**WHEREAS**, Xerox Business Services, LLC (f/k/a Affiliated Computer Services, Inc.) ("ACS") and its subsidiaries, including Buck Consultants LLC ("Buck") were acquired by Xerox Corporation ("Xerox") on February 8, 2010; and

**WHEREAS**, on June 4, 2010, County and Contractor amended the Contract to comply with the requirements of the Health Information Technology for Economic and Clinical Health Act ("Amendment Five"); and

**WHEREAS**, on December 22, 2010, County and Contractor amended the Contract to exercise their option to extend the Contract term for one (1) additional year through December 31, 2012 (“Amendment Six”); and

**WHEREAS**, on March 16, 2011, County and Contractor amended the Contract to allow Contractor to provide additional administrative and recordkeeping services (“Amendment Seven”); and

**WHEREAS**, on June 28, 2011, County and Contractor amended and restated the Contract to add a new web-based Countywide absence management system (“Absence Management Services”) and to extend the Contract term for a period of three (3) years from January 1, 2014 through December 31, 2016; and

**WHEREAS**, on October 17, 2013, County and Contractor amended the Contract to comply with the requirements of the final regulations pertaining to Privacy, Security, Breach Notification, and Enforcement under the Health Insurance Portability and Insurance Portability and Accountability Act of 1996 (“Amendment Eight”); and

**WHEREAS**, on August 28, 2015, Work Order # 2 was issued pursuant to Contract # 77474 between Contractor and County for Affordable Care Act (“ACA”) Employer Mandate Tracking and Reporting start-up services; and

**WHEREAS**, on December 4, 2015, County and Contractor amended this Contract to add ACA employer mandate tracking and reporting services (“ACA Employer Mandate Tracking and Reporting Services”) to comply with the new Federal reporting rules associated sections of the Internal Revenue Code (“IRC”) incorporating the start-up services acquired under Work Order # 2 pursuant to Contract # 77474, to increase the Contract Sum accordingly, to add to the Contract the most current County required and other applicable provisions and to clarify that Contractor’s name for purposes of this Contract is "Xerox Business Services, LLC and Buck Consultants" ("Amendment Nine"); and

**WHEREAS**, County Contract No. 74576 will expire on December 31, 2016; and

**WHEREAS**, County and Contractor now desire to amend the Contract to extend the Contract Term, to increase the Contract Sum accordingly and to delegate to the Director of Personnel ("DOP" or "Director") or designee authority to exercise Contract extension options to extend the Contract up to and through December 31, 2019, as specified in amended Paragraph 7.0 (Term) of the body of the Contract; and

**WHEREAS**, Subparagraphs 4.1, 4.3, and 4.4 under Paragraph 4.0 (Changes and Amendments) of the body of the Contract provide that, for such changes, an amendment to the Contract shall be prepared and executed by County and Contractor.

**NOW THEREFORE**, in consideration of the foregoing, mutual promises, covenants and conditions set forth herein, and pursuant to Paragraph 4.0 (Changes and Amendments) of the body of the Contract, County and Contractor hereby agree to amend the Contract as

follows:

**I. Pursuant to Paragraph 4.0 (Changes and Amendments) of the body of the Contract, the following amendments shall be made to the Contract:**

**A. Subparagraph 7.1 of Paragraph 7.0 (Term) of the body of the Contract shall be deleted in its entirety and replaced with revised Subparagraph 7.1, which is amended to read as follows:**

7.1 The term of this Contract shall commence upon execution by County's Board of Supervisors and shall continue through December 31, 2018, unless sooner terminated or extended, in whole or in part, as provided in this Contract ("Initial Term").

At the end of the Initial Term or the Extended Term, as applicable, County may, at its sole option, extend this Contract for up to two (2) additional six-month periods ("Extended Term") up to and through December 31, 2019, provided, however, that if County elects not to exercise its option to extend at the end of the Initial Term or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension options automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term or the Extended Term, as applicable, County notifies Contractor in writing of its election not to extend the Contract pursuant to this Subparagraph 7.1.

As used throughout this Contract, the word "term" shall include the Initial Term and the Extended Term, to the extent County exercises its options under this Subparagraph 7.1.

**B. Subparagraph 8.1 under Paragraph 8.0 (Contract Sum) of the body of the Contract shall be deleted in its entirety and replaced with revised Subparagraph 8.1, which is amended to read as follows:**

8.1 The Maximum Contract Sum under the term of this Contract shall be the total monetary amount payable by County to Contractor for provision of services specified herein in accordance with Exhibit B (Fee Schedule) and shall not exceed \$63,207,100 for the Term of the Contract, including an estimated 3% Cost of Living Adjustment (COLA) for each year for the Benefit Plan Services. In addition, Contractor acknowledges that the amounts payable by County to Contractor on a monthly basis for the Benefit Plan Services are based on County's actual number of users in the Benefit Plan Services in the applicable month multiplied by the applicable unit rates as set forth on Exhibit B (Fee Schedule) for the applicable Contract Year. Contractor expressly acknowledges and agrees, however, that, in no event is County obligated to pay any amount in excess of the Maximum Contract Sum

per Contract Year for the Benefit Plan Services, Absence Management Services, and ACA Employer Mandate Tracking and Reporting Services respectively, as set forth on Exhibit B (Fee Schedule).

- C. Exhibit B (Fee Schedule) shall be deleted in its entirety and replaced with revised Exhibit B (Fee Schedule), which is attached hereto and incorporated herein by reference.**
  
- II. Contractor represents and warrants that the person executing this Amendment Number Ten on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Number Ten.**
  
- III. Except as provided in this Amendment Number Ten, all other terms and conditions of the Contract shall remain unchanged and in full force in effect.**

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**IN WITNESS WHEREOF**, County and Contractor by their duly authorized signatures have caused this Amendment Number Ten to County Contract Number 74576 to be effective on the day, month and year first above written.

**COUNTY OF LOS ANGELES:  
DEPARTMENT OF HUMAN RESOURCES**

By \_\_\_\_\_  
Lisa M. Garrett  
Director of Personnel

**CONTRACTOR:  
Xerox Business Services, LLC  
Buck Consultants, LLC**

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**APPROVED AS TO FORM:**  
Mary C. Wickham  
County Counsel

By \_\_\_\_\_  
Victoria Mansourian  
Principal Deputy County Counsel

**EXHIBIT B**  
**FEE SCHEDULE**

## Exhibit B Fee Schedule Summary

	Current Contract Maximum Sum: <i>8/12/03 through 12/31/16</i>	Contract Extension Maximum Sum: <i>1/1/17 through 12/31/19</i>	Total Contract Maximum Sum: <i>8/12/03 through 12/31/19</i>
<b>I) PRIOR TO AMENDED AND RESTATED CONTRACT:</b>			
<b>A. Benefit Plans Services</b>			
Benefits Plans Services (8/12/03 through 6/30/11)	\$23,079,900	\$0	\$23,079,900
<b>Sub-Total of Benefits Plan Services (Prior to Amended and Restated Contract)</b>	<b>\$23,079,900</b>	<b>\$0</b>	<b>\$23,079,900</b>
<b>II) AFTER AMENDED AND RESTATED CONTRACT:</b>			
<b>A. Benefit Plans Services</b>			
<i>i.) Sub-Total of Benefits Plans Services (7/1/11 through 12/31/11)</i>			
	<b>\$1,900,000</b>	<b>\$0</b>	<b>\$1,900,000</b>
Benefits Plans Services (1/1/12 through 12/31/16)	21,794,000	0	21,794,000
Benefits Plans Services (1/1/17 through 12/31/19)	0	11,876,000	11,876,000
<b>ii.) Sub-Total of Benefits Plan Services (1/1/12 through 12/31/19)</b>	<b>\$21,794,000</b>	<b>\$11,876,000</b>	<b>\$33,670,000</b>
			<i>(See Pages B-2 and B-3)</i>
<b>B. Absence Management Services</b>			
Absence Management Services (1/1/12 through 12/31/16)	\$2,250,000	\$0	\$2,250,000
Absence Management Services (1/1/17 through 12/31/19)	0	999,000	999,000
<b>Sub-Total of Absence Management Services</b>	<b>\$2,250,000</b>	<b>\$999,000</b>	<b>\$3,249,000</b>
			<i>(See Pages B-2 and B-4)</i>
<b>C. Affordable Care Act Employer Mandate Tracking and Reporting Services</b>			
Affordable Care Act Employer Mandate Tracking and Reporting start-up services (8/28/15 through 12/31/15)*	\$0	\$0	\$0
Affordable Care Act Employer Mandate Tracking and Reporting Services (1/1/16 through 12/31/16)	410,300	0	410,300
Affordable Care Act Employer Mandate Tracking and Reporting Services (1/1/17 through 12/31/19)	0	897,900	897,900
<b>Sub-Total of Affordable Care Act Employer Mandate Tracking and Reporting Services</b>	<b>\$410,300</b>	<b>\$897,900</b>	<b>\$1,308,200</b>
			<i>(See Pages B-2 and B-5)</i>

\* Start-up services were performed and paid for under separate Work Order and are subject to all warranties and other protections under this Contract.

### CONTRACT MAXIMUM SUMMARY:

Sub-Total: Contract Maximum Sum Prior to Amended and Restated Contract (8/12/03 through 6/30/11)	\$ 23,079,900	\$ -	\$23,079,900
Sub-Total: Contract Maximum Sum After Amended and Restated Contract (7/1/11 through 12/31/19)	<u>\$26,354,300</u>	<u>\$13,772,900</u>	<u>\$40,127,200</u>
<b>TOTAL CONTRACT MAXIMUM SUM:</b>	<b><u>\$ 49,434,200</u></b>	<b><u>\$ 13,772,900</u></b>	<b><u>\$63,207,100</u></b>

**Benefits Plans, Absence Management Services & Affordable Care Act Employer Mandate  
Summary of Annual Fees - July 2011 through December 2019**

SERVICE DESCRIPTION	CURRENT CONTRACT						CONTRACT EXTENSION					8-YEAR TOTAL	
	1/1/12 to 12/31/12	1/1/13 to 12/31/13	1/1/14 to 12/31/14	1/1/15 to 12/31/15	1/1/16 to 12/31/16	TOTAL: AMENDED & RESTATED	1/1/17 to 12/31/17	1/1/18 to 12/31/18	1/1/19 to 6/30/19	7/1/19 to 12/31/19	TOTAL: EXTENSION		
<b>A. BENEFITS PLANS SERVICES</b>													
<i>SERVICES: January 1, 2012 through December 31, 2016</i>													
Monthly Processing Fees	\$2,864,734	\$3,039,000	\$3,224,000	\$3,420,000	\$3,628,000	\$16,175,734	\$2,897,405	\$3,074,000	\$1,631,000	\$1,631,000	\$9,233,405	\$25,409,138	
Spending Account Administration	497,328	528,000	560,000	594,000	630,000	2,809,328	324,855	345,000	183,000	183,000	1,035,855	3,845,184	
Annual Enrollment	281,515	299,000	317,000	336,000	356,000	1,589,515	290,245	307,921	163,000	163,000	924,166	2,513,681	
<b>Estimated Annual Costs:</b>	<b>\$3,644,000</b>	<b>\$3,866,000</b>	<b>\$4,098,000</b>	<b>\$4,344,000</b>	<b>\$4,605,000</b>	<b>\$20,557,000</b>	<b>\$3,513,000</b>	<b>\$3,727,000</b>	<b>\$1,977,000</b>	<b>\$1,977,000</b>	<b>\$11,194,000</b>	<b>\$31,751,000</b>	
Maximum Annual Cap (with 3% annual volume cap)	\$3,753,000	\$3,979,000	\$4,217,000	\$4,471,000	\$4,739,000	\$21,159,000	\$3,618,000	\$3,839,000	\$2,036,500	\$2,036,500	\$11,530,000	\$32,689,000	
Maximum Annual Contract Sum (with 3% estimated COLA increase)	\$3,866,000	\$4,098,000	\$4,344,000	\$4,605,000	\$4,881,000	\$21,794,000	\$3,727,000	\$3,954,000	\$2,097,500	\$2,097,500	\$11,876,000	\$33,670,000	
<i>SERVICES: July 1, 2011 through December 31, 2011</i>						\$1,900,000							
<b>B. ABSENCE MANAGEMENT SERVICES</b>													
One-Time: Implementation	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$585,000	\$0	\$0	\$0	\$0	\$0	\$585,000	
Ongoing	333,000	333,000	333,000	333,000	333,000	1,665,000	333,000	333,000	166,500	166,500	999,000	2,664,000	
<b>Maximum Annual Contract Sum:</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$2,250,000</b>	<b>\$333,000</b>	<b>\$333,000</b>	<b>\$166,500</b>	<b>\$166,500</b>	<b>\$999,000</b>	<b>\$3,249,000</b>	
<b>C. AFFORDABLE CARE ACT EMPLOYER MANDATE TRACKING AND REPORTING SERVICES</b>													
One-Time: Start-Up Services & Fees	-	-	-	\$27,000	\$0	\$27,000	\$0	\$0	\$0	\$0	\$0	\$27,000	
Ongoing: Services & Fees	-	-	-	84,000	299,300	383,300	299,300	299,300	252,800	46,500	897,900	1,281,200	
<b>Maximum Annual Contract Sum:</b>				<b>\$111,000</b>	<b>\$299,300</b>	<b>\$410,300</b>	<b>\$299,300</b>	<b>\$299,300</b>	<b>\$252,800</b>	<b>\$46,500</b>	<b>\$897,900</b>	<b>\$1,308,200</b>	
<b>Total: Benefit Plans Services (Jan 2012 through Dec 2016)</b>						<b>\$26,354,300</b>	<b>Total: Benefit Plans Services (Jan 2017 - Dec 2019)</b>					<b>\$13,772,900</b>	<b>\$40,127,200</b>

**FEE SCHEDULE SUMMARY**

Contract Maximum Sum: Amended & Restated Contract, and Extension Period (July 2011 - December 2019)

Contract Maximum Sum: Initial Contract, Amended & Restated Contract, and Extension Period (August 2003 - December 2019):

Services	CONTRACT MAXIMUM BY SERVICE				
	Current Contract	Extension Period	Total		
Benefits Plans Services	\$23,694,000	\$11,876,000	\$35,570,000	CONTRACT MAXIMUM SUM: PRIOR TO AMENDED & RESTATED CONTRACT (August 2003 June 2011):	\$23,079,900
Absence Management Services	2,250,000	999,000	3,249,000	CONTRACT MAXIMUM SUM: AFTER AMENDED & RESTATED CONTRACT - CURRENT CONTRACT (July 2011 through December 2016):	26,354,300
Affordable Care Act Employer Mandate Tracking & Reporting Services	410,300	897,900	1,308,200	CONTRACT MAXIMUM SUM: AFTER AMENDED & RESTATED CONTRACT - EXTENSION PERIOD (January 2017 through December 2019):	13,772,900
<b>TOTAL:</b>	<b>\$26,354,300</b>	<b>\$13,772,900</b>	<b>\$40,127,200</b>	<b>TOTAL CONTRACT MAXIMUM (August 2003 through December 2019):</b>	<b>\$ 63,207,100</b>

**BENEFIT PLANS SERVICES  
CONTRACT MAXIMUM SUM FOR THE PERIOD JANUARY 2012 TO DECEMBER 2019**

Per Participant and Transaction Rates<sup>2</sup>

	CURRENT CONTRACT						Annual Total (Without Any Increases)	CONTRACT EXTENSION <sup>6</sup>					Annual Total (Without Any Increases)	8-YEAR TOTAL
	Assumed Volume (Based on 2011)	Jan 1, 2012 - Dec 31, 2012	Jan 1, 2013 - Dec 31, 2013	Jan 1, 2014 - Dec 31, 2014	Jan 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016		Assumed Volume (Based on 2016)	Jan 1, 2017 - Dec 31, 2017	Jan 1, 2018 - Dec 31, 2018	Jan 1, 2019 - Jun 30, 2019	July 1, 2019 - Dec 31, 2019		
<b>Monthly Processing Fees</b>														
Flex/Megaflex	12,822	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$315,421	13,685	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$351,431	
Choices	35,191	2.15	2.15	2.15	2.15	2.15	907,928	29,223	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	789,021	
Options	48,565	2.15	2.15	2.15	2.15	2.15	1,252,977	54,416	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	1,469,232	
Temps/Part-time	2,907	2.15	2.15	2.15	2.15	2.15	75,001	2,110	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	56,970	
Employee Direct Pay Billing	1,925	4.97	4.97	4.97	4.97	4.97	114,807	1,387	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	86,549	
COBRA Notification	2,500	6.62	6.62	6.62	6.62	6.62	198,600	1,762	\$ 6.82	\$ 6.82	\$ 6.82	\$ 6.82	144,202	
HIPAA Certification	-	5.52	5.52	5.52	5.52	5.52	0	-	\$ 5.67	\$ 5.67	\$ 5.67	\$ 5.67	0	
<b>Sub-Total:</b>							<b>\$2,864,734</b>						<b>\$2,897,405</b>	
<b>Monthly Spending Account Administration<sup>1</sup></b>														
Flex/Megaflex (annual rates)	5,377	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$2,957	6,591	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$3,796	
Checks issued/mailed	3,585	3.42	3.42	3.42	3.42	3.42	147,115	1,949	\$ 3.57	\$ 3.57	\$ 3.57	\$ 3.57	83,495	
Choices (annual rates)	5,420	0.55	0.55	0.55	0.55	0.55	2,981	7,452	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	4,292	
Checks issued/mailed	3,613	3.42	3.42	3.42	3.42	3.42	148,291	2,208	\$ 3.57	\$ 3.57	\$ 3.57	\$ 3.57	94,591	
Options (annual rates)	7,022	0.55	0.55	0.55	0.55	0.55	3,862	12,880	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	7,419	
Checks issued/mailed	4,681	3.42	3.42	3.42	3.42	3.42	192,122	3,064	\$ 3.57	\$ 3.57	\$ 3.57	\$ 3.57	131,262	
<b>Sub-Total:</b>							<b>\$497,328</b>						<b>\$324,855</b>	
<b>Annual Enrollment<sup>1</sup></b>														
Flex/Megaflex	12,822	\$0.78	\$0.78	\$0.78	\$0.78	\$0.78	\$10,001	13,498	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$10,953	
Choices	35,191	0.73	0.73	0.73	0.73	0.73	25,689	28,821	\$ 0.76	\$ 0.76	\$ 0.76	\$ 0.76	21,906	
Options	48,565	0.54	0.54	0.54	0.54	0.54	26,225	54,255	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	30,437	
Temps/Part-time	2,907	0.78	0.78	0.78	0.78	0.78	2,267	1,477	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	1,198	
Decision Planner Worksheet	99,485	1.12	1.12	1.12	1.12	1.12	111,423	96,574	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17	113,082	
IVR Script Development <sup>3</sup>	1 ann. unit	16,557.19	16,557.19	16,557.19	16,557.19	16,557.19	16,557	1 ann. unit	\$ 17,312.67	\$ 17,312.67	\$ 17,312.67	\$ 17,312.67	17,313	
Web Screen Development <sup>3</sup>	1 ann. unit	18,764.83	18,764.83	18,764.83	18,764.83	18,764.83	18,765	1 ann. unit	\$ 19,621.05	\$ 19,621.05	\$ 19,621.05	\$ 19,621.05	19,621	
Confirmation/Default Notice	99,485	0.54	0.54	0.54	0.54	0.54	53,722	96,202	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	53,969	
Mail Spending Account Kit	17,819	0.83	0.83	0.83	0.83	0.83	14,790	22,726	\$ 0.86	\$ 0.86	\$ 0.86	\$ 0.86	19,608	
Mail Spending Account Book	2,500	0.83	0.83	0.83	0.83	0.83	2,075	2,500	\$ 0.86	\$ 0.86	\$ 0.86	\$ 0.86	2,157	
<b>Sub-Total:</b>							<b>\$281,515</b>						<b>\$290,245</b>	
<b>TOTAL</b>							<b>\$3,644,000</b>						<b>\$3,513,000</b>	

	2012	2013	2014	2015	2016	5-Year Total	2017	2018	Jan to June 2019	July to Dec 2019	3-Year Total	8-Year Total
<b>Estimated Annual Costs</b>	\$3,644,000	\$3,866,000	\$4,098,000	\$4,344,000	\$4,605,000	<b>\$ 20,557,000</b>	\$3,513,000	\$3,727,000	\$1,977,000	\$1,977,000	<b>\$ 11,194,000</b>	<b>\$31,751,000</b>
<b>Maximum Cap Per Contract Year<sup>4</sup></b> <i>(Including 3% annual cap based on volume)</i>	\$3,753,000	\$3,979,000	\$4,217,000	\$4,471,000	\$4,739,000	<b>\$21,159,000</b>	\$3,618,000	\$3,839,000	\$2,036,500	\$2,036,500	<b>\$11,530,000</b>	<b>\$32,689,000</b>
<b>Maximum Cap Per Contract Year<sup>5</sup></b> <i>(Including 3% estimated COLA increase)</i>	\$3,866,000	\$4,098,000	\$4,344,000	\$4,605,000	\$4,881,000	<b>\$21,794,000</b>	\$3,727,000	\$3,954,000	\$2,097,500	\$2,097,500	<b>\$11,876,000</b>	<b>\$33,670,000</b>

**CONTRACT MAXIMUM SUM FOR BENEFITS PLANS SERVICES (January 1, 2012 through December 31, 2019)** **\$33,670,000**

**Notes:**

- All rates shown are monthly except:
  - Spending Account Checks issued/mailed are per transaction. Volumes shown are assumed to be monthly. Spending Account Administration for Flex/Megaflex, Choices and Options are shown as annual rates.
  - Annual enrollment rates for Flex/Megaflex, Choices, Options, Temps, and Part-time and Confirmation/Default Notices and Decision Planner Worksheet are charged one time during annual enrollment.
  - Mailing of Spending Account Kit and Account Book is per kit or account mailed.
- Rates are increased annually (benefit plan services) by applicable Cost of Living Adjustments (COLAs)
- Fees not charged on a per transaction basis include:
  - IVR Script Development for annual enrollment
  - Web Screen Development for annual enrollment
- Maximum Cap per Contract Year (Benefit Plans Services) includes 3% annual cap
- Contract Maximum Sum per Contract Year (Benefit Plans Services) includes 3% estimated COLA increase
- Variance in rates from Current Contract due to COLA increase being applied for 2016 CPI (Consumer Price Index)

**ABSENCE MANAGEMENT SERVICES (AMS)  
CONTRACT MAXIMUM SUM FOR THE PERIOD JANUARY 2012 TO DECEMBER 2019**

	CURRENT CONTRACT						CONTRACT EXTENSION					8-YEAR TOTAL
	1/1/12 to 12/31/12	1/1/13 to 12/31/13	1/1/14 to 12/31/14	1/1/15 to 12/31/15	1/1/16 to 12/31/16	5-YEAR TOTAL	1/1/17 to 12/31/17	1/1/18 to 12/31/18	1/1/19 to 6/30/19	7/1/19 to 12/31/19	3-YEAR TOTAL	
<b>One-Time: Implementation (Fees amortized over 5 years)</b>												
System Configuration for County Rules, Testing and Reports, Modifications of Standard Forms and Letters, including department reference in salutation	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$345,000	\$0	\$0	\$0	\$0	\$0	\$345,000
Custom Data Interfaces	20,214	20,214	20,214	20,214	20,214	101,070	0	0	0	0	0	101,070
Custom Dashboard	8,740	8,740	8,740	8,740	8,740	43,700	0	0	0	0	0	43,700
Workers Compensation, STD/LTD interfaces	15,988	15,988	15,988	15,988	15,988	79,940	0	0	0	0	0	79,940
Training 8 hours	3,058	3,058	3,058	3,058	3,058	15,290	0	0	0	0	0	15,290
<b>Sub-Total: One-Time Implementation</b>	<b>\$117,000</b>	<b>\$117,000</b>	<b>\$117,000</b>	<b>\$117,000</b>	<b>\$117,000</b>	<b>\$585,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$585,000</b>
<b>Ongoing</b>												
System Access Fee	\$ 308,000	\$ 308,000	\$ 308,000	\$ 308,000	\$ 308,000	\$1,540,000	\$308,000	\$308,000	\$154,000	\$154,000	\$924,000	\$2,464,000
Stewardship and System Maintenance	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	125,000	25,000	25,000	12,500	12,500	75,000	200,000
<b>Sub-Total: On-Going</b>	<b>\$ 333,000</b>	<b>\$ 1,665,000</b>	<b>\$333,000</b>	<b>\$333,000</b>	<b>\$166,500</b>	<b>\$166,500</b>	<b>\$ 999,000</b>	<b>\$ 2,664,000</b>				
<b>TOTAL:</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$2,250,000</b>	<b>\$333,000</b>	<b>\$333,000</b>	<b>\$166,500</b>	<b>\$166,500</b>	<b>\$999,000</b>	<b>\$ 3,249,000</b>
<b>CONTRACT MAXIMUM SUM FOR ABSENCE MANAGEMENT SYSTEM (January 1, 2012 through December 31, 2019)</b>												<b>\$ 3,249,000</b>

**Notes:**

- CONTRACTOR will continue to receive one daily file from COUNTY from the CWTAPPs and/or eHR system.
- Fees assume up to 5 feeds from Workers Compensation, STD/LTD carriers on a monthly basis.
- CONTRACTOR will amortize the implementation fee over the 5-year term. In the event that COUNTY terminates in less than 5 years pursuant to Paragraph 34.0 (Termination for Convenience), COUNTY will pay Buck for any remaining unamortized implementation fees for Absence Management Services.
- CONTRACTOR will provide eight hours of web-based training pursuant to the Statement of Work, Deliverable 4e. Additional on-site training is available at a fee of \$175 per hour plus travel and expenses for Absence Management Services in accordance with the then-existing County policy on Travel and Expenses.
- Access to the Absence Management Services will be provided to representatives in all 38 COUNTY departments. COUNTY will define User groups including the number of Users by department and in the aggregate that will have system access. Access v
- The Employee Self Service feature will not be deployed for the Absence Management Services.
- The system will support 115,000 active and terminated COUNTY employees. In the event that the active and terminated employees maintained on the system exceeds 115,000, Buck may charge an additional fee of \$30.80 per employee per year for each employee over 115,000.
- Fees assume two - three summary and/or individual custom level dashboard reports accessible to Users through the County of LA Benefits Portal for the Absence Management Services.
- Fees assume single sign-on Integration from the County of LA Benefits Portal to LeaveLink® (Assumes SAML 1.1 BPP Implementation).

**AFFORDABLE CARE ACT (ACA) EMPLOYER MANDATE TRACKING AND REPORTING SERVICES  
CONTRACT MAXIMUM SUM FOR THE PERIOD JANUARY 2015 TO DECEMBER 2019**

	CURRENT CONTRACT			CONTRACT EXTENSION					5-YEAR TOTAL
	1/1/15 TO 12/31/15	1/1/16 TO 12/31/16	2-YEAR TOTAL	1/1/17 to 12/31/17	1/1/18 to 12/31/18	1/1/19 to 6/30/19	7/1/19 to 12/31/19	3-YEAR TOTAL	
<b><u>ONE-TIME: START-UP SERVICES &amp; FEES</u></b>									
HealthAct Base System Setup: Assumes standard implementation, Full Time Employee Determination - Lookback Method; Setup of HealthAct database; configuration on HealthAct platform; inbound file from County in Contractor's standard file layout format; testing and setup; and administrative portal;	\$5,000	\$0	\$5,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000
Additional inbound files in Contractor's standard file layout format, testing and setup;	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00	0	0
IRC 6055/6056 Reporting, file processing, and system maintenance; Form 1095-B and Form 1095-C configuration and setup;	17,500	0	17,500	\$0.00	\$0.00	\$0.00	\$0.00	0	17,500
HealthAct Participant Portal implementation; Setup and configuration on HealthAct platform.	4,500	0	4,500	\$0.00	\$0.00	\$0.00	\$0.00	0	4,500
<b>Sub-Total: One-Time Start-Up Services &amp; Fees</b>	<b>\$27,000</b>	<b>\$0</b>	<b>\$27,000</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$27,000</b>
<b><u>ONGOING: SERVICES &amp; FEES</u></b>									
Pay Rate Safe Harbor Fee	\$0	\$9,000	\$9,000	\$ 9,000	\$ 9,000	\$ 4,500	\$ 4,500	\$27,000	\$36,000
Transmittal per IRC 6055/6056 (for 2015, 2016, 2017, 2018 Tax Year); Data file set for Form 1095-C and Form 1095-B; Form 1094-B and Form 1094-C XML setup (for IRS transmission);	0	14,500	14,500	14,500	14,500	14,500	0	43,500	58,000
Form 1095-B and Form 1095-C production and distribution; \$1.65 per piece, 102,000 FTE's and self-insured COBRA and survivors; includes \$0.43 for print/fulfillment; postage not included. Billed monthly as statements issued; mailing bulk in February 2016;	0	168,300	168,300	168,300	168,300	168,300	0	504,900	673,200
FTE Determination, file processing, and system maintenance; \$4,000 per monthly file starting from January 2015 through December 2019;	48,000	48,000	96,000	48,000	48,000	24,000	24,000	144,000	240,000
Reporting: \$3,000 fee for each reporting month; monthly operations; and file and data management;	36,000	36,000	72,000	36,000	36,000	18,000	18,000	108,000	180,000
IRS Transmission of Form 1094-B & Form 1094-C.		23,500	23,500	23,500	23,500	23,500	0	70,500	94,000
<b>Sub-Total: On-Going Fees:</b>	<b>\$84,000</b>	<b>\$299,300</b>	<b>\$383,300</b>	<b>\$ 299,300</b>	<b>\$ 299,300</b>	<b>\$ 252,800</b>	<b>\$ 46,500</b>	<b>\$ 897,900</b>	<b>\$1,281,200</b>
<b>TOTAL (Includes One-Time and On-Going):</b>	<b>\$111,000</b>	<b>\$299,300</b>	<b>\$410,300</b>	<b>\$299,300</b>	<b>\$299,300</b>	<b>\$252,800</b>	<b>\$46,500</b>	<b>\$897,900</b>	<b>\$1,308,200</b>

**CONTRACT MAXIMUM SUM FOR ACA EMPLOYER MANDATE TRACKING AND REPORTING (January 1, 2015 through December 31, 2019) \$1,308,200**

**AMENDMENT NUMBER FOUR**  
**TO**  
**CONTRACT NUMBER 76489**  
**BETWEEN COUNTY OF LOS ANGELES AND**  
**BUCK CONSULTANTS, LLC**  
**FOR**  
**EMPLOYEE BENEFITS COMMUNICATIONS CONSULTING SERVICES**  
**AND MATERIALS**

**THIS AMENDMENT NUMBER FOUR** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between the County of Los Angeles, a political subdivision of the State of California (hereinafter referred to as "County"), and Buck Consultants, LLC ("Contractor") and amends that certain Contract Number 76489, dated March 4, 2008, for employee benefits communications consulting services and materials, as modified by all Amendments and Change Notices thereto, including without limitation by this Amendment Number Four (hereinafter "Contract").

**WHEREAS**, on March 4, 2008, County and Contractor entered into County Contract No. 76489 for employee benefits communication consulting services and materials; and

**WHEREAS**, on January 24, 2013, County and Contractor amended the Contract to extend the Contract term through February 28, 2014 ("Amendment One"); and

**WHEREAS**, on February 14, 2014, County and Contractor amended the Contract to extend the Contract term through February 28, 2015 ("Amendment Two"); and

**WHEREAS**, on October 28, 2014, County and Contractor amended the Contract to extend the Contract Term through December 31, 2016, to increase the annual cost of the Contract in the amount of \$54,531 and to amend certain terms and conditions of the Contract ("Amendment Three"); and

**WHEREAS**, County Contract No. 76489 will expire on December 31, 2016; and

**WHEREAS**, County and Contractor now desire to amend the Contract to extend the Contract Term, to increase the Contract Sum accordingly, to delegate to the Director of Personnel ("DOP" or "Director") or designee authority to exercise Contract extension options to extend the Contract up to and through December 31, 2019, as specified in amended Paragraph 5 (Term) of the body of the Contract, and

**WHEREAS**, Subparagraph 10.4.3 under Paragraph 10.4 (Change Orders and Amendments) of the Contract provides that for such changes, an amendment to the Contract shall be prepared and executed by the Board and Contractor.

**NOW, THEREFORE**, in consideration of the foregoing, mutual promises, covenants and conditions set forth herein, and pursuant to Paragraph 10.4 (Change Orders and Amendments) of the body of the Contract, County and Contractor hereby agree to amend the Contract as follows:

**I. Pursuant to Subparagraph 10.4.3 of Paragraph 10.4 (Change Orders and Amendments) of the body of the Contract, the following amendments shall be made to the Contract:**

**A. Pursuant to Paragraph 5 (Term) of the body of the Contract shall be deleted in its entirety and replaced with revised Paragraph 5, which is amended to read as follows:**

5. The term of this Contract shall commence upon execution by County's Board of Supervisors and shall continue through December 31, 2018, unless sooner terminated or extended, in whole or in part, as provided in this Contract ("Initial Term").

At the end of the Initial Term or the Extended Term, as applicable, County may, at its sole option, extend this Contract for up to two (2) additional six-month periods ("Extended Term") up to and through December 31, 2019, provided, however, that if County elects not to exercise its option to extend at the end of the Initial Term or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension options automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term or the Extended Term, as applicable, County notifies Contractor in writing of its election not to extend the Contract pursuant to this Paragraph 5.

As used throughout this Contract, the word "term" shall include the Initial Term and the Extended Term, to the extent County exercises its options under this Subparagraph 5.

**B. Pursuant to Subparagraph 6.3 (Maximum Contract Sum) under Paragraph 6.0 (Prices and Fees) of the body of the Contract shall be deleted in its entirety and replaced with the revised Subparagraph 6.3, which is amended to read as follows:**

**6.3 Maximum Contract Sum**

The Maximum Contract Sum under this Contract shall be the total monetary amount that would be payable by the County to

Contractor for provision of services specified herein in accordance with Exhibit B (Fee Schedule) and shall not exceed \$11,806,071 for the Term of the Contract. Total charges for Part I services shall not exceed the amounts set forth in the Contract Rates, as shown in Exhibit B. The Maximum Contract Sum for this Contract, including applicable Taxes, for the duration of the Contract, including two year extensions and two six-month option extensions, authorized by the County hereunder, shall in no event, expressly or by implication, exceed \$11,806,071 including an allowance of up to \$200,000 annually for special projects as specified in Subparagraph 6.2. Contractor expressly acknowledges and agrees, however, that in no event is County obligated to pay any amount in excess of the Maximum Contract Sum per Contract Year for employee benefits communications consulting services and materials.

**C. Exhibit B (Contract Rates) shall be deleted in its entirety and replaced with revised Exhibit B (Contract Rates), which is attached hereto and incorporated herein by reference.**

**III. Contractor represents and warrants that the person executing this Amendment Number Four on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Number Four.**

**IV. Except as provided in this Amendment Four, all other terms and conditions of the Contract shall remain in full force in effect.**

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**IN WITNESS WHEREOF**, County and Contractor by their duly authorized signatures have caused this Amendment Number Four to County Contract Number 76489 to be effective on the day, month and year first above written.

**COUNTY OF LOS ANGELES:  
DEPARTMENT OF HUMAN RESOURCES**

By \_\_\_\_\_  
Lisa M. Garrett  
Director of Personnel

**CONTRACTOR:  
Buck Consultants, LLC**

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**APPROVED AS TO FORM:**

Mary C. Wickham  
County Counsel

By \_\_\_\_\_  
Victoria Mansourian  
Principal Deputy County Counsel

**EXHIBIT B**  
**CONTRACT RATES**





# COUNTY OF LOS ANGELES

## DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS  
579 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-2406 FAX (213) 621-0387

BRANCH OFFICE  
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010  
(213) 738-2211 FAX (213) 637-0821

**LISA M. GARRETT**  
DIRECTOR OF PERSONNEL

February 2, 2016

To: Each Supervisor

From: Lisa M. Garrett  
Director of Personnel 

Subject: **ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE CONTRACT EXTENSION WITH XEROX BUSINESS SERVICES, LLC AND BUCK CONSULTANTS, LLC**

This memorandum is to provide advance notification to your Board that the Department of Human Resources (DHR) intends to enter into sole source negotiations for extending the Contracts with (1) Xerox Business Services, LLC and Buck Consultants, LLC for Administrative Services for Cafeteria and Non Cafeteria Benefit Plans and Absence Management System (TPA Contract); and (2) Buck Consultants, LLC for Employee Benefits Communications Consulting Services & Materials (Communications Contract). Both Contracts are with the same entity, hereafter referred to as "Buck" for purposes of this notification.

This notice is being sent in accordance with Board Policy 5.100, *Sole Source Contracts*, which requires County departments that intend to negotiate sole source contracts for Board approval to provide advance written notice to your Board at least four weeks prior to commencing the negotiations.

Under the TPA Contract, as amended, Buck provides third-party administrative (TPA) services for cafeteria and non-cafeteria benefit plans (administrative services), leave of absence management services (AMS), and Affordable Care Act (ACA) employer mandate tracking and reporting services. Under the Communications Contract, Buck provides employee benefits communications consulting services and materials. Both the TPA Contract and the Communications Contract were entered into as the result of two separate competitive solicitation processes and both will expire on December 31, 2016.

DHR is currently working on a solicitation for a single contract to procure replacement services for the services currently provided under the two Contracts with Buck (TPA Contract and Communications Contract). The services provided under these two Contracts are essential in order for the County to meet federal and state regulatory requirements, to administer employee benefits, and to manage employee absences from work. Extension of the two Contracts is needed for continued provision of these essential

*To Enrich Lives Through Effective and Caring Service*

Each Supervisor  
February 2, 2016  
Page 2

services to comply with the regulatory requirements, including the ACA employer mandates, until the solicitation process is completed and replacement services are implemented. Failure to extend the TPA Contract and the Communications Contract will result in disruption of the current services for all County employees, effective January 1, 2017.

The TPA Contract services ensure the County's continued compliance with the ACA employer mandates, including the 2015 Internal Revenue Service (IRS) final regulations that require large employers, including the County, to timely report and demonstrate that they offer adequate and affordable health insurance coverage to all full time employees. The AMS is also essential for verification of County compliance with all relevant federal and state laws and regulations regarding employee leaves of absence for purposes of audits by the Department of Labor.

Attached is the Sole Source Checklist for the TPA Contract and Communications Contract. DHR will proceed with the sole source contract negotiations within four weeks unless instructed otherwise by your Board.

Should you have any questions please contact me at (213) 974-2406, or your staff may contact Pamela A. Missett, Assistant Director, at (213) 974-2631.

LMG:EP:PAM  
EMC:RU:HP:sl

Attachment

c: Chief Executive Officer  
Acting Executive Officer, Board of Supervisors

EB\Contract\LMG to BOS Re. Advance Notice to Enter Sole Source with Buck.docx