WILLIAM T FUJIOKA
Chief Executive Officer

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

"To Enrich Lives Through Effective And Caring Service""

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Fifth District

November 05, 2014

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

Dear Supervisors:

APPROVAL OF CONTRACT FOR SHORT-TERM DISABILITY, LONG-TERM DISABILITY, AND SURVIVOR BENEFITS THIRD-PARTY ADMINISTRATION SERVICES (ALL DISTRICTS – 3 VOTES)

SUBJECT

This recommendation by the Chief Executive Office (CEO) seeks the Board's approval to enter into a contract with Sedgwick Claims Management Services Inc. (Sedgwick) to provide third-party administration services for the County of Los Angeles (County) Disability Management Program (Program). The Program provides benefits for Short-Term Disability (STD), Long-Term Disability (LTD), and Survivor Benefits (SB) to eligible County employees.

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Chairman to sign the attached Contract with Sedgwick for a three-year term, effective January 1, 2015, with a provision to extend the contract period up to two, one-year options, at a total base contract cost not to exceed $8,750,292; plus expenses.

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

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County has utilized the services of a third-party administrator since 1987 to process employee LTD and SB claims, and since 1991 to process STD claims for eligible MegaFlex employees. Approval of this Contract will ensure a seamless continuation of claims processing for the Program.

Implementation of Strategic Plan Goals

The recommended action requested herein is consistent with the County's Strategic Plan Goal 1, Operational Effectiveness/Fiscal Sustainability, by ensuring that eligible County employees receive the disability benefits they are entitled to in a timely and efficient manner. Further, the Contract will ensure that claims are processed in a fiscally responsible manner, in accordance with the intended provisions of the County Code.

FISCAL IMPACT/FINANCING

Under the Contract, Sedgwick will be paid flat annual fees for the entire term. The costs for this Contract are partially offset by monthly premiums paid by eligible plan participants through payroll deduction. Funding for this Contract will be included in the fiscal year's budget for each contract year.

The annual flat-fee Contract costs are as follows:

Year 1 $1,648,164

Year 2 $1,697,604

Year 3 $1,748,532

Optional Year 4 $1,800,984

Optional Year 5 $1,855,008

TOTAL $8,750,292

These flat annual fees include all costs incurred by Sedgwick in processing claims, but do not include costs for services provided by third-party vendors for performing services such as independent medical examinations/functional capacity evaluations, vocational evaluations, special investigation unit services, physician advisory services/peer reviews, and second/third-opinion evaluations. These costs are considered "pass through expenses" (Expenses) in which the County reimburses Sedgwick for any incurred cost over $250 per claim. Sedgwick absorbs all incurred costs under $250 per claim. The dollar amounts of these Expenses have been relatively consistent for each contract year. In 2013, the cost of Expenses totaled $425,899.

The annual flat fee paid for contract year 2013, under the current contract, was $1,152,564, and the Expenses totaled $425,899, for a total contract year cost of $1,578,463.

The total first-year cost for the Contract, including estimated Expenses of $425,899, based on the previous year's actual Expenses, is estimated to be $2,074,063.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The total first-year estimated Contract cost, including Expenses, is a 31.4 percent increase over the current contract year cost. The rate increase reflects a 5 percent recompensing of the 2009 rate reduction/contract extension program. In addition, except for a slight Cost-of-Living Adjustment (COLA) increase in 2010, there were no COLA adjustments from 2011 to 2014. Under the current

contract, Sedgwick is being paid at the 2010 contract year rate.

The staffing level for the current contract is based on the average caseload of claims between contract years 2001 and 2005. Since that time, the average annual number of new LTD claims has increased by 300 percent, the average annual number of new SB claims has increased by 400 percent, and the average annual number of STD cases has increased by 68 percent.

Under the proposed Contract, Sedgwick will add two (2) full-time claim adjusters, one to process SB and STD claims, and one to process LTD claims, to accommodate the increased workload.

This is not a "Proposition A" Contract; therefore, is not subject to the County Living Wage Ordinance, Los Angeles County Code Chapter 2.201.

The Contract contains all required Board, CEO, and County Counsel provisions, and has been approved as to form by County Counsel.

CONTRACTING PROCESS

A Request for Proposals (RFP) was released on November 12, 2013. The RFP was posted on the County's website and advertisements were placed in the Los Angeles Times, Los Angeles Sentinel, La Opinion, San Gabriel Valley Tribune, Press Telegram, and the Daily News Los Angeles. In addition, the RFP was sent to three firms who expressed an interest in receiving the new solicitation.

In the course of preparing the RFP, the CEO conducted a research to obtain a list of possible vendors that are qualified to provide disability claims administration services. It was found that LTD and STD third-party claims administration is a specialized field in which the number of qualified vendors is extremely limited. Most of the firms are located out-of-state, with no regional offices in California, which is a requirement of the Contract.

Proposals were due on January 7, 2014, and only one proposal was received. The proposal was from Sedgwick who is also the current contractor.

An evaluation panel consisting of representatives from CEO, Department of Parks and Recreation, and Probation Department, reviewed the proposal.

Based on the favorable evaluation results and positive feedback from the evaluators, the CEO is recommending that Sedgwick be awarded the proposed Contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the Contract will allow the CEO to continue to provide STD, LTD, and SB benefits to eligible County employees.

CONCLUSION

Upon approval by the Board, please return two signed originals of the Contract and one adopted copy of the letter to the CEO Risk Management Branch, attention Steven T. Robles, Assistant Chief Executive Officer.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:BC
STR:RLC:KF:tv

Enclosures

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

CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

FOR

SHORT-TERM DISABILITY, LONG-TERM DISABILITY, AND SURVIVOR BENEFITS THIRD-PARTY ADMINISTRATION SERVICES

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CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.
FOR
THIRD PARTY LONG-TERM DISABILITY, SURVIVOR BENEFITS, SHORT-TERM DISABILITY CLAIMS ADMINISTRATION SERVICES

This Contract and Exhibits made and entered into this ___ day of _____, 2014 by and between the County of Los Angeles, hereinafter referred to as County and Sedgwick Claims Management Services, Inc., hereinafter referred to as Contractor. Contractor is located at 1100 Ridgway Loop Road, Memphis, TN 38120.

RECITALS

WHEREAS, the County is authorized by Los Angeles County Code Sections 5.27, 5.28 and 5.38 to administer self-insured long-term disability, survivor benefits and short-term disability plans including the adjusting of claims under those plans; and

WHEREAS, the County may contract with private businesses for such services under California Government Code Section 31000.8 when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing Third Party Long-Term Disability, Survivor Benefits and Short-Term Disability Claims Administration Services; and

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

1.0 APPLICABLE DOCUMENTS

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

Standard Exhibits:

1.1 EXHIBIT A - Statement of Work

1.2 EXHIBIT B - Pricing Schedule

1.3 EXHIBIT C - Intentionally Omitted

1.4 EXHIBIT D - Contractor's EEO Certification

1.5 EXHIBIT E - County's Administration

1.6 EXHIBIT F - Contractor's Administration

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

1.8 EXHIBIT H - Jury Service Ordinance

1.9 EXHIBIT I - Safely Surrendered Baby Law

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Subparagraph 8.1 (Amendments and Change Notices) 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 **Contract:** Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.

2.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the Statement of Work.

2.3 **Contractor Project Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.

2.4 **County Contract Administrator:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.

2.5 **County Contract Manager:** Person designated by County's Project Director to manage the operations under this Contract.

2.6 **County Contract Monitor:** Person with responsibility to oversee the day to day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.

2.7 **Day(s):** Calendar day(s) unless otherwise specified.

2.8 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

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

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

4.0 TERM OF CONTRACT

4.1 The term of this Contract shall be three (3) years commencing January 1, 2015, upon execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County shall have the sole option to extend this Contract term for up to two (2) additional one-year periods, for a maximum total Contract term of five (5) years. Each such option and extension shall be exercised at the sole discretion of the Chief Executive Officer or designee.

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

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

5.0 CONTRACT SUM

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

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

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

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

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

5.5 **Invoices and Payments**

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

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

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

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

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

Chief Executive Office
Risk Management Branch
Return to Work and Disability Programs
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

Attention: Chief Program Specialist

5.5.6 <u>County Approval of Invoices</u>

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

5.5.7 Local Small Business Enterprises – Prompt Payment Program

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

6.0 ADMINISTRATION OF CONTRACT – COUNTY

COUNTY ADMINISTRATION

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

6.1 County Contract Administrator

Responsibilities of the County Contract Administrator include:

- Ensuring that the objectives of this Contract are met; and
- Providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County Contract Manager

The responsibilities of the County Contract Manager include:

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

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

6.3 County Contract Monitor

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

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor Project Manager

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

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

7.1.3 The Contractor's Project Manager must have at least three (3) years of experience overseeing third party long-term disability, survivor benefits and short-term disability claims administration operations.

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

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

7.3.1 Such badges shall be in accordance with County specifications. Specifications may change at the discretion of the County and Contractor will be provided new specifications as required. The format and content of the badge is subject to the County's approval prior to Contractor implementing use of the badge. The Contractor staff, while on duty of when entering a County facility or grounds, shall prominently display the photo identification badge.

7.3.2 Contractor shall notify the County within one (1) business day when staff is terminated from working under this Contract. Contractor shall retrieve and immediately destroy the staff's photo identification upon terminating employment with the Contractor.

7.3.3 If County requests the removal of Contractor's staff, Contractor shall retrieve and immediately destroy the staff's photo identification upon the employee's removal from working on the County's Contract.

7.4 Background and Security Investigations

7.4.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation 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.

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

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

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

7.5 Confidentiality

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

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

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

7.5.4 Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the provisions of the "Contractor Employee Acknowledgment and Confidentiality Agreement", Exhibit G1.

7.5.5 Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of the "Contractor Non-Employee Acknowledgment and Confidentiality Agreement", Exhibit G2.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments and Change Notices

8.1.1 The County reserves the right to initiate Change Notices that do not affect the scope of work, term, Contract Sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and County Contract Administrator.

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

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

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

8.2 Assignment and Delegation

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

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

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

8.3 Authorization Warranty

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

8.4 Budget Reductions

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

8.5 Complaints

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

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

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

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

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

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

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

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

8.6 <u>Compliance with Applicable Law</u>

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

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

counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 Compliance with Civil Rights Laws

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

8.8 Compliance with the County's Jury Service Program

8.8.1 Jury Service Program

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

8.8.2 Written Employee Jury Service Policy

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the

Contractor deduct from the Employee's regular pay the fees received for jury service.

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

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.

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

8.9 Conflict of Interest

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

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Subparagraph shall be a material breach of this Contract.

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

8.11 Consideration of Hiring GAIN/GROW Program Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW applicants.

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

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

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

8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

8.12.3 Non-responsible Contractor

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

8.12.4 Contractor Hearing Board

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

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

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

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

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

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

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

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

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

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

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

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

8.15 <u>County's Quality Assurance Plan</u>

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 <u>Damage to County Buildings or Grounds</u>

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

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

8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

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

8.18 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 and Change Notices prepared pursuant to Subparagraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments and Change Notices to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

8.18 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.

8.20 Force Majeure

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

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

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

8.21 Governing Law, Jurisdiction, and Venue

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

8.22 Independent Contractor Status

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

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

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

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

8.23 Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions, arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of 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 Subparagraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Additional 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 as soon as practicable, not to exceed thirty (30) days after Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Subcontractor insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

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

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

Chief Executive Office
Risk Management Branch
Risk Management Operations
Attention: Contract Staff
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

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

8.24.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

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

8.24.4 Failure to Maintain Insurance

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

further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.5 Insurer Financial Ratings

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

8.24.6 Contractor's Insurance Shall Be Primary

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

8.24.7 Waivers of Subrogation

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

8.24.8 Subcontractor Insurance Coverage Requirements

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

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. Contractor agrees any policy deductibles will not exceed $500,000.

8.24.10 Claims Made Coverage

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

8.24.11 Application of Excess Liability Coverage

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

8.24.12 Separation of Insureds

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

8.24.13 Alternative Risk Financing Programs

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

8.24.14 County Review and Approval of Insurance Requirements

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

8.25 Insurance Coverage

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

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

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

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

8.25.4 **Professional Liability/Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $3 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.25.5 **Crime Coverage**

A Fidelity Bond or Crime Insurance policy with limits of not less than $1million per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents shall be named as a Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

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

8.25.7 **Performance Security Requirements**

Such surety may be provided by one of the following and conditioned upon faithful performance and satisfactory completion of services by Contractor.

8.25.7.1 Performance Bond: A faithful performance bond in the sum of not less than $500,000.00 payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California; or

8.25.7.2 Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or Irrevocable LOC payable to the County upon demand in an amount not less than $500,000.00. Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Contract.

8.26 <u>Liquidated Damages</u>

8.26.1 If, in the judgment of the Chief Executive Office or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head, 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 Department Head, or his/her designee, in a written notice describing the reasons for said action.

8.26.2 If the Chief Executive Officer, or designee, determines that there are deficiencies in the performance of this Contract that the Chief Executive Officer 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 specified in the Performance

Requirements Summary (PRS) Chart as defined in Appendix C (Technical Exhibits), Exhibit 2, and the Contractor shall be liable to County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

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

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

8.27 Most Favored Public Entity

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

8.28 Nondiscrimination and Affirmative Action

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

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

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

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

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

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

8.28.7 If the County finds that any provisions of this Sub-paragraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the

Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

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

8.29 Non Exclusivity

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

8.30 Notice of Delays

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

8.31 Notice of Disputes

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

8.32 Notice to Employees Regarding the Federal Earned Income Credit

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

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

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

8.34 Notices

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

8.35 Prohibition Against Inducement or Persuasion

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

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records

Act) and which are marked “trade secret”, “confidential”, or “proprietary”. The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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

8.37 <u>Publicity</u>

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

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

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

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

8.38 Record Retention and Inspection/Audit Settlement

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

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

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

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar

liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.39 <u>Recycled Bond Paper</u>

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

8.40 <u>Subcontracting</u>

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

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

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

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

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

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

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

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

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

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

before any Subcontractor employee may perform any work hereunder.

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

8.42 Termination for Convenience

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

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

- Stop work under this Contract on the date and to the extent specified in such notice, and

- Complete performance of such part of the work as shall not have been terminated by such notice.

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

8.43 Termination for Default

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

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

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Subparagraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Subparagraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a

Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Subparagraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

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

8.43.5 The rights and remedies of the County provided in this Subparagraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 <u>Termination for Improper Consideration</u>

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

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

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

8.45 <u>Termination for Insolvency</u>

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

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

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;

- The appointment of a Receiver or Trustee for the Contractor; or

- The execution by the Contractor of a general assignment for the benefit of creditors.

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

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

8.47 Termination for Non-Appropriation of Funds

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

8.48 Validity

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

8.49 Waiver

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

8.50 Warranty Against Contingent Fees

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

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

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

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

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

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

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

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Intentionally Omitted

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

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractor expressly acknowledges and agrees that the provision of services under this Contract does not require or permit access by Contractor or any of its employees to any County health information within the meaning of "protected health information" in 45 Code of Federal Regulations (C.F.R.) Section 160.103, created, maintained, received, transmitted by Contractor from or on behalf of County. Accordingly, Contractor shall instruct its employees that they are not to use this Contract as a means by which to pursue and gain access to County Protected Health Information. The foregoing acknowledgement is not intended to in any way restrict Contractor's pursuit of access to medical information held by County, County departments, County facilities or other health care providers to the extent such access is otherwise required or permitted by law, including but not limited to 45 C.F.R. 160 and 164 and Cal. Civil Code Section 56 et seq.

9.3 Local Small Business Enterprise (SBE) Preference Program

9.3.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

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

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

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

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

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 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 Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

9.4 Ownership of Materials, Software and Copyright

9.4.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work exclusively for the County pursuant to this Contract. The Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in the County all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

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

9.4.3 Any and all materials, software and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Project Manager as proprietary or confidential, and shall be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.4.4 The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The 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 the Contractor.

9.4.5 Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under Subparagraph 9.4.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 9.4.3 or for any disclosure which the County is required to make under any State or Federal law or order of court.

9.4.6 All the rights and obligations of this Subparagraph 9.4 shall survive the expiration or termination of this Contract.

9.5 Patent, Copyright and Trade Secret Indemnification

9.5.1 The 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 the Contractor's work under this Contract. County shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

9.5.2 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, the 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.

9.5.3 The 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 the Contractor, in a manner for which the questioned product was not designed nor intended.

9.6 Intentionally Omitted

9.7 Intentionally Omitted

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

CONTRACTOR:

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

By _____
Name

Corporate Counsel
Title

COUNTY OF LOS ANGELES

By_____
Chairman, Board of Supervisors

ATTEST:

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

By_____
Deputy

APPROVED AS TO FORM:

MARK SALADINO
County Counsel

By_____
Deputy County Counsel

APPENDIX B - STATEMENT OF WORK (SOW)
SECTION I

SCOPE OF WORK

The Contractor shall provide Long-term Disability (LTD), Short-Term Disability (STD), and Survivor Benefit (SB) Claims Administration services for all pending claims, reopened or new claims reported during the Contract period for designated County departments.

The Disability Management Program Unit within the Risk Management Branch is responsible for the administration and operation of the County's Long-Term Disability, Short-Term Disability, and Survivor Benefit plans to ensure the full provision of benefits to the County employees of the 38 departments and multiple special districts comprising the County of Los Angeles government system. The program workload for the past five (5) years is shown in Technical Exhibit 4.

The Contractor shall provide these services in accordance with performance standards, including:

A. Those specific standards set forth in this RFP and Contract (Appendix C).

B. Those standards and requirements set forth in the LTD, STD, and SB County Ordinance Chapters, Codes, regulations, or other governing statues and regulations as recommended and interpreted by the Chief Executive Officer (CEO), including any amendment to these during the term of the contract.

C. The Los Angeles County Board of Supervisors (Board) approved the County's original Long-Term Disability and Survivor Benefit Plan (Plan) effective March 3, 1982. This Plan that covers approximately 81,733 employees is referenced in Los Angeles County Code, Title 5, Section 5.38. Effective January 1, 1991, a new, expanded cafeteria benefits plan, the MegaFlex Plan, with approximately 11,477 participants was implemented. The MegaFlex Plan includes a new Long-Term Disability and Short-Term Disability Plan and is referenced in Los Angeles County Code, Title 5, Section 5.27 and 5.28.

D. Those standards and requirements set forth in this RFP or as specified in any Change Notice signed by the County's Contract Administrator (CCA) and the Contractor's Project Manager.

1.0 LONG-TERM DISABILITY PLAN

1.1 Coverage: The LTD Plan provides a 60% income replacement benefit after a six-month qualifying period for employees with more than five years of County service. For employees with less than five (5) years of continuous County service, the disability must be a direct result of the employee's County job.

1.2 Offsets: The LTD benefit is reduced by other income benefits the employee receives for the same period such as workers' compensation and County retirement benefits. Although the Plan includes offsets for Social Security

Disability benefits and State Disability Insurance benefits, the County does not participate in either the Social Security or State Disability Insurance programs, and therefore, most employees are not entitled to benefits from these sources.

1.3 Disability Defined: The LTD benefit has two separate definitions of disability. For the qualifying period and the first twenty-four (24) months of disability benefits, "total disability" is defined as the complete and continuous inability and incapacity of the employee to perform the duties of his or her position with the County. After the expiration of twenty-four (24) months of eligibility for benefit payments, "total disability" means that the employee is disabled within the meaning of the Federal Social Security Act.

1.4 Maximum Period of Benefit Eligibility: Benefits terminate at age 65 unless the employee's disability commences at age 62 or later in which case the benefit payments may extend for a longer period beyond age 65 (or be limited to one (1) year if disability commences at age 69) according to the Plan schedule.

1.5 LTD Health (LTDH) is a Medical Coverage Protection plan designed to help employees to continue the medical insurance coverage they previously elected or purchased prior to their disability. The LTDH insurance plan pays seventy-five percent (75%) of an eligible employee's monthly medical premium and the employee is required to pay the remaining twenty-five percent (25%), while on approved status for the LTD benefits. Eligible employees may elect to buy additional coverage for a cost per month, which pays a hundred percent (100%) of the LTD health insurance coverage. This supplement is an elected option available to employees for a monthly payroll deduction. Contractor to provide LTDH benefit participation data (detail to be determined later) to Employee Benefits Division Contractor as needed.

1.6 The total number of LTD claims filed and currently in active/open status of the County disability and survivor claims as of September 30, 2013 is 3,269., The number of LTD claims filed over the past five (5) years between 2008 and 2012 is shown in Technical Exhibit 4A.

2.0 MEGAFLEX LONG-TERM DISABILITY PLAN

The MegaFlex Plan benefits are nearly identical to the regular LTD benefits except that employees may elect either 40% or 60% benefit coverage, and there is no work-related requirement for employees with less than five (5) years County service. For employees with more than five years of County service, that are members of Retirement Plan E, they qualify for a 40% core benefit.

3.0 DETERMINATION OF ELIGIBILITY

3.1 Upon receipt of the Absence report from the County, the contractor has seven (7) calendar days to send an application packet to potential claimants.

3.2 If there is no response in thirty (30) days, a reminder notice is sent to potential applicants advising them to send their eligibility for LTD benefits could be

terminated if the application is not received within sixty (60) days of the date of the letter.

3.3 Upon receipt of an application for LTD benefits, a file is set up. MegaFlex claim files must be differentiated from regular LTD claim files. There should be a separate file for each date of disability.

3.4 Secure and review information required for the eligibility determination including the following:

- Employee's date of hire and salaries paid for the twelve (12) months preceding the date of disability;
- Retirement plan membership and current retirement status;
- STD file, if claimant is a MegaFlex participant;
- Treating physician's statement from claimant, if not already received;
- Verification of last day worked before total disability;
- Workers' compensation records including medical information, investigation and rehabilitation reports for any claim that has a companion workers' compensation file;
- Proof from applicant that he/she has applied for Social Security Disability benefits;
- A completed W-4 from the claimant.

3.5 Check workers' compensation system (GenIRIS, or any successor system) for pay information on companion workers' compensation case.

3.5.1 Coordinate workers' compensation claim handling and clinical processes to avoid duplicate expense to the County and duplicate documentation efforts to the employee.

3.5.2 If there are issues of potential fraud, all investigative efforts must be coordinated with the workers' compensation third party administrator.

3.6 In case of medical conflict on disability, lack of supporting medical documentation or the question of occupational causation (non-MegaFlex claimants with less than five (5) years of County service), arrange for an evaluation by an independent medical examiner.

3.7 Apply disability management procedures, guidelines and protocols consistently across all cases.

3.8 There will be communication of claim approval within five (5) working days of complete claim information, and there will be communication of claim denial

within ten (10) calendar days of complete claim information. State the reason for any claim denial and reference the appropriate County Code section, the medical documents and/or other records. If an application is not complete, the contractor must send the employee a status letter every ten (10) calendar days at the beginning of a claim until there is approval or denial.

4.0 CALCULATION OF BENEFITS

4.1 Compute average monthly salary for the twelve (12) months preceding total disability.

4.2 Secure information on payment of workers' compensation temporary disability benefits, rehabilitation maintenance benefits, Social Security Disability benefits and any other benefit from a public agency or under any employers' liability law paid for the same disability for each month to be covered in the initial LTD payment to the claimant.

4.3 Secure information on other income for the period covered that must be offset from the LTD benefit, including payments from the employing department, retirement benefits paid under a County retirement plan, Social Security Disability benefits paid, and outside earned income received for work performed after the date of disability.

4.4 A cost-of-living adjustment shall be applied to the basic monthly disability benefit on the first day following the completion of twenty-four (24) months of eligibility and annually thereafter for as long as participant is entitled to benefits under LTD Plan. The cost-of-living adjustment shall not exceed two percent (2%) of the basic monthly benefit.

4.5 Calculate benefits for each month to be covered and determine the income tax to be withheld.

4.6 Prepare and mail to the claimant an acceptance letter to include the following information: Monthly benefit amount, anticipated length of benefits, date of payments, and benefit calculation sheets for each month covered by the initial benefit check, list offsets, and the amount of those offsets.

5.0 CLAIMS SERVICING

5.1 When applicable, secure a copy of the Social Security Disability determination letter from the claimant and record the status.

5.2 Monitor claimant's total disability status, secure additional treating physician reports on an appropriate schedule, secure verification of continuous medical supervision where such supervision is an eligibility requirement.

5.3 Arrange for independent medical evaluations of claimant as necessary and review those reports.

5.4 Monthly, where the claimant has both an LTD and a workers' compensation case, check status of the workers' compensation claim and review new claims information, including medical reports.

5.5 At the initiation of benefits, on claims with open workers' compensation claims, prepare an opening lien with proof of service, to be sent to the Workers' Compensation Appeals Board, the workers' compensation third party administrator, the County's and Claimant's attorney.

5.6 At the termination of benefits, prepare an ending lien, listing all benefits paid, with a proof of service, to the appropriate parties, specified in Subsection 5.5 above.

5.7 Each month secure information on benefits paid and earned income received; recalculate LTD benefits and withholding tax.

5.8 Continue to monitor and investigate any potentially fraudulent issues.

5.9 Arrange for investigations, as appropriate.

5.10 Contractor will support County departments to ensure aggressive implementation of the departmental Return-To-Work Program. Provide a copy of the claimant's release to return to work slip to the claimant's departmental Return-to-Work Coordinator.

5.11 Confer with the claimant's departmental Return-to-Work Coordinator if modified work or alternate County employment becomes feasible; monitor placement efforts for termination of LTD eligibility; review and monitor transitional return-to-work plans.

5.12 After seventeen (17) months of LTD benefit eligibility, a decision review will be initiated for total disability in accordance with the Federal Social Security Act. The final decision for total disability will be determined after twenty-three (23) months and prior to the end of twenty-four (24) months.

5.13 Notify claimant, CEO and departmental Return-to-Work Coordinator of decision to continue or terminate at end of twenty-four (24) months.

5.14 Notify Los Angeles County Employees Retirement Association (LACERA) when LTD benefits terminate for a claimant covered by Retirement Plan E.

5.15 Respond, in accordance with confidentiality policies, to telephone and written inquiries about the LTD Plan and claims from claimants, potential claimants, County and claimants' attorneys, representatives from workers' compensation, rehabilitation vendors, personnel officers, and other County personnel.

5.16 On an appeal from a decision by the Contractor on benefits payable under the disability portion of the LTD Plan, including Long-Term Disability Health (LTDH), conduct the administrative review, prepare the County's case for the hearing, as well as, the necessary correspondence and materials, serve as the County's advocate at the administrative hearing which would include preparing witness

lists, exhibits, statements, and testimony. (See summary of LTD and SB hearings for 2011 and 2012 in Technical Exhibit __).

5.17 Secure verification of application for retirement benefits for claimants who are covered by Retirement Plans A, B, C, D, and who otherwise qualify for benefits after twenty-four (24) months of LTD eligibility.

5.18 Notify claimants enrolled in the County's Optional Group Term Life Insurance of insurance extension.

5.19 Attend Workers' Compensation Appeals Board conferences and trials to explain and defend LTD liens.

5.20 On a quarterly basis, reconcile LTD benefits with federal death records to ensure benefits are not issued to deceased claimants.

6.0 BENEFITS PAYMENTS AND INCOME TAX WITHHOLDING

6.1 Calculate and withhold the appropriate income taxes from benefits paid to claimants and issue benefit checks from Imprest Fund Bank Account. (See SOW Section IV, Subsection 4.0, Imprest Fund Bank Account), or use alternative payment procedures as determined by the County.

6.2 Prepare and file the appropriate withholding tax returns on behalf of the County.

6.3 Respond to claimant's inquiries concerning benefits tax issues.

6.4 Issue required W-2 forms to claimants and timely file reports with appropriate tax agencies.

6.5 Make claim payments on a monthly or bi-monthly basis.

6.6 At the County's request, direct deposit shall be made available to LTD recipients.

7.0 REQUIRED DATA

7.1 Basic Data - For each applicant

- Name
- Sex
- LTD Claim Number
- Status of LTD Claim (Pending/Accepted/Rejected/Closed)
- Five years County Service (Yes/No)
- Status of Workers' Compensation Case (Pending/Accepted/Rejected/None Filed)
- Department Code
- First Day Absent Due to Total Disability
- Employee Number
- Date of Birth
- County Continuous Service Date

- Retirement Plan
- Date Application Received
- Date Eligibility Decision Made
- Social Security Claims Status (Accepted/Pending/Rejected)
- Reason for SSD Rejection
  (Insufficient Quarters/Not Disabled)
- Basic Benefit (Average Salary for past 12 months X 60%)
- Benefit Coverage Dates (Start and End)
- Benefits Beyond 24 months (Yes/No)
- Diagnostic Code

7.2 Payment Data – For each accepted claim

- Name
- Address
- Basic Benefit (Average salary for past 12 months X 60%)
- Disability Claim Number
- Date Covered by Each Payment
- Offsets (Temporary Disability Benefits, Rehabilitation Benefits, Department Pay Retirement Benefits)
- Federal and State Income Tax Withheld
- Date Check Ordered
- Retirement Plan
- Health Plan and participation start date

8.0 REPORTS

Contractor shall provide standard monthly, quarterly, yearly, and as-needed reports:

- Prior to or after Contract implementation, Contractor and County shall prepare a list of any other required reports, records, and interface requirements.

- LTD payments on a specific claim and total payments.

- Some participation data to be provided by Contractor to the Department of Human Resources, Employee Benefits Division, Employee Benefits Administration Contractor as needed. (Detail, format, and preparation/delivery schedule not yet determined.)

APPENDIX B - STATEMENT OF WORK
SECTION II ---- SURVIVOR BENEFITS

1.0 SURVIVOR BENEFIT PLAN – Non-MegaFlex Employees

1.1 Eligibility Requirements: The Survivor Benefit Plan provides an income replacement to an eligible surviving spouse or domestic partner of a County non-MegaFlex employee. The survivor must be eligible prior to the date of death. In the absence of a spouse or domestic partner, income replacement will be sent to a minor child or children of a non-MegaFlex employee who is eligible to receive or is receiving LTD benefits. If an employee has less than five (5) years of continuous County service, his/her death must be a direct consequence of his/her County job.

1.2 Coverage: The benefit is 55% of the LTD benefit, after offsets, which the employee was receiving or would have been eligible to receive prior to the date of death.

1.3 Duration of Benefits: The Survivor Benefit is payable throughout the lifetime of the spouse or domestic partner, or in the absence of a spouse or domestic partner, until each of the eligible children reaches age 18 or through the age of 21 (if they are full-time students in an accredited school and unmarried).

1.4 If, prior to the date of death, the employee was enrolled in LTDH, the surviving spouse or domestic partner will continue to receive 75% of the monthly medical insurance premium for the previously enrolled medical insurance plan.

2.0 MEGAFLEX SURVIVOR BENEFIT PLAN – (For information purposes only; not administered under this Agreement)

Survivor Benefits for MegaFlex employees will not be administered under this Agreement. The following is a summary for information purposes only.

2.1 Eligibility Requirements:

- Only MegaFlex Participants who are members of Retirement Plan E are eligible to enroll in the MegaFlex Survivor Income Benefit Plan.

- Upon the death of a MegaFlex Participant, the MegaFlex Survivor Income Benefit Plan provides an income replacement benefit to the spouse or domestic partner or in the absence of a spouse or domestic partner to a dependant child or children until each of the children reach age 18 or through age 21 (if they are a full-time student in an accredited school).

2.2 Coverage: MegaFlex Participants may elect coverage equal to 10%, 15%, 25%, 35% or 50% of their monthly salary.

2.3 Duration of Benefits: The Survivor Benefit is payable throughout the lifetime of the spouse or domestic partner, or if there is no spouse or domestic partner, until

each of the eligible children reach age 18 (age 22 if they are full-time students in an accredited school).

3.0 DETERMINATION OF ELIGIBILITY/CALCULATION OF BENEFITS

3.1 In-service: Upon receipt of a death notice information from the Department of Human Resources' (DHR) Employee Benefits Division, set up a survivor file. Information received from a source other than DHR regarding the death of a claimant should be investigated to ensure survivor benefits are paid to the surviving spouse or domestic partner or in the absence of a spouse or domestic partner to the child or children.

Out of-service: LTD claimants no longer in employee status, who are receiving LTD benefits at the time of death qualify for Survivor benefits. Notification of death would come from the claimant's family, from the County's Long-Term Disability Office or a non-County source.

3.2 Identify ineligible cases; prepare letter to beneficiary noted on the death notice form to explain his/her ineligibility for survivor benefits and request correction if information on which rejection is based is inaccurate.

3.3 For remaining cases, secure the following information and documents:

- Employee's dates of County employment and salaries paid;
- Retirement plan membership;
- For Retirement Plan members, disability retirement benefit that would have been paid to the employee;
- Certified copy of death certificate;
- Deceased's remaining time benefits;
- Certified copies of marriage certificate or domestic partner certificate (if applicable), birth certificate(s) (children only), proof of dependency (for stepchild), guardianship papers, and affidavits(s) as required.

3.4 Review pertinent information and documents listed above to determine if survivor benefits are payable.

- Calculate benefit amount and benefit commencement date after subtracting all appropriate offsets.
- Prepare and transmit case acceptance letter to survivor.

4.0 CLAIMS SERVICING

4.1 Secure annual affidavit from each beneficiary; for child or stepchild beneficiary age 18 to age 22 attending school, secure school enrollment verification form.

4.2 Prepare the termination letter to each child or stepchild beneficiary when eligibility ends.

4.3 Where benefit is paid to more than one child, recalculate benefits whenever the number of qualified beneficiaries changes.

4.4 On a quarterly basis, reconcile Survivor Benefits with federal death records to ensure benefits are not issued to deceased recipients.

5.0 BENEFIT PAYMENTS AND INCOME TAX REPORTING

5.1 Issue initial and monthly benefit checks to claimants from Imprest Fund Bank Account (See SOW Section IV, Subsection 4.0, Imprest Fund Bank Account).

5.2 Annually prepare IRS Form 1099 and send to claimants, and prepare and file the appropriate tax information on behalf of the County.

5.3 Respond to claimants' inquiries concerning benefits tax issues.

5.4 At the County's request, direct deposit shall be made available to Survivor Benefit recipients.

6.0 REQUIRED RECORDS

6.1 Basic Data – For Each Deceased Employee:

- Name
- Sex
- Employee Number
- Department Code
- Social Security Number
- Relationship to Deceased (Spouse/Child/Stepchild)
- Birth Date(s)
- Date Age of children

6.2 Payment Data – For Each Accepted Claim

- Deceased's Name
- Deceased's Social Security Number
- Survivor Claim Number
- Survivor(s) Name(s)
- Name(s) of Guardian(s) (each minor child)
- Survivor(s) Address (Addresses)
- Survivor(s) Social Security Number
- Basic LTD Benefit (Deceased's Average Salary for Past 12 months X 60%)
- Social Security Disability Offset
- Retirement Offset

- Payment (Listed Separately for Each Child Beneficiary if More Than One Child for a Given Claim)
- Payment Dates (From/Through)
- Date check ordered
- Proof of attendance at an accredited school.

7.0 REPORTS

Contractor shall provide standard monthly and as-needed reports as follows:
(For examples of current reports see Appendix C, Technical Exhibit 6).

- Prior to or after Contract implementation, Contractor and County shall prepare a list of any other required reports and records with time deadlines.

- Payments and payment total for a given period on specified claim.

APPENDIX B - STATEMENT OF WORK
SECTION III ---- SHORT-TERM DISABILITY

1.0 SHORT-TERM DISABILITY PLAN (STD)

1.1 Plan Objective: To provide MegaFlex Participants who are disabled because of injury, illness or pregnancy with income replacement benefits for a maximum period of twenty-six (26) weeks minus the waiting period purchased during the Annual MegaFlex Benefit Enrollment.

1.2 Disability Defined: Under the STD Plan, "Disability" means the complete and continuous inability and incapacity of the Participant to perform the regular duties of his/her position with the County or any full-time modified duties.

1.3 Coverage Options: All MegaFlex Participants are automatically covered by the basic STD "core" coverage of seventy percent (70%) of their regular base salary, with a waiting period of fourteen (14) calendar days. Additional elective salary protection may be purchased through payroll deduction as follows:

Seven (7) day waiting period followed by 100% STD income replacement for twenty-one (21) days, with 80% income replacement for the remainder of the STD period.

1.4 To file a claim a MegaFlex Participant must: a) see their physician, b) contact the claims administrator by telephone or the Contractor's internet website, and c) have their physician contact the claims administrator. The claims administrator will then adjudicate the claim, and, if approved, send a formal mail notification to the affected line Department payroll unit, and department Return-to-Work coordinator. The payroll unit will then submit the necessary payroll documentation to the Auditor-Controller who will issue the benefit payments through the payroll system on regular County paydays.

1.5 STD to LTD Transition: In order to ensure a smooth transition, twenty-six (26) weeks is defined as 182 days from the first date of disability and, under MegaFlex LTD, the 6-month Waiting Period is to be considered as 182 days from the same date of disability. Therefore, LTD benefits should begin accruing on the 183rd day, i.e. the day after the STD benefits cease.

2.0 APPLICATION FOR BENEFITS

2.1 The Contractor, at its expense, shall have a twenty-four (24) hour toll-free (800) telephone line for receiving County of Los Angeles STD claim reports: for claimants and for medical professionals. This toll-free line should be set to include area codes in Los Angeles County, San Bernardino County, Orange County, Riverside County, Ventura County, and Kern County.

2.2 When an employee calls to report a claim, the following information must be obtained for eligibility determination including the following:

- The employee is a MegaFlex participant;

- Employee identification data (employee number and department number);

- Dates and probable duration of disability;

- See Subsection 7.1 below for a checklist of data to be obtained.

2.3 Advise claimant, at the time of the initial call, of the requirement to provide the third-party administrator with the pertinent information prior to the last day of the waiting period. Also, a telephone call from the treating physician or a completed written/faxed Physician's Statement is required no later than twenty-nine (29) days from the date of the disability, to continue or complete the application for benefits.

2.4 Enter employee information into the computer system, and produce a "Claims Packet" within one (1) working day. The "Claims Packet" includes:

- Verification of initial employee information (see SOW Section III, Subsection 7.1);

- Include a STD Claim Extension form with the necessary information for a claim extension;

- Provide time guidelines as set forth in the STD Pamphlet;

- An "Acknowledgement of Right to Reimbursements and Promise to Pay" form. A Release of Information (ROI) form (the employee authorization that is needed to obtain medical records from a medical facility);

- Provide an STD Pamphlet.

2.5 Compare employee data to records provided by County and mail "Claims Packet" to employee.

2.6 Set up a case file folder.

2.7 With receipt of the physician's telephone call or return of Physician's Statement:

- Obtain sufficient relevant medical information regarding the injury, illness or pregnancy to document the reported disability for STD purposes.

- Review diagnosis and duration of disability information to determine compliance with standard medical benchmarks for the disabling condition. Obtain additional records and documentation from physician if medical information is insufficient to determine eligibility. Review the information when received.

- See Subsections 3.2, 7.1, 7.2, 7.3, and 7.4 below for a checklist of the data to be obtained.

2.8 Late claim penalty. The claimant and the treating physician must provide the third-party administrator with the required information within the timeframe provided (See Subsection 2.3 above). Failure to meet this deadline results in the loss of one day of STD benefits for each day the claim is late. This penalty may be waived, given acceptable circumstance (Waiver of Penalty).

2.9 STD "Half" claim. Usually a claim initiated by a non-MegaFlex County employee that is ineligible for STD Plan benefits, or a claim that cannot be completed due to the Contractor not receiving a physician's report.

3.0 BENEFIT DETERMINATION AND NOTIFICATION

3.1 Obtain case status on any companion workers' compensation benefit payable for the same period of disability.

3.2 Based on completed information received from the employee and physician, establish one email sent within two (2) working days, notifying the employee's payroll unit, employee's departmental Return-to-Work Coordinator, and the Chief Executive Office (CEO) with the following information:

- County employee number;
- Contractor claim number;
- Department code;
- Employee name;
- Benefit option elected;
- The first day of disability for STD Plan purposes;
- The dates of the waiting period;
- The dates of any late reporting penalty;
- The dates of any period of authorized STD benefits;
- Approved return to work date;
- The dates of any part-time STD;
- The specific amount of hours the employee is allowed to work while on part-time STD;
- Any work restrictions authorized by the doctor;
- The dates of any period of disability denied and reason for denial;
- Claim denial reason and the reason for such claim denial.

3.3 Send an STD voucher to the employee within two (2) working days of receipt of the employee's and physician's reports that establish a basis for authorization of STD benefits which includes the above information (see Subsection 3.2 above).

3.4 If claim is denied, prepare a letter to the claimant clearly explaining the reason for denial and include the applicable plan provisions that have not been met. Include appeals procedures and mail an STD appeals letter with copies to the CEO within five working days of completed information, sent within the timeliness approved by the CEO.

3.5 Maintain an up-to-date e-mail address and phone number for each departmental Return-to-Work Coordinator and payroll clerk. Coordinate all updates with the CEO.

3.6 Send a MegaFlex LTD application to the employee's home address after four (4) months of STD to ensure a smooth benefit transition.

4.0 EXTENSION OF DISABILITY AND PART TIME RETURN TO WORK

4.1 If an extension is requested, and, if medical information is insufficient, obtain additional information or records and/or arrange for independent medical evaluations as required.

4.2 If extension is approved, prepare and email a payment notification to claimant's departmental Return-to-Work Coordinator, and payroll unit. Send a copy, on a voucher form, to the claimant.

4.3 On a denial of continued benefits, prepare the denial letter including appeals procedures and mail to the claimant.

4.4 Confer with the claimant's departmental Return-to-Work Coordinator if modified work or alternate County employment becomes feasible; monitor placement efforts for termination of STD eligibility; review and monitor transitional return-to-work plans.

4.5 Contractor will call the departmental Return-to-Work Coordinator to establish the department's work needs prior to exploring part-time return to work with the physician. Contractor will call the physician to discuss the possibility of returning the claimant to a part-time return to work schedule that meets the departments' work needs.

4.6 Notify departments of the amount of specific working days and hours with any work restrictions, when a doctor certifies an employee to return to work part-time.

5.0 MEASURES OF EFFECTIVENESS

5.1 Contractor completes input on computer system of data on new claim by employee within one working day of receipt by contractor of all necessary information required from the employee.

5.2 Contractor completes input on computer system of data on new claim by the employee's physician within one working day of receipt by contractor of all necessary information required from the physician.

5.3 Contractor completes input on computer system of data to produce a STD voucher, and/or STD email notification, within two working days of receipt by the contractor of the employee's and physician's reports that establish a basis for authorization of STD benefits.

5.4 Contractor sends LTD application to employee within four months of receipt of STD benefits.

5.5 File documentation accuracy rate will be 98% or better as determined by independent audit. Accurate documentation means that all appropriate material, supporting documentation addressing medical and offset evaluations and evidence of the claim analyst's decision and the basis for that decision is in the file. Higher level review plus quality review and future disability management plans will also be documented.

5.6 Claim processing accuracy rate will be 98% or better as determined by independent audit. Accurate processing means the claim decision is correct and based on the documentation, the claim management plan is appropriate to the claim, communications address the decision basis, pertinent plan provisions and claim material relied upon for the decision.

5.7 Disability management procedures, guidelines and protocols will be applied consistently to all cases.

5.8 Contractor will support County departments to ensure aggressive implementation of the County's Return-To-Work Program.

6.0 APPEALS

On an appeal from a denial or termination of benefits payable under the STD plan, the prior claim determination shall be independently evaluated by a claims professional (appeals specialist) designated by Contractor. The appeal determination shall be completed within five (5) working days form the receipt of the appeal, which shall be final.

6.1 Send a customized claim denial letter to the claimant, and state the reason for the denial. Reference the medical reports on which the denial was based, what caused a late filing penalty, or any other specific information for the denial within ten (10) working days of receipt of completed appeal.

6.2 Within five (5) working days of receipt of an appeal, send a letter to the employee notifying of a delay due to the missing medical or other qualifying information, and provide a new response date.

6.3 If additional information is required, there must be proof of requesting this information within five (5) working days of the appeal letter. If this information is not received within twenty-one (21) working days of the request, the appeal determination will be made only with the information received.

7.0 REQUIRED RECORDS

7.1 Basic Data – Claimant Report

- Name (Last, first, middle)
- Address (Complete)
- Home telephone number (with area code)
- Date of birth
- Age
- Sex
- County employee number
- County department code
- County continuous service (start) date
- Years of County service
- MegaFlex STD waiting period selected (days)
- MegaFlex STD income replacement selected (%)
- Job title
- Occupational type
- Supervisor's name
- Supervisor's telephone number
- Work related injury or illness (Yes/No)
- Date employee's report received (complete)
- Days from employee's report to date of first notification

7.2 Basic Data – Medical Report

- Physician's name
- Physician's address
- Physician's telephone number
- Type of Physician (M.D., D.C., etc.)
- Medical specialty
- California license number
- Date of first treatment/consultation
- Dates of disability, per physician (From/Through)
- Actual or expected return to work date
- Primary ICD 9 Code
- Secondary diagnosis – description
- If pregnancy related primary ICD 9:
  - LMP date
  - EDC/DOD date
- Hospitalized as inpatient: Yes/No (From/Through)
- Hospital name
- Treated in Surgical Unit/Clinic: Yes/No. (From/Through)
- Surgical Unit/Clinic name
- Patient still under care: Yes/No

- Date Physician's report received (complete)
- Days from physician's report to date of first notification

7.3 Basic Data – Each Disability

- Last day worked
- First day unable to work because of this disability
- Expected or actual date of return to work
- Dates of disability for STD purposes (From/Through)
- Dates of waiting period (From/Through)
- Dates of approved STD eligibility (From/Through)
- Approved extended period of STD eligibility (From/Through)
- Dates of disability denied (From/Through)
- Other dates of disability denied (From/Through)
- Reason for partial denial of period of disability
- Days of STD authorized
- Work related injury or illness (Yes/No)
- Specific part time work days and hours
- Eligible for CA State Disability Insurance benefit (Yes/No)

7.4 Basic Data – Claim System

- Client number
- Plan number
- Claim number
- Claim status code
- New half-claim indication (**) (for monthly reporting)
- Voucher number
- Date of voucher
- New voucher indication (*) (for monthly report)
- Voided voucher indication (for monthly report)
- STD email notification sent date

8.0 REPORTS

- Monthly STD claims report (all open claims within the last year.
-
- Monthly STD claims statistics:

Prior to or after contract implementation, Contractor and County shall prepare a list of any other required reports, records and interfaces.

APPENDIX B - STATEMENT OF WORK
SECTION IV ---- COUNTY RESPONSIBILITIES

1.0 ORIENTATION/TRANSITION

The County will provide at no cost to Contractor orientation to the County's LTD, SB, and STD Programs for key Contractor personnel prior to the start date of the contract. The Contractor shall not be reimbursed for any expense during orientation.

In addition, the County will provide at no cost to Contractor, initial technical assistance after the contract is awarded to ensure a smooth transition.

2.0 TRANSFER OF CASE FILES

County shall notify existing Contractor to release all case files for pick-up by the new Contractor prior to the start date of the contract as described in Paragraph 4.0 (Term of Contract), of the Contract.

3.0 AUTHORITY LIMITS

The County Contract Manager (CCM) may establish a schedule of authority limits and referrals, for all personnel approving disability benefits and ancillary services.

4.0 IMPREST FUND BANK ACCOUNT FOR LTD AND SIB ONLY

4.1 The County will establish an Imprest Fund Bank Account, which will be prefunded by the County to cover, estimated long-term disability and survivor benefit payments.

4.2 The County will issue funds to the Imprest Fund Bank Account no later than five (5) working days after receipt of request from the Contractor.

4.3 Each month the Contractor will submit a request for funds to pay the monthly benefits due at least five working days prior to payment.

4.4 Separate supplemental requests can be made on a weekly basis five (5) working days in advance for benefits paid outside of the regular monthly cycle.

4.5 The Contractor will provide to the County a monthly reconciliation of funds received and disbursed from the Imprest Fund Bank Account, including a monthly check register itemizing deposits to the account, check numbers, check amounts, payee, claimants name, employee number, and claim number for each check issued on the account through the Bank of America Direct Account Reconcilement Services via on-line user Cash-Pro system with specific authorities and entitlements to reconcile financial statements..

5.0 FORMAT OF REPORTS

The County reserves the right to request final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Contract. Any requests for reports must be produced no later than ten (10) working days. Ad hoc reports will be produced within ten (10) working days of the date of agreement of the specifications by Contractor and County staff.

6.0 FORMAT OF OUTGOING CORRESPONDENCE

6.1 The Contractor shall provide all forms and notifications necessary to administer the STD Plan. The County reserves the right to approve all outgoing correspondence including forms created by the Contractor to include departmental notifications, and claimant notifications.

6.2 The County will provide sample wording for all form letters being sent to the LTD claimants.

APPENDIX B - STATEMENT OF WORK
SECTION V ---- CONTRACTOR RESPONSIBILITIES

1.0 GENERAL

The Contractor shall furnish all personnel, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work.

2.0 TRANSFER OF CASE FILES

The Contractor shall pay for all expenses relating to the transfer of data/cases.

3.0 ORIENTATION/TRANSITION

The Contractor shall provide sufficient management support and staffing to effect an orderly transition.

In the event of expiration or prior termination of the Contract, Contractor shall cooperate with the County to provide for the transition to whatever service replacement method the County determines to be in its best interest.

4.0 STAFFING/ORGANIZATION

The Contractor shall be responsible for providing sufficient and competent staff to fulfill the contract and shall have complete flexibility for establishing an effective management and organizational structure. Adjustments in staffing based upon fluctuations in caseload shall be subject to approval of the CCM. Caseloads for each Contractor claims examiner shall not exceed reasonable industry standards of 185.

The Contractor shall provide the County with a list and brief biography of the Disability Claims Examiners, the Return-to-Work Coordinator, and the nurse case manager assigned to the account and notify County of any changes to this roster on a continuous basis.

The Contractor must assure provision of services to the County in the event of an employee shortage or strike.

5.0 EMPLOYEE RECORDS

The Contractor shall keep a current and accurate list of all its employees providing services under this Contract. The list shall include each employee's name, date of employment, current address, phone number and any additional data on licensing background, behavior or job performance pertinent to the provision of the contract.

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

6.0 COMPUTER DATA MAINTENANCE

Contractor shall continually on a daily basis accurately input, update and maintain all data fields on the Contractor's computer system for all cases administered by Contractor. The Contractor shall discuss proposed significant system enhancements, which affect the County's claims with the County prior to implementation.

6.1 Contractor shall provide a dictionary of all data elements and a description of record layout for machine readable reports.

6.2 Contractor's computer system shall be capable of receiving an eligibility file from County's contractor for employee benefits.

7.0 FINANCIAL RECORDS AND REPORTS

The Contractor shall maintain and provide accurate and complete financial records as well as reports of its activities and operation under this Contract.

8.0 CASE FILE RECORD RETENTION

All case files will be retained for ten (10) years from the date of disability. No claims will be destroyed without CPM approval and the Contractor will be responsible for storage of all files during the term of this Contract. Presently there are 32,689 files in approximately 1,500 boxes in storage.

9.0 PROPERTY SECURITY

The Contractor shall be responsible for safeguarding all County property provided for the Contractor's use. At the close of each workday, cases, files, supplies, equipment and computer access shall be secured by the Contractor.

10.0 DATA SECURITY

Contractor shall provide a means of and be responsible for restricting access to the files and applications to only authorized persons and authorized terminals.

11.0 LOCAL OFFICE, EXPENSES

The Contractor shall maintain an office in the County of Los Angeles or in an adjacent county for the administration of County claims. Business hours for this office shall be from 8:00 A.M. to 5:00 P.M., Monday through Friday, except for official County holidays. The Contractor shall have a local telephone listing with either an "800" or local telephone prefix (SOW Section III, Subsection 2.1). The Contractor shall pay out of its own resources, all costs and charges in connection with its offices, office furnishings and supplies, except as otherwise provided in this Contract.

12.0 COURIER SERVICE

The Contractor shall provide courier services between the Contractor's office and the Chief Executive Office up to five (5) occurrences within a calendar year. The courier service will be specifically used only in the event the monthly standard Plan funding has failed or cannot be completed timely and it has become necessary for County to provide the Contractor with a physical check in order to properly fund the Imprest Fund Bank account.

13.0 CLAIMS ADMINISTRATION PROCEDURE MANUAL AND BUSINESS CONTINUITY PLAN

Within six (6) months of contract award, Contractor will provide a "Claim Administration Procedure Manual" describing policies and procedures for the administration of County cases detailing approval limits, responsibilities, reporting requirements, review of legal services billing, etc. Such manual shall be provided to and utilized by Contractor claims staff handling County claims and to the CCM.

In addition, the Contractor will provide a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services related to this Contract following an event which could interrupt these business operations. The plan shall include, but not be limited to, the following:

1. A description of critical services and business processes.

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

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

Contractor shall provide CCM with annual plan updates on the annual anniversary of the Contract.

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

14.0 COMPUTER TRAINING FOR COUNTY PERSONNEL

14.1 At no cost to the County, Contractor will train a minimum of three (3) County employees per contract year on how to access all County claims data on Contractor's computer system, inquiry only. County to provide for electronic interface capability at County's expense.

14.2 Contractor will provide CEO LTD and CEO STD staff with access to Contractor's computer system with access to all case management information for all County claims at no cost to the County.

15.0 DATA TAPE

At no cost to the County, Contractor will provide a computerized data transfer to County on semi-annual basis. Format for transfer will be specified at contract inception.

16.0 NEGOTIATIONS/SETTLEMENTS

The Contractor shall obtain written approval from a designated representative of the County prior to the initiation of negotiations to a settlement agreement.

17.0 POLICY CHANGES/AMENDMENTS

Any policy changes by the CEO or amendments to the LTD, LTDH, SB, or STD program during the life of this contract may require changes to the administrative procedures outlined in the Statement of Work.

18.0 EXPENSES

Allocated claims expenses such as independent medical exams, functional capacity evaluations and transferable skills analyses of $251 and over will be passed through (charged back) to the County. All allocated claim expenses $250 or less shall be paid by Contractor.

19.0 WORK SPACE FOR COUNTY STAFF

The Contractor shall provide adequate office space, complete work station including computer access, telephone service, and free parking for one part-time County monitor and adequate temporary work space and free parking for other County staff as necessary for required program auditing or monitoring.

20.0 PLAN DOCUMENTS

The Contractor shall annually print and mail LTD tri-fold pamphlets and STD tri-fold pamphlets to all eligible County employees, at the Contractor's expense (Appendix C, Technical Exhibits 8 and 9). The pamphlets are to be mailed first class mail within thirty (30) days of receipt of an eligible employees list from the County of Los Angeles prior to the County's annual benefits enrollment.

APPENDIX B - STATEMENT OF WORK
SECTION VI ---- PERSONNEL/PERFORMANCE

1.0 KEY COUNTY PERSONNEL – COUNTY CONTRACT MANAGER (CCM)

1.1 The County shall inform the Contractor of the name, address and telephone number of the CCM in writing at the time the contract is awarded.

1.2 The CCM or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the contract.

1.3 The CCM or designee shall provide direction to the Contractor in areas relating to policy and procedural requirements, and on other matters.

1.4 The Contractor shall remove, at the CCM's request, any employee or subcontractor providing services for the County under this Contract.

1.5 In the event of a dispute regarding substantive questions, the CCM's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.

1.6 The CCM or designee shall not be authorized to make any changes in the terms and conditions to the contract or obligate the County in any way whatsoever.

2.0 KEY CONTRACTOR PERSONNEL – CONTRACTOR PROJECT MANAGER (CPM)

2.1 The CPM or designee shall have a minimum of five (5) years of experience in supervising or managing third-party LTD and STD claims administration services.

2.2 The Contractor shall provide upon award of contract, the name, address and telephone number of the CPM or designee who shall be responsible for administering the contract.

2.3 The County shall have the sole discretion to approve CPM and any replacement recommended by Contractor.

2.4 The CPM or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations.

2.5 The CPM or designee shall be able to read, write, speak and understand English.

2.6 The CPM or designee shall be available between 8:00 A.M. and 5:00 P.M., Monday through Friday, except County holidays.

3.0 CONTRACTOR PERSONNEL – DISABILITY CLAIMS EXAMINERS

3.1 At least 75% of the Claims Examiners shall have a minimum of three (3) years of experience in the adjustment of Short-Term Disability and Long-Term Disability claims.

3.2 An updated list of examiners and experience shall be submitted at the beginning of each contract year or at the time of any Claims Examiner staffing changes.

3.3 Claims Examiners employed by the Contractor shall be able to read, write, speak and understand English.

4.0 CONTRACTOR PERSONNEL – DISABILITY NURSE CASE MANAGER

4.1 A Nurse Case Manager shall be assigned to the County account to assist in interpretation of medical data.

4.2 The Nurse Case Manager must have (3) years of experience in Nurse Case Management of disability claims.

5.0 CONTRACTOR PERSONNEL – RETURN-TO-WORK COORDINATOR

Contractor shall assign a Return-to-Work Coordinator to the County account to coordinate return-to-work with departmental Return-to-Work coordinator and physician.

6.0 CONTRACTOR QUALITY CONTROL PLAN

The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

- The methods for assuring and verifying that the minimum requirements for Claims Examiners are met, including a formal training program for Claims Examiner Trainees.

- A system for monitoring compliance with all the services listed in this SOW. It must specify the activities to be inspected/audits to be accomplished, and the title of the individual(s) who will perform the inspections/audits.

- The methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

7.0 COUNTY QUALITY ASSURANCE MONITORING PLAN

7.1 The monitoring of the Contractor's compliance to the requirements outlined in the Contract shall be performed through the use of County staff and/or an independent, outside auditor.

7.2 A variety of methods may be used to evaluate the Contractor's performance, including but not limited to:

- Complaints received by the Chief Executive Office.
- Sampling of claims, records, reports, and logs.
- Monitoring the timeliness of responses from the Contractor against the time a request for service is made by the County.
- Random file audit.

7.3 Contract Discrepancy Report (Appendix C, Technical Exhibit 1)

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

The County Contract Monitor will determine whether a formal Contract Discrepancy Report will be issued. Upon receipt of this Report, the Contractor is required to respond in writing to the County Contract Monitor within five (5) workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Monitor within five (5) workdays.

8.0 DEFICIENCIES IN CONTRACTOR PERFORMANCE

If an evaluation identifies deficiencies in the quality of services performed, the CCM or designee shall determine what further action and/or penalties, if any, should be taken.

9.0 PERFORMANCE EVALUATION MEETINGS

The CPM of STD, SB and LTD shall meet with the CCM at regularly scheduled intervals, as determined by the CCM, during the term of the Contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of policy and procedural matters relevant to the Contractor's performance and the Chief Executive Office's monitoring function. Additionally, the quality control mechanisms as well as potential penalty provisions used to ensure satisfactory service delivery may be discussed. (See Appendix C, Technical Exhibits 2 and 3). The County will validate parking at their facility for these meetings.

10.0 ANNUAL PROGRAM PERFORMANCE MEETING

The CPM of STD, SB and LTD shall meet with the CCM annually, as determined by the CPM to discuss program performance in comparison to prior years and to review the annual report. The County will validate parking at their facility for this meeting.

11.0 PERFORMANCE STANDARDS AND FINANCIAL GUARANTEES

Appendix C, Technical Exhibit 3 describes the County's expected Performance Standards. An annual audit will determine the performance scores. If Contractor's total score is insufficient, County will assess a penalty against Contractor's fees for the ensuing year. The annual audit will consist of a County-elected sample for claims with review and measurements criteria as specified within the Performance Standards.

APPENDIX B - STATEMENT OF WORK

SECTION VII - CONTRACTOR PAYMENT AND ADJUSTMENTS TO PAYMENT

1.0 PAYMENT AND ADJUSTMENTS TO PAYMENTS

1.1 Payment

1.1.1 Base Monthly

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

1.1.2 Monthly Invoice and Adjustment to Monthly Invoices

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

The County will adjust the invoice as follows and pay the invoice within sixty (60) days of receipt:

1.1.2.1 The County may reduce the monthly invoice for assessments of adjustments to payments for which the County has notified the Contractor pursuant to Subsections 1.2.2 and 1.2.3 of this Section VII.

1.1.2.2 The County shall reduce the monthly invoice pursuant to the provisions of Subsections 2.1, 2.2, 2.3, and 2.4 of this Section VII.

1.1.2.3 The County may reduce the monthly invoice pursuant to Subsections 2.1 through 2.4 of this Section VII provided the County has notified the Contractor of its intention to reduce pursuant to these provisions at any time prior to receipt of the monthly invoice.

1.1.3 The total fees paid will be reduced for overpayments, fines, penalties and other costs incurred due to the Contractor's failure to comply with any term or condition of this Contract as further set

forth below in Subsection 1.2 (Adjustments to Payments to Contractor).

1.1.4 The total fees paid will be reduced pursuant to Subsections 2.1 through 2.4 of this Section VII.

1.1.5 The County's payment is subject to adjustment following audit as set forth in Subsection 3.0 (Adjustment to Payments Following Audit).

1.2 Adjustment to Payments to Contractor

The Contractor shall reimburse the County for any overpayment or other cost incurred due to the Contractor's failure to comply with any term or condition of this Contract. Such failure includes but is not limited to the following:

1.2.1 Overpayment of any benefit owed to any applicant, claimant, or other party in a case due to Contractor's failure to comply with the general standards and generally accepted best practices of the disability benefits claims administration industry or any written County policy provided to Contractor prior to the overpayment.

1.2.2 Excessive payment of any benefit to any applicant, claimant, or other party in a case due to Contractor's failure to comply in a timely manner with the general standards of care and generally accepted best practices of the disability benefits claims administration industry or any written County policy provided to Contractor prior to the excessive payment.

1.2.3 Deficiencies in the quality of Contractor services identified during the monitoring of Contractor compliance as outlined in the Contract as specified in the Performance Guarantees.

1.3 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to Subsection 1.2 above. The Contractor shall have sixty (60) calendar days to respond in writing to the notice. If the Contractor does not respond to the notice within sixty (60) days, the Contractor shall lose its right to dispute the assessment. The response shall include, but not be limited to, the following:

1.3.1 Evidence that a penalty was not incurred or an overpayment or excessive cost was not made.

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

1.3.3 Evidence that Contractor obtained prior written approval from an authorized County official.

1.4 Dispute Resolution Process

If, after receipt of Contractor's response to County's notice of assessment of adjustment to payments, the County and Contractor are in disagreement, a meeting will be conducted to review the evidence and resolve the dispute.

At the end of the meeting, the County will determine if there will be a reduction to the Contractor's monthly invoices for assessments of adjustments to payments.

2.0 PERFORMANCE GUARANTEES

2.1 At sole discretion of the County, failure to meet Performance Guarantees (Appendix C, Technical Exhibit 3) will result in payback of up to 5% of annual revenue generated by LTD, 5% of annual revenue generated by STD, and 5% of annual revenue generated by SIB components of the contract.

2.2 The performance guarantees shall be determined by County-selected sample audits commencing no later than the end of the second contract year and conducted at least annually thereafter by County Quality Assurance Evaluators or a designee for compliance with standards set forth in the Performance Guarantees. The CCM may update the areas to be audited and the factors to be considered in determining the performance guarantees.

2.3 Any decrease under Subsection 2.1 shall be calculated using the Base Fee at the time audited work was performed by the Contractor. Payment can be made by lump sum within sixty (60) days after the County submits the final audit results, or by equal monthly installments over a one-year period commencing within the same 60-day period.

2.4 Fee Reduction for Failure to Develop and Implement Procedure Manual and Business Continuity Plan.

If the claims administration procedure manual and the business continuity plan required in Appendix B (Statement of Work), Section V, Subsection13.0 and the Quality Control Plan required in Appendix B (Statement of Work) Section VI, Subsection 6.0, are not developed and

actively implemented and integrated into the County claims unit within 180 days of contract inception date, payments shall be reduced to Base Fee less 5% until these requirements are met.

3.0 ADJUSTMENT TO PAYMENTS FOLLOWING AUDIT

If, at any time during the term of this Contract or five (5) years after the expiration or termination of this Contract, authorized representatives of the County conduct an audit of the Contractor regarding the services provided to the County hereunder and if as a result of such audit it is determined that the County's dollar liability for such services is less than payments made by the County to the Contractor, then the Contractor agrees that the difference, at the CCM's option, shall be either: (1) repaid forthwith by the Contractor to the County by cash payment, or (2) credited against any future payments hereunder to the Contractor.

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

EXHIBIT B

PRICING SCHEDULE
CONTRACTOR'S RATES

PROGRAM	MONTHLY FEE PER PROGRAM[1]				
	CONTRACT YEAR 1[a] (2015)	CONTRACT YEAR 2[a] (2016)	CONTRACT YEAR 3[a] (2017)	CONTRACT YEAR 4[b] (2018)	CONTRACT YEAR 5[b] (2019)
LTD	$113,177	$116,572	$120,069	$123,671	$127,381
SB	$7,482	$7,706	$7,937	$8,175	$8,420
STD	$16,688	$17,189	$17,705	$18.236	$18,783
MONTHLY TOTAL	$137,347	$141,467	$145,711	$150,082	$154,584
TOTAL ANNUAL COST –ALL PROGRAMS	$1,648,164	$1,697,604	$1,748,532	$1,800,984	$1,855,008

Notes:

[1] Prices are firm and fixed for Contract Years 1 – 5. Costs shall include all costs incurred by Contractor in handling submitted claims, except those performed by third-party vendors, referred to as "pass-through expenses" that is more than $250. Contractor will pay all such expenses that are less than $250.

Such pass-through expenses, listed below, must be billed by Contractor to County within three (3) months of the submission of the original invoices to Contractor by the service providers. County will not pay for the allocated expense if invoice is received more than three (3) months following submission of original invoice to Contractor.

- Independent medical examinations/functional capacity evaluations.
- Vocational evaluations
- Special investigation unit services
- Physician advisory services/peer reviews
- Second/third opinion evaluations

[a] Contract Year 1 through Contract Year 3 constitute the base term of the Contract.

[b] Contract Years 4 and 5 are optional terms.

EXHIBIT C

(INTENTIONALLY OMITTED)

CONTRACTOR'S EEO CERTIFICATION

Sedgwick Claims Management Services, Inc.
Contractor Name

1100 Ridgeway Loop Road, Memphis, Tennessee 38120
Address

36-2685608
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

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

CONTRACTOR'S SPECIFIC CERTIFICATIONS

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

Terri S. Browne EVP Chief People Officer
Authorized Official's Printed Name and Title

Terri S. Browne
Authorized Official's Signature

9.4.14
Date

EXHIBIT E

COUNTY'S ADMINISTRATION

COUNTY CONTRACT ADMINISTRATOR (CCA):

Name: Alex Rossi

Title: Manager, CEO

Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

Telephone: (213) 738-2154 Facsimile: (213) 252-0404

COUNTY CONTRACT MANAGER:

Name: Indira Richards

Title: Chief Program Specialist

Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

Telephone: (213) 351-5362 Facsimile: (213) 252-0404

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

COUNTY CONTRACT MONITOR – LONG-TERM DISABILITY:

Name: Tammy Usher

Title: Program Specialist

Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

Telephone: (213) 738-2143 Facsimile: (213) 252-0404

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

COUNTY CONTRACT MONITOR – SHORT-TERM DISABILITY:

Name: Mark LeBlanc

Title: Program Specialist

Address: 3333 Wilshire Boulevard, Suite 820

Los Angeles, CA 90010

Telephone: (213) 351-7278 Facsimile: (213) 252-0404

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

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: Sedgwick Claims Management Services, Inc.

CONTRACTOR'S CLAIMS MANAGER:

Name: Lance Tomei
Title: Manager, Operations & Client Services
Address: 24025 Park Sorrento, Suite 200
Calabasas, CA 91302
Telephone: (818) 222-3001
Facsimile: (818) 591-7664
E-Mail Address: Lance.Tomei@sedgwickcms.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Jeff Glatstein
Title: VP Corporate Counsel
Address: 1100 Ridgeway Loop Road, Suite 200
Memphis, TN 38120
Telephone: 901-415-7429
Facsimile: 901-415-7409
E-Mail Address: Jeffery.Glatstein@Sedgwickcms.com

Name:
Title:
Address:
Telephone:
Facsimile:
E-Mail Address:

Notices to Contractor shall be sent to the following:

Name: _____

Title: General Counsel

Address: 1100 Ridgeway Loop Road

Memphis, TN 38120

Telephone: _____

Facsimile: _____

E-Mail Address: _____

EXHIBIT G-1

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME _____ Contract No._____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

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

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

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

Contractor Name _____ Contract No._____

Employee Name: _____

GENERAL INFORMATION:

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

EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

2.203.010 Findings.

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

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.203.030 Applicability.

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

2.203.040 Contractor Jury Service Policy.

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

2.203.050 Other Provisions.

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

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

2.203.060 Enforcement and Remedies.

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

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

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

2.203.070. Exceptions.

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

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

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

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

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

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

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

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

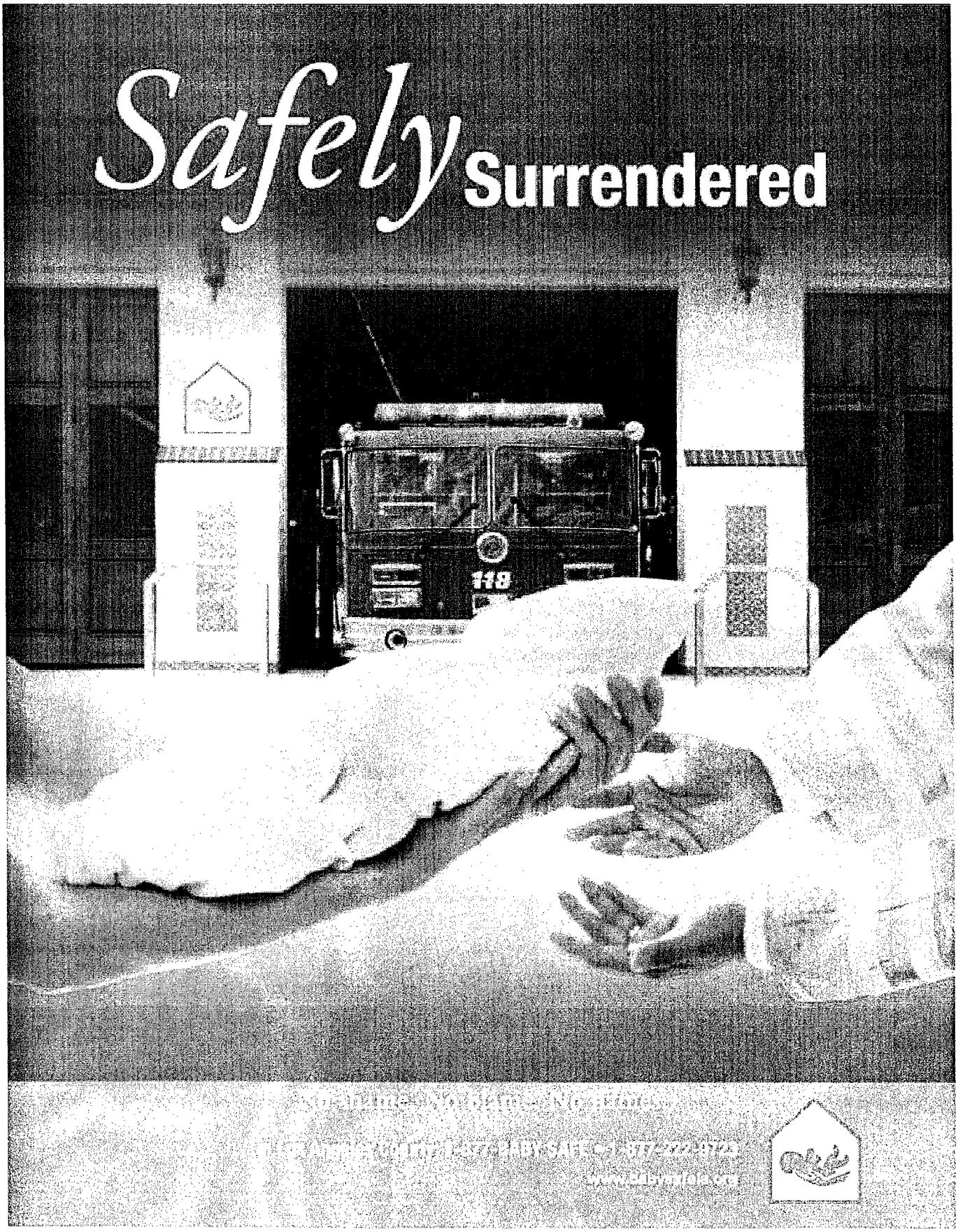
2.203.090. Severability.

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

EXHIBIT I

SAFELY SURRENDERED BABY LAW

Safely Surrendered



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

Safely Surrendered *Baby Law*

What is the Safely Surrendered Baby Law?

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

How does it work?

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

What if a parent wants the baby back?

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

Can only a parent bring in the baby?

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

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

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

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

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

What happens to the baby?

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

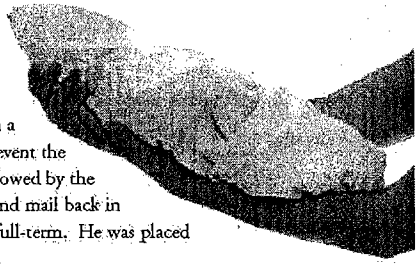
What happens to the parent or surrendering adult?

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

Why is California doing this?

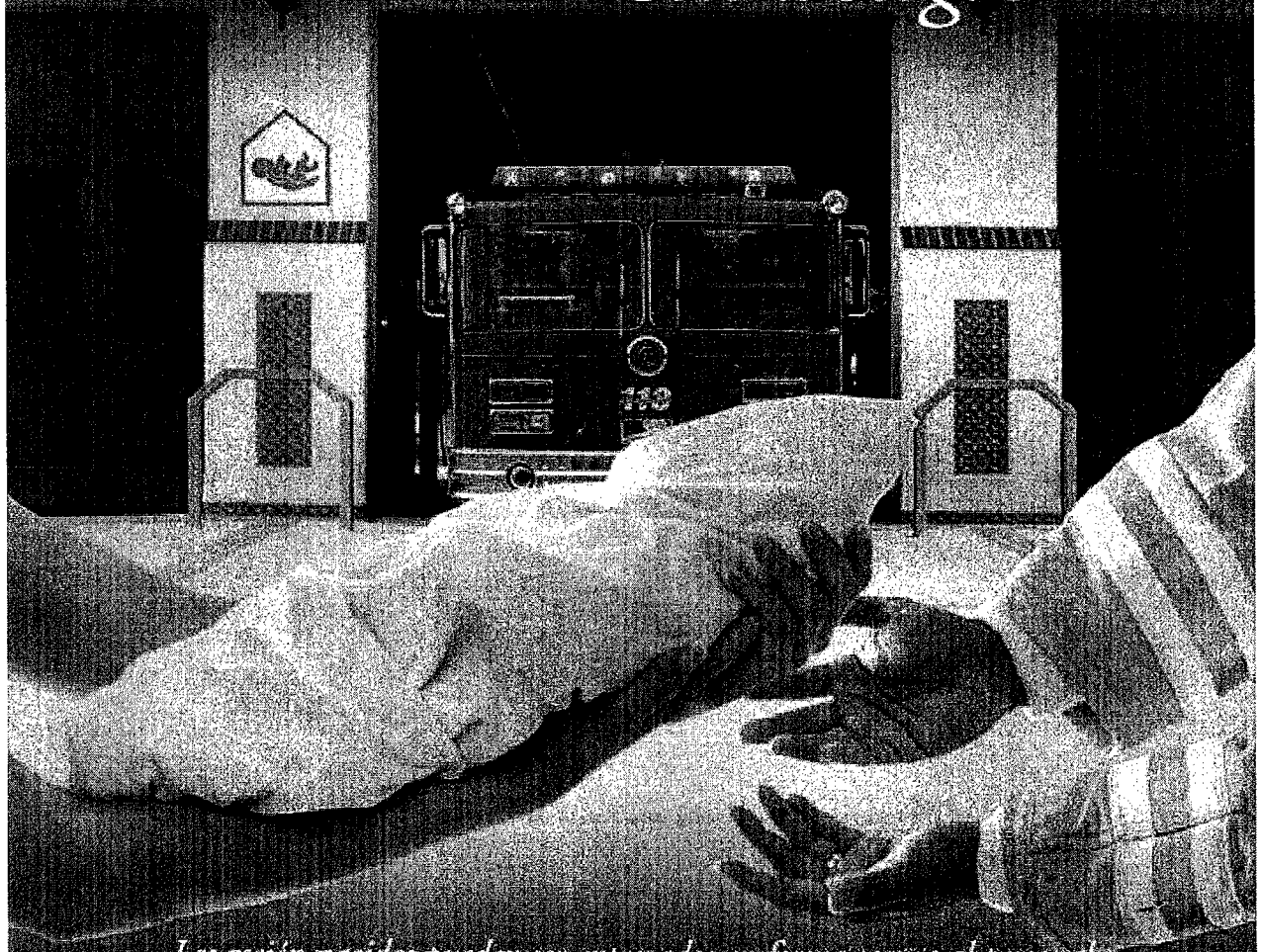
The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their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

A baby's story



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

Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

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

Ley de Entrega de Bebés *Sin Peligro*

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

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

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

¿Cómo funciona?

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

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

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

¿Sólo los padres podrán llevar al recién nacido?

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

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

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

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

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

¿Qué pasará con el bebé?

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

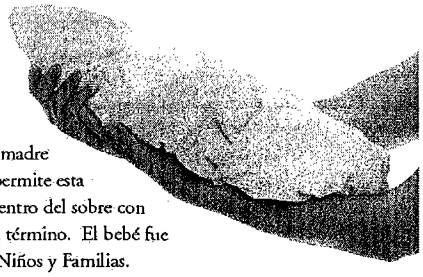
¿Qué pasará con el padre/madre o adulto que entregue al bebé?

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

¿Por qué se está haciendo esto en California? ?

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

Historia de un bebé



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

TECHNICAL EXHIBITS

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Exhibits

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2 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART .....

3 PERFORMANCE GUARANTEES.....

EXHIBIT 1

CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS:_____

_____

_____

_____ _____

Signature of County Representative Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

_____

_____

_____ _____

Signature of Contractor Representative Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

_____

_____

_____ _____

Signature of Contractor Representative Date

COUNTY ACTIONS:_____

_____

_____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

EXHIBIT 2

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Subparagraph 7.5 - Confidentiality	Contractor employee confidentiality statements signed and submitted	Submission and Inspection of Contract File	$50 per occurrence. Employees must sign within 10 days of Contract inception or employment
Contract: Subparagraph 8.24.6 Performance Bond/Certificate of Deposit (CD) or Letter of Credit (LOC)	Contractor to provide Performance Bond, CD or LOC	Submission and Inspection	$50/day if submitted more than 30 calendar days after Contract start date
Contract: Subparagraph 8.38 - Record Retention & Inspection/Audit Settlement	Contractor to maintain all required documents as specified in Sub-paragraph 8.38	Inspection of files	$50 per occurrence
Contract: Subparagraph 8.40 – Subcontracting	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection & Observation	$100 per occurrence; possible termination for default of contract
SOW: Section V, Subparagraph 13.0 Claims Administration Procedure Manual and Business Continuity Plan	Contractor to develop and implement Procedure Manual, Business Continuity Plan and Quality Control Plan within the specified time	Submission of each plan and observation	5% of base fee for not meeting requirements.
SOW: Section VI, Subparagraph 9.0 Performance Evaluation Meetings	Contractor Project Manager to meet with County Contract Manager at regularly scheduled meetings	Attendance at meetings	$50 per occurrence
SOW: Section VI, Subparagraph 10.0 Annual Program Performance Meeting	Contractor Project Manager to meet with County Contract Manager to discuss program performance and review annual report	Attendance	$100 per occurrence

TECHNICAL EXHIBIT 3

PERFORMANCE GUARANTEES

LTD PERFORMANCE GUARANTEES

Mail an Application

Contractor shall mail the LTD application to a Non-MegaFlex employee within seven (7) calendar days of receipt of absence report from County.

Minimum Results: 98%

LTD application sent prior to the end of STD for MegaFlex employees

LTD application shall be sent in a timely manner (defined as "with sufficient time to conduct the LTD claim evaluation and reach the LTD decision by the end of the elimination period").

Minimum Results: 98%

Initial Action

Initial action within one (1) working day of receipt of new claim, partial claim, or supplemental information on a previously pended claim. ("Initial action" means "communication of a claim decision, or a request or notification of the additional information needed to complete processing of the claim".)

Minimum Results: 98%

Contractor completes input in computer system of data on new claim within one (1) working day of receipt of all necessary information.

Minimum Results: 98%

Initial Decision

Initial decision made within three (3) working days of receipt of complete application.

Minimum Results: 98%

Claim Denial

Denial of claim issued within ten (10) calendar days of receipt of complete application.

Minimum Result: 98%

Monthly

In cases where claimant has an open workers' compensation claim, monthly status checks are to be made of the workers' compensation system to ensure duplicate benefits are not being paid.

Minimum Result: 98%

Two Year Review

Two year decision review completed at eighteen (18) months. Notify claimant, CEO and departmental Return-to-Work Coordinator of decision to continue or deny benefits beyond twenty-four (24) months.

Minimum Result: 98%

Decision Accuracy

Accurate claims decisions (defined as "with complete file documentation that supports the decision, evidence of consistency in disability management procedures, guidelines and protocols resulting in appropriate duration authorizations and decisions, good use of in-house and outside resources to resolve complex claims, ongoing claim handling coordinated with other entities [e.g. workers' compensation] as appropriate".)

Minimum Result: 98%

Calculation Accuracy

Initial calculation of benefits done correctly, including application of offsets as appropriate, and benefits paid to proper payee.

Minimum Result: 98%

Recalculating Accuracy

If recalculations of benefits are correct, the offsets are pursued, the offsets correctly include prorating if applicable, and overpayments are calculated accurately and pursued timely. (Timely means the initial request is made within ten (10) calendar days of receipt of information that revealed the overpayment.)

Minimum Result: 98%

Ongoing Payments

Ongoing claim payments made in a timely fashion when due (defined as "with complete file documentation that supports the claim authorization and handling, evidence of consistency in disability management procedures, guidelines and protocols resulting in appropriate duration and offset authorizations and decisions, good use of in-house and outside resources to resolve complex claims, ongoing claim handling coordinated with other entities [e.g. workers' compensation] as appropriate".)

Minimum Result: 98%

Communications

Claim decision communicated to claimant within three (3) working days of decision, telephone calls returned within twenty-four (24) hours, denial letters contain specific reference to policy provisions and file documentation relied upon.

Minimum Result: 98%

Reports

Produced and sent to County within ten (10) calendar days of the end of the reporting period.

Minimum Result: 98%

Total LTD Performance Guarantees

Minimum Results: 95%

Penaltiy

Failure to meet the total LTD minimum Performance Guarantees will result in pay back service fees of 5% of annual revenue generated by this component of the Contract.

STD PERFORMANCE GUARANTEES

Data Input

Contractor completes input in system of data on new claim or partial claim within one (1) working day of receipt of the information.

Minimum Result: 98%

Accuracy Rate

File documentation accuracy means that all appropriate material supporting documentation addressing medical and offset evaluations and evidence of the claim analyst's decision and the basis for that decision is in the file.

Minimum Result: 98%

Claim processing accuracy means the claim decision is correct based on the documentation, the claim management plan is appropriate to the claim, communications address the decision basis, pertinent plan provisions and claim material relied upon for the decision.

Minimum Result: 98%

Additional Information

Additional information required to render initial claim decision is requested within one (1) day of receipt of the initial claim correspondence.

Minimum Result: 98%

Claim Denial

Within ten (10) calendar days of receipt of complete claim, prepare a claim denial to the employee, include reason for the denial, the applicable plan provisions that have not been met, and the appeal procedures.

Minimum Result: 98%

Claim Packet

Complete claim packet for initial STD correspondence to employee provided within one (1) working day from initial employee contact.

Minimum Result: 98%

Voucher Production

STD voucher (representing initial claim decision) produced within one (1) working day of receipt of employee's and physician's reports that establish a basis for authorization of STD benefits.

Minimum Results: 98%

Ongoing Voucher Production

Ongoing claim vouchers sent in a timely fashion, when due.

Minimum Results: 98%

STD Extension

An extension denial letter is sent within ten (10) calendar days of complete medical evidence.

Minimum Results: 98%

STD approval sent within three (3) working days of decision.

Minimum Results: 98%

LTD Application Sent

LTD application sent within four (4) months of receipt of STD benefits.

Minimum Results: 98%

Accuracy

Accurate claims decisions and benefit calculations (defined as "with complete file documentation that supports the decision, evidence of consistency in disability management procedures, guidelines and protocols resulting in appropriate duration and offset authorizations and decisions, good use of in-house and outside resources to

resolve complex claims, ongoing claim handling coordinated with other entities [e.g. workers' compensation] as appropriate:.)

Minimum Results" 98%

Communications

Claim decision is communicated to claimant within one (1) working day of receipt of complete claim documents, telephone calls are returned within twenty-four (24) hours, denial letters contain specific reference to policy provisions and file documentation relied upon.

Minimum Result: 98%

Reports

Produced and sent to County within ten (10) calendar days of the end of the reporting period.

Minimum Results: 98%

Total STD Performance Guarantees

Minimum Results: 95%

Penalty

Failure to meet the total STD minimum Performance Guarantees will result in pay back service fees of 5% of the annual revenue generated by this component of the Contract.

SB PERFORMANCE GUARANTEES

Initial Action

Initial action within five (5) working days of receipt of new claim, partial claim, or supplemental information on a previously pended claim. (This includes information needed from Auditor-Controller, LACERA, and payroll department. Death certificate, marriage certificate and affidavit from surviving spouse requested within five (5) working days. Death certificate, guardianship papers and affidavit from surviving child's guardian requested within five (5) days of receipt of completed claim.)

Minimum Results: 98%

Initial Decision

Correct, supported by appropriate file documentation.

Minimum Results: 98%

Calculation Accuracy

Correct, reflecting plan provisions and file documentation.

Minimum Results: 98%

Annual Verification

Secure annual verification from each beneficiary; if child or stepchild beneficiary over age 18, secure school enrollment verification form.

Minimum Results: 98%

Send termination letter to each child or stepchild beneficiary within ten (10) calendar days of benefit termination.

Minimum Results: 98%

When benefits are paid to more than one child beneficiary and the number of qualified beneficiaries changes, recalculate benefits within ten (10) calendar days of the change.

Minimum Results: 98%

Reports

Produced and sent to County within ten (10) calendar days of the end of the reporting period.

Minimum Results: 98%

Total SB Performance Guarantees

Minimum Results: 95%

Penalty

Failure to meet the total SB minimum Performance Guarantees will result in pay back of 5% of annual revenue generated by this component of the Contract.

Technical Exhibit 4

Program Workload Statistics

Technical Exhibit 4A

COUNTY OF LOS ANGELES WORKFORCE AND NUMBER OF EMPLOYEES ELIGIBLE FOR LTD/SIB/STD PLAN BENEFITS

COUNTY OF LOS ANGELES WORKFORCE
AND NUMBER OF EMPLOYEES ELIGIBLE FOR
LTD/SB/STD PLAN BENEFITS
As of June 30, 2013

1. Total County workforce eligible for either LTD/SB and/or STD/LTD Plans: 81,733

2. Employees eligible for Non-MegaFiex LTD/SB Plan (approx.): 70,256

3. Employees participating in MegaFlex LTD/STD Plan:

4.. LTD: 10,308

STD: 11,477

70%- 14 day waiting period:	6,017
100% - 7 day waiting period:	5,460
Number of County Departments:	37

Technical Exhibit 4B

LTD AND SIB WORKLOAD STATISTICS

FOR 5 YEARS

EMPLOYER: COUNTY OF LOS ANGELES

2008 LTD and SIB Workload Statistics

2008	LTD Claims		·Survivor Claims		Mega LTD Claims	
MONTH	New Claims	*Open Claims	New Claims	*Open Claims	New Claims	*Open Claims
Jan	358	1510	38	1086	17	127
Feb	169	1509	11	1083	13	129
Mar	239	1502	14	1081	8	127
Apr	443	1519	26	1095	11	128
May	203	1486	21	1099	9	128
Jun	44	1499	13	1095	6	123
Jul	413	1491	28	1105	13	124
Aug	124	1488	7	1110	9	123
Sep	208	1474	10	1108	8	120
Oct	237	1479	19	1103	15	123
Nov	143	1476	7	1102	6	122
Dec	309	1465	10	1103	24	126
Total	2890	17898	204	13170	139	1500

* Claim status determined at the end of each month. Open claims status includes pending, active, and suspended claims

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EMPLOYER: COUNTY OF LOS ANGELES

2009 LTD and SIB Workload Statistics

2009	LTD Claims		Survivor Claims		Mega LTD Claims	
MONTH	New Claims	*Open Claims	New Claims	*Open Claims	New Claims	*Open Claims
Jan	206	1478	18	1108	4	123
Feb	188	1493	31	1130	6	119
Mar	174	1482	37	1134	8	116
Apr	103	1462	17	1127	14	123
May	57	1458	14	1121	10	123
Jun	148	1467	46	1130	21	133
Jul	344	1465	72	1146	9	137
Aug	284	1462	21	1143	17	130
Sep	360	1480	20	1133	10	125
Oct	33	1486	24	1132	10	125
Nov	225	1510	8	1126	6	122
Dec	249	1526	68	1151	26	144
Total	2371	17769	376	13581	141	1520

* Claim status determined at the end of each month. Open claims status includes pending, active,and suspended claims

EMPLOYER:COUNTY OF LOS ANGELES

2010LTD and SIB Workload Statistics

2010	LTD Claims		Survivor Claims		Mega LTD Claims	
MONTH	New Claims	*Open Claims	New Claims	*Open Claims	New Claims	*Open Claims
Jan	240	1513	6	1141	16	155
Feb	216	1526	53	1166	7	151
Mar	214	1524	20	1168	7	142
Apr	193	1497	18	1170	20	152
May	113	1480	13	1158	8	148
Jun	38	1480	27	1148	17	151
Jul	103	1473	21	1151	9	148
Aug	45	1477	28	1161	7	142
Sep	153	1457	18	1157	14	142
Oct	330	1464	17	1156	9	135
Nov	204	1455	26	1158	18	146
Dec	172	1487	29	1165	3	143
Total	2021	17833	276	13899	135	1755

* Claim status determined at the end of each month. Open claims status includes pending, active, and suspended claims

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EMPLOYER:COUNTY OF LOS ANGELES

2011LTD and SIB Workload Statistics

2011	LTD Claims		Survivor Claims		Mega LTD Claims	
MONTH	New Claims	*Open Claims	New Claims	*Open Claims	New Claims	*Open Claims
Jan	217	1528	29	1164	25	154
Feb	318	1548	4	1163	12	148
Mar	200	1570	37	1174	6	146
Apr	112	1604	38	1183	20	166
May	221	1598	39	1189	10	168
Jun	160	1618	21	1187	23	176
Jul	53	1607	30	1181	16	176
Aug	272	1591	23	1185	14	176
Sep	124	1581	33	1194	2	167
Oct	52	1561	6	1199	7	151
Nov	153	1540	25	1201	23	168
Dec	42	1532	19	1194	22	184
Total	1924	18878	304	14214	180	1980

* Claim status determined at the end of each month. Open claims status includes pending, active, and suspended claims

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EMPLOYER:COUNTY OF LOS ANGELES

2012LTD and SIB Workload Statistics

2012	LTD Claims		Survivor Claims		Mega LTD Claims	
MONTH	New Claims	*Open Claims	New Claims	*Open Claims	New Claims	*Open Claims
Jan	306	1512	50	1214	17	181
Feb	181	1511	31	1212	9	181
Mar	229	1499	17	1214	10	171
Apr	186	1507	10	1204	10	174
May	120	1485	51	1221	22	184
Jun	53	1473	25	1217	11	171
Jul	51	1468	19	1229	17	176
Aug	58	1477	17	1225	18	189
Sep	65	1489	24	1226	16	188
Oct	86	1456	23	1223	19	185
Nov	70	1453	31	1225	17	182
Dec	93	1460	23	1231	11	184
Total	1498	17790	321	14641	177	2166

* Claim status determined at the end of each month. Open claims status includes pending, active,and suspended claims

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Technical Exhibit 4C

STD DISABILITY WORKLOAD STATISTICS

FOR 5 YEARS

EMPLOYER: COUNTY OF LOS ANGELES
SHORT-TERM DISABILITY WORKLOAD STATISTICS 2008 TO 2012

	New Complete Claims	New Half Claims	Total New Claims	New Claims Processed	Open Claims*	Claims Closed First Time
2008	753	27	780	678	124	625
2009	792	18	810	740	171	630
2010	816	15	831	786	171	678
2011	885	22	907	817	182	741
2012	902	25	927	819	185	709

* Claim status determined at the end of each year. Open claims status includes pending, active, and suspended claims

	New Valid Vouchers	New Voided Vouchers	Total New Vouchers	New Appeals Received	Appeals Upheld	Appeals Reversed
2008	3373	53	3426	99	53	42
2009	3633	40	3673	70	42	31
2010	3864	21	3885	70	47	20
2011	3996	17	4013	78	66	6
2012	4314	26	4340	65	60	8

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Technical Exhibit 5

SUMMARY OF LTD AND SURVIVOR BENEFITS

HEARINGS FOR 2 YEARS

EMPLOYER: COUNTY OF LOS ANGELES

SUMMARY OF LTD HEARINGS

CLAIM NBR	APPEAL LETTER RCD DATE	PRE HEARING CONFERENCE DATE	HEARING DATE	DECISION DATE	DECISION	CURRENT STATUS AS OF 9/13/2013
910377	01/03/11	03/04/11	06/23/11	08/05/11	UPHELD	Denied
883180	01/06/11	01/21/11	No Hearing	05/19/13	UPHELD	Terminated
291944	01/29/11	03/25/11	03/25/11	04/18/11	UPHELD	Terminated
955857	06/23/11	08/31/11	11/21/11	11/29/11	OVERTURNED	Approved
337543	07/25/11	09/08/11	No Hearing	09/15/11	UPHELD	Terminated
953234	07/28/11	08/26/11	11/22/11	01/05/12	UPHELD	Denied
967575	09/26/11	11/30/11	02/08/12	03/23/12	UPHELD	Denied
860019	10/25/11	11/18/11	01/24/12	02/15/12	UPHELD	Denied
941716	10/25/11	11/18/11	02/03/12	03/31/12	UPHELD	Denied
877314	10/28/11	12/22/11	05/24/12	06/08/12	UPHELD	Terminated
915404	11/01/11	12/22/11	02/29/12	03/28/12	OVERTURNED	Terminated
932001	12/14/11	01/04/12	03/23/12	05/07/12	UPHELD	Terminated
945342	12/28/11	02/03/12	03/23/12	05/11/12	OVERTURNED for review	Suspended
887321	12/29/11	02/02/12	05/02/12	06/18/12	OVERTURNED	Approved
967639	01/04/12	07/10/12	No Hearing	08/27/12	OVERTURNED	Terminated
955583	01/09/12	01/24/12	05/08/12	06/20/12	UPHELD	Denied
918897	03/09/12	04/17/12	07/10/12	08/23/12	UPHELD	Terminated
881601	03/14/12	04/06/12	06/08/12	06/26/12	UPHELD	Denied
889366	04/13/12	05/24/12	08/10/12	08/24/12	UPHELD	Denied
953242	04/16/12	05/11/12	07/27/12	09/10/12	OVERTURNED	Terminated
953968	04/30/12	05/24/12	08/10/12	09/24/12	REMANDED/OVERTURNE	Suspended
292120	05/07/12	06/14/12	10/19/12	12/03/12	OVERTURNED/partial	Approved
990644	05/23/12	08/17/12	No Hearing	12/17/12	UPHELD	Denied
988914	06/05/12	11/09/12	No Hearing	02/28/13	UPHELD	Denied
953814	06/16/12	08/10/12	10/18/12	12/10/12	UPHELD	Denied
950001	07/05/12	08/10/12	10/19/12	11/09/12	UPHELD	Terminated
980084	07/24/12	10/26/12	02/01/13	02/26/13	UPHELD	Denied
930550	07/31/12	10/18/12	01/11/13	01/25/13	OVERTURNED	Terminated
897041	08/16/12	02/05/13	02/05/13	03/22/13	UPHELD	Terminated
990110	08/17/12	10/23/12	12/06/12	01/25/13	OVERTURNED	Terminated
964616	08/20/12	10/26/12	02/01/13	03/29/13	OVERTURNED	Terminated
976443	10/03/12	11/09/12	01/16/13	02/11/13	OVERTURNED/partial	Approved
992626	10/17/12	11/27/12	No Hearing	03/28/13	UPHELD	Denied