



SACHI A. HAMAII
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 March 26, 2019

CELIA ZAVALA
EXECUTIVE OFFICER

March 05, 2019

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 TO EXECUTE FOUR CONTRACTS FOR WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION SERVICES (ALL DISTRICTS – 3 VOTES)

SUBJECT

This recommendation by the Chief Executive Officer (CEO) seeks the Board's approval to execute four (4) contracts for County of Los Angeles' (County) Workers' Compensation Claims Third-Party Administration (WCTPA) Services, for a five-year term and to exercise up to three (3), one-year optional extensions for a maximum contract term through June 30, 2027. The initial annual cost of the agreements is \$39,642,416.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the CEO, or designee, to execute four (4) contracts under the County Managed Solution, Tier One Model, substantially similar to Exhibit II (attached), for the provision of WCTPA Services. Two of the four contracts are with York Risk Services Group (York), for Units A and B; and two of the four contracts are with Sedgwick Claims Management Services, Inc. (Sedgwick), for Units C and D, with a five-year term of July 1, 2019 through June 30, 2024, and a maximum contract cost of \$206,412,768; which is one hundred (100) percent offset by the Workers' Compensation Operating Budget.
2. Delegate authority to the CEO, or designee, to exercise three (3), one-year contract extensions ending June 30, 2027, through an amendment at the beginning of the applicable agreement term, and increasing the maximum contract sum by \$136,531,446; to a total four contracts maximum sum of \$342,944,214; which is one hundred (100) percent offset by the Workers' Compensation Operating Budget, and subject to review and approval as to form by County Counsel.

3. Delegate authority to the CEO, or designee, to approve and execute amendments and change notices pursuant to the contracts' provisions; and/or provide an increase or decrease in funding up to 15 percent above or below the total contract sum to ensure compliance with Federal, State, or County regulations, or modification to the program requirements upon amendment execution and/or at the beginning of the applicable term, subject to review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Workers' compensation claims management activities, as established in Los Angeles Code Section 5.31.050, which states the Director of Personnel (delegated to the CEO) shall establish, administer, and operate, as part of the Countywide safety program, a complete self-insured workers' compensation system to ensure the full provision of benefits under the law to employees whose injuries arise out of and in the course of employment. WCTPA Services were selected through a competitive solicitation process, and current contractors were approved by the Board as follows: Unit A and B were Board approved on September 17, 2013, with York and Tristar Risk Management (Tristar), respectively; Unit C was Board approved on October 13, 2015, with Tristar; and Unit D was Board approved on August 13, 2013, with Sedgwick.

Approval of the first recommended action will allow the CEO to enter into four (4) new contracts for the continuation of vital WCTPA Services with: 1) York for Tier One, Unit A; 2) York for Tier One, Unit B; 3) Sedgwick for Tier One, Unit C; and 4) Sedgwick for Tier One, Unit D. The four (4) contracts under the Tier One Model use the County Managed Claims Administration System, whereby third-party administrators (TPAs) of the County's Self-Insured Workers' Compensation Claim Administration Program (WC Program) administer the County's WC Program by using a County-contracted workers' compensation claim administration system. The current contracts expire on June 30, 2019. The County's WC Program is organized into four (4) units; each unit is comprised of designated County departments and their respective claims. One (1) TPA contractor will administer each unit. The proposed contracts will address the provision of TPA services using the County's workers' compensation claim administration system and a cost reduction approach while serving the interest of the injured workers, County departments, and the CEO Risk Management Branch, and ensure a pay-for-performance relationship.

The second and third recommended actions will extend the term of the contracts for up to three (3), one-year extensions, allow for an increase or decrease in funding with respect to service delivery or modifications in regulations, and enable the CEO, or designee, to execute future amendments to transfer workload between WCTPA contractors upon any disruption of contractors' operation. While the County is under no obligation to pay the contractors beyond what is identified in the original executed agreement, the County may determine that the contractors have provided evidence of eligible costs for qualifying contracted services, and that it is in the County's best interest to increase the maximum contracts' obligation, as it is determined that funds should be reallocated. This recommendation has no impact on net County cost.

Implementation of Strategic Plan Goals

The services provided under these contracts support the County's Strategic Plan Goal III – Realize Tomorrow's Government Today, by providing vital workers' compensation services through an independent contractor to improve the effectiveness of Countywide risk management activities.

FISCAL IMPACT/FINANCING

Annual funding of \$39,642,416 is included in the Fiscal Year 2019-20 Budget for workers' compensation TPA services under the four (4) new contracts with Sedgwick and York. The total maximum obligation for the five-year term is \$206,412,768; which is one hundred (100) percent offset by the Workers' Compensation Operating Budget. Funding for the three (3), one-year renewal options of \$136,531,446 will also be funded by the Workers' Compensation Operating Budget in future budget cycles. Funding allocations are detailed in Exhibit I (attached). Payment allocations have no direct impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CEO finds, pursuant to Section 44.7 of the Los Angeles County Charter, Los Angeles County Code 2.121.250, and as authorized by Government Code 31000.8, as well as a State-mandated insurance program, that the Board may award contracts for services provided by an independent contractor or private firm.

The County's WC Program is the largest of any local governmental entity in California, and is responsible for the administration of approximately 32,000 open workers' compensation claims. Statutorily mandated benefits are currently administered through partnerships with three TPAs (Sedgwick, Tristar, York) under four contracts. CEO WC On-Site County Representatives (OSCRs) provide on-site assistance to TPA staff, County departments, and injured workers. In addition, OSCRs authorize high value payment transactions and act as liaisons between departments, defense counsel, and TPAs. County Counsel staff and contracted defense attorneys provide legal support.

The WCTPA contracts contain all required Board-mandated provisions. The provision of services by the new contractors under the recommended contract is set forth in the Los Angeles County Fiscal Manual, Section 12.2.0. The new contractors have agreed to comply with those requirements.

County Counsel has reviewed and approved Exhibits I and II as to form and concurs with the recommendations, policies, and legal requirements herein.

CONTRACTING PROCESS

The Request for Proposals (RFP) for WCTPA Services was released on December 29, 2017. The RFP was posted on the Internal Services Department (ISD) website, 20 potential proposers were emailed, and, in December 2017, advertisements from the Daily Journal Corporation were placed in the Los Angeles Times, San Gabriel Valley Tribune, Daily News Los Angeles, Long Beach Press Telegram, La Opinion, and the Los Angeles Sentinel. A Proposers Conference was conducted on February 7, 2018, where 13 firms attended. On March 14, 2018, five (5) proposals were received.

As specified in the RFP document, the Evaluation Review Process consisted of the following components:

1. Adherence to Minimum Requirements (Pass-Fail) – CEO determined that all five (5) proposals met the minimum qualifications to be assigned a "pass" and advanced to the internal and external evaluation process.

2. Business Proposal Review (8,000 Points) – This portion of the evaluation was reviewed and scored by high-level County staff consisting of four (4) evaluators, each from various departments that utilize the services (hereafter “external evaluators”), with education, County-tailored training, work experience in the subject matter, and with significant investment in its success:

a. Proposals were evaluated by the external evaluators from the Departments of CEO, Fire, Registrar-Recorder/County Clerk, and Public Social Services. Each external evaluator was screened for conflicts of interest prior to being accepted as an external evaluator. Each external evaluator was provided with an overview, including roles and responsibilities, evaluation scoring tools/instructions, and the evaluation methodology prior to reviewing/scoring any of the proposals.

b. External evaluators scored proposals individually, in accordance with County Contracting Guidelines, conducted an independent review of the proposals, and then participated in a group discussion. The evaluation tool was developed using the Informed Averaging Methodology, pursuant to Board Policy No. 5.054.

c. A pre-evaluation meeting was held on March 22, 2018, where proposal evaluation instructions were provided, confidentiality agreements were established, and certifications to conflict-of-interest and disclaimer statements were ascertained. Informed averaging meetings were held on June 12, 2018, June 21, 2018, July 24, 2018, July 26, 2018, and July 31, 2018. Demonstrations and Oral Presentations were held on August 2, 2018, August 3, 2018, August 6, 2018, August 29, 2018, and August 30, 2018. A final wrap-up meeting was held on September 11, 2018. Final evaluation results are from the four (4) external evaluators that participated in all 12 in-person meetings.

3. Cost Proposal Review (2,000 Points) – Cost proposals were reviewed and scored accordingly by internal evaluators. CEO followed all provisions in accordance with Board Policy No. 5.055, Services Contract Solicitation Protest Implementation Guidelines.

4. Debrief Meeting – There was one (1), non-selected proposer that requested a debriefing meeting and was given the opportunity to complete the Notice of Intent (NOI) to request a Proposed Contractor Selection Review (PCSR).

5. Negotiations – CEO entered and completed negotiations with the selected vendors, Sedgwick and York, on November 7, 2018 and November 8, 2018, respectively.

6. Protest “PCSR” Process – The one (1), non-selected proposer timely submitted the NOI to request a PCSR and later submitted seven (7) assertions by November 30, 2018. The County provided responses to the PCSR on December 17, 2018.

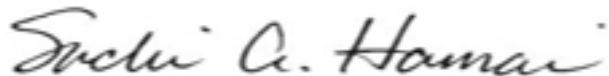
7. Protest “County Independent Review (CIR)” Process – The non-selected proposer submitted a request for a CIR on January 4, 2019. CEO submitted the CIR responses to ISD for review on January 16, 2019. ISD provided all material to CIR for review on January 27, 2019. The reviewer from CIR, County Counsel, and ISD determined on February 4, 2019, to uphold the CEO’s recommendation for award.

The results of the CIR were sent to the protesting incumbent contractor before CEO placed the recommendation for contract award on the Board’s agenda. The transition process of these critical risk services over the next 81 business days, through the term ending June 30, 2019, will provide a seamless continuity of services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval to execute the four (4) new contracts will allow the CEO to continue to provide uninterrupted, cost-effective, high-quality, and State-mandated WCTPA Services. Implementation of these contracts will not have any adverse impact on current services.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer

SAH:JJ

STR:AR:KS:KSJ:sg

Enclosures

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

WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION ALLOCATION CHART

BASE CONTRACT TERMS

FISCAL YEARS (FYs) ↓	DESIGNATED UNITS AND CONTRACTOR				FY TOTALS ↓
	UNIT A YORK	UNIT B YORK	UNIT C SEDGWICK	UNIT D SEDGWICK	
2019-20	\$ 11,901,170	\$ 6,771,198	\$ 12,341,428	\$ 8,628,620	\$ 39,642,416
2020-21	\$ 12,198,699	\$ 6,940,478	\$ 12,464,842	\$ 8,714,906	\$ 40,318,925
2021-22	\$ 12,503,667	\$ 7,113,990	\$ 12,714,139	\$ 8,889,204	\$ 41,221,000
2022-23	\$ 12,816,258	\$ 7,291,840	\$ 12,968,422	\$ 9,066,988	\$ 42,143,508
2023-24	\$ 13,136,665	\$ 7,474,136	\$ 13,227,790	\$ 9,248,328	\$ 43,086,919
UNIT TOTALS →	\$ 62,556,459	\$ 35,591,642	\$ 63,716,621	\$ 44,548,046	\$ 206,412,768

EXTENSION TERMS

FISCAL YEARS (FYs) ↓	DESIGNATED UNITS AND CONTRACTOR				FY TOTALS ↓
	UNIT A YORK	UNIT B YORK	UNIT C SEDGWICK	UNIT D SEDGWICK	
2024-25	\$ 13,465,081	\$ 7,660,989	\$ 13,624,624	\$ 9,525,778	\$ 44,276,472
2025-26	\$ 13,801,708	\$ 7,852,514	\$ 14,033,362	\$ 9,811,551	\$ 45,499,135
2026-27	\$ 14,146,751	\$ 8,048,827	\$ 14,454,363	\$ 10,105,898	\$ 46,755,839
UNIT TOTALS →	\$ 41,413,540	\$ 23,562,330	\$ 42,112,349	\$ 29,443,227	\$ 136,531,446

CONTRACT MAXIMUM ALLOCATION PER UNIT

ALL FISCAL YEARS	UNIT A YORK	UNIT B YORK	UNIT C SEDGWICK	UNIT D SEDGWICK	CONTRACT MAXIMUM TOTAL ↓
UNIT TOTALS →	\$ 103,969,999	\$ 59,153,972	\$ 105,828,970	\$ 73,991,273	\$ 342,944,214



AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
(CONTRACTOR)
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION SERVICES

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- A Statement of Work
- B Pricing Schedule
- C Contractor's Proposed Schedule
- D Contractor's EEO Certification
- E County's Administration
- F Contractor's Administration
- G Form(s) Required at the Time of Contract Execution
- H Jury Service Ordinance
- I Safely Surrendered Baby Law

UNIQUE EXHIBITS

PROP A - LIVING WAGE PROGRAM EXHIBITS

- J **INTENTIONALLY OMITTED**
- K **INTENTIONALLY OMITTED**
- L **INTENTIONALLY OMITTED**

FORMS REQUIRED AT THE COMPLETION OF THE CONTRACT INVOLVING INTELLECTUAL PROPERTY DEVELOPED-DESIGNED BY CONTRACTOR


- M1 **INTENTIONALLY OMITTED**
- M2 **INTENTIONALLY OMITTED**
- M3 **INTENTIONALLY OMITTED**

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) AGREEMENT

- N Business Associate Agreement under the Health Insurance Portability and
Accountability Act of 1996 (HIPAA)

SB 1262 – NONPROFIT INTEGRITY ACT OF 2004

- O **INTENTIONALLY OMITTED**

CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND

FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION SERVICES

This Agreement for Workers' Compensation Claims Third-Party Administration Services (as further defined below "Agreement") is made and entered into this ____ day of _____, 2019 by and between the County of Los Angeles (hereinafter referred to as "County"), and _____, hereinafter referred to as "Contractor". _____ is located at _____.

When used herein, the term "Agreement" includes the body of this Agreement and all exhibits ("Exhibit(s)"), attachments ("Attachment(s)"), scheduled ("Schedule(s)") appended to this Agreement; additional documents that the parties identify and agree to incorporate herein by reference; and all Amendment(s), Change Notice(s), and Change Order(s) (all as defined below) executed in accordance with the terms hereof. In the event of a conflict between the body of this Agreement and any Exhibit, Attachment, Schedule, or incorporated material, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits, Attachments, and Schedules in the order of priority set forth in Paragraph 1.0 (Applicable Documents) below.

RECITALS

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

WHEREAS, the Contractor is a private firm specializing in providing Workers' Compensation Claims Third Party Administration Services; and

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

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

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

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K L, M, N and O are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of 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 - Contractor's Proposed Schedule
- 1.4 Exhibit D - Contractor's EEO Certification
- 1.5 Exhibit E - County's Administration
- 1.6 Exhibit F - Contractor's Administration
- 1.7 Exhibit G - Forms Required at the Time of Contract Execution
- 1.8 Exhibit H - Jury Service Ordinance
- 1.9 Exhibit I - Safely Surrendered Baby Law

Unique Exhibits:

Prop A - Living Wage Program

- 1.10 Exhibit J - **INTENTIONALLY OMITTED**
- 1.11 Exhibit K - **INTENTIONALLY OMITTED**

1.12 Exhibit L - **INTENTIONALLY OMITTED**

Intellectual Property Developed-Designed by Contractor Forms

1.13 Exhibit M - **INTENTIONALLY OMITTED**

Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) Agreement

1.14 Exhibit N - Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

SB 1262 - Nonprofit Integrity Act of 2004

1.15 Exhibit O - **INTENTIONALLY OMITTED**

Compliance with County's Defaulted Property Tax Reduction Program

1.16 Exhibit P - Default Property Tax Reduction Program

This Contract constitutes 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 Paragraph 8.1 (Amendments) and signed by both parties.

2.0 DEFINITIONS

2.1 Standard Definitions:

2.1.1 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.

2.1.1.1 **Contract:** This agreement executed between County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services and other work.

- 2.1.1.2 **Contractor:** The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this contract.
- 2.1.1.3 **Statement of Work:** The directions, provisions, and requirements provided herein and special provisions pertaining to the method, frequency, manner and place of performing the contract services.
- 2.1.1.4 **Subcontract:** An agreement by the contractor to employ a subcontractor to provide services to fulfill this contract.
- 2.1.1.5 **Subcontractor:** Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to contractor in furtherance of contractor's performance of this contract, at any tier, under oral or written agreement.
- 2.1.1.6 **Board of Supervisors (Board):** The Board of Supervisors of the County of Los Angeles acting as governing body.
- 2.1.1.7 **County Project Manager:** Person designated by County's Project Director to manage the operations under this contract.
- 2.1.1.8 **County Contract Project 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.
- 2.1.1.9 **County Project Director:** 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.
- 2.1.1.10 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.1.1.11 **Contractor Project Manager:** The person designated by the Contractor to administer the Contract operations under this Contract

2.1.1.12 **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.
- 3.3 County shall have sole discretion to reassign any or all work under this Contract to another contracted vendor(s) if County deems it to be in its best interest.
- 3.4 Departments are divided into four distinct units: Unit A, Unit B, Unit C, and Unit D. Departments served under Unit A are as follows:

UNIT A	
Sheriff	Sheriff's Inmates

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be five (5) years commencing after execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 The County shall have the sole option to extend this Contract term for up to three (3) additional one (1) year periods, for a maximum total Contract term of eight (8) years. Each such extension option may be exercised at the sole discretion of the Board of Supervisor that delegated authority to the Chief Executive Officer.

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

5.0 CONTRACT SUM

5.1 Total Contract Sum

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

5.2 Written Approval for Reimbursement

- 5.2.1 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 person or 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 not occur except with the County's express prior written approval.

5.3 Notification of 75% of Total Contract Sum

- 5.3.1 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 sum under this Contract. Upon occurrence of this event, the Contractor shall send written notification to CEO, Risk Management Branch at the address herein provided in Exhibit E, County's Administration.

5.4 No Payment for Services Provided Following Expiration-Termination of Contract

- 5.4.1 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:

Workers' Compensation Claims Third-Party Administration
County Contract Administrator
Chief Executive Office, Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

5.5.6 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County's Project 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 Small Business Enterprises (LSBEs) will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice.

5.6 INTENTIONALLY OMITTED

5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer

5.7.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/ contract with the County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

5.7.2 The Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

5.7.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.7.4 At any time during the duration of the agreement/contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 County Administration

6.1.1 A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit E - County's Administration. The County will notify the

Contractor in writing of any change in the names or addresses shown.

6.2 County's Project Director

6.2.1 The role of the County's Project Director may include:

6.2.1.1 Coordinating with Contractor and ensuring Contractor's performance of the Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and

6.2.1.2 Upon request of the Contractor, providing direction to the Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event, shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.3 County's Project Manager

6.3.1 The role of the County's Project Manager is authorized to include:

6.3.1.1 Meeting with the Contractor's Project Manager on a regular basis; and

6.3.1.2 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

The County's Project 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.

6.4 County's Contract Project Monitor

6.4.1 The role of the County's Project Monitor is to oversee the day-to-day administration of this Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited

thereby. The Project Monitor reports to the County's Project Manager.

6.5 Onsite County Representative

6.5.1 The Onsite County Representative is responsible for overseeing the day-to-day administration of this Contract. The Onsite County Representative reports to the CCA.

6.6 County Risk Manager

6.6.1 Ensuring that the objectives of this Contract are met; and

6.6.2 Providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor Administration

A listing of all of Contractor's Administration referenced in the following paragraphs is designated in Exhibit F (Contractor's Administration). The Contractor will notify the County in writing of any change in the names or addresses shown.

7.2 Contractor's Project Manager

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

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

7.3 Approval of Contractor's Staff

7.3.1 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.

7.4 Contractor's Staff Identification

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

- 7.4.1 Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County facility. Contractor personnel may be asked by a County representative to leave a County facility if they do not have the proper County ID badge on their person and Contractor personnel must immediately comply with such request.
- 7.4.2 Contractor shall notify the County within one business day when staff is terminated from working under this Contract. Contractor shall retrieve and return an employee's County ID badge to the County on the next business day after the employee has terminated employment with the Contractor.
- 7.4.3 If County requests the removal of Contractor's staff, Contractor shall retrieve and return an employee's County ID badge to the County on the next business day after the employee has been removed from working on the County's Contract.

7.5 Background and Security Investigations

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

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

Contractor's staff any information obtained through the County's background investigation.

- 7.5.2 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.
- 7.5.3 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.5 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.6 Confidentiality

- 7.6.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.
- 7.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any

injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

- 7.6.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.6.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit G1.
- 7.6.5 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 authority to execute Amendments must be authorized or delegated to County departments by the Board of Supervisors. For any change which affects the scope of work, term, contract sum, payments, or any term or condition included under this Contract, an amendment to the Contract shall be prepared and executed by the Contractor and by Chief Executive Officer as authorized by the Board of Supervisors.
 - 8.1.1.1 The County reserves the right to initiate Change Notices that do not affect the scope of work, term, Contract Sum or payments. All such non-material changes shall be accomplished with an executed Change Notice signed by Contractor and County Risk Manager.
- 8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the contractor and by Chief Executive Officer as authorized by the Board of Supervisors.

8.1.3 The Chief Executive Officer as authorized by the Board of Supervisors., may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4 - 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 Chief Executive Officer as authorized by the Board of Supervisors.

8.2 Assignment and Delegation/Mergers or Acquisitions

8.2.1 The contractor shall notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.

8.2.2 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 paragraph, 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 delegatee 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.

8.2.3 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.

8.2.4 Any assumption, assignment, delegation, or takeover of any

of the contractor's duties, responsibilities, obligations, or performance of same by any person or 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

8.3.1 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

8.4.1 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

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

8.5.2 Complaint Procedures

- 8.5.2.1 Within thirty (30) business days after the Contract effective date, the contractor shall provide the County with the contractor's policy for receiving, investigating and responding to user complaints.
- 8.5.2.2 The County will review the contractor's policy and provide the contractor with approval of said plan or with requested changes.
- 8.5.2.3 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.
- 8.5.2.4 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.
- 8.5.2.5 The Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within five (5) business days of receiving the complaint.
- 8.5.2.6 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.
- 8.5.2.7 Copies of all written responses shall be sent to the County's Project Manager within three (3) business days of mailing to the complainant.

8.6 Compliance with Applicable Law

- 8.6.1 In the performance of this Contract, contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by contractor, its officers,

employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to contractor's indemnification obligations under Paragraph 8.6 (Compliance with Applicable Law) 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 to 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

8.7.1 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 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 paragraph, "contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any twelve (12) month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (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 paragraph. The provisions of this paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If 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 paragraph 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 paragraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoff or Re-Employment List

8.10.1 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 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 and BSERVICES@WDACS.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.

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

8.12.4.1 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.

8.12.4.2 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.

8.12.4.3 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.

8.12.4.4 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.

8.12.4.5 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.

8.12.4.6 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 Safely Surrendered Baby Law

8.13.1 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 Exhibit I, 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. Information and posters for printing are available 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 contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting

the contractor's duty under this Contract to comply with all applicable provisions of law, the contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Quality Assurance Plan

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

8.16 Damage to County Facilities, Buildings or Grounds

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

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

8.17 Employment Eligibility Verification

8.17.1 The contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the

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

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

8.18 Facsimile Representations

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

8.19 Fair Labor Standards

- 8.19.1 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 paragraph 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 Paragraph 7.6 (Confidentiality).

8.23 Indemnification

8.23.1 The contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (County Indemnitees) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County indemnitees.

8.24 General Provisions for all Insurance Coverage

8.24.1 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 Paragraphs 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.

8.24.2 Evidence of Coverage and Notice to County

- 8.24.2.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the contractor’s General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- 8.24.2.2 Renewal Certificates shall be provided to County not less than ten (10) days prior to contractor’s policy expiration dates. The County reserves the right to obtain complete, certified copies of any required contractor and/or subcontractor insurance policies at any time.
- 8.24.2.3 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 dollars (\$50,000), and list any County required endorsement forms.
- 8.24.2.4 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.

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

County of Los Angeles, Chief Executive Office
Risk Management Operations
3333 Wilshire Boulevard, Suite 820
Los Angeles, California 90010
Attention: Contract Unit

8.24.2.6 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.

8.24.3 **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.

8.24.4 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.

8.24.5 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.

8.24.6 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.

8.24.7 Contractor's Insurance Shall Be Primary

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

8.24.8 Waivers of Subrogation

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

8.24.9 Subcontractor Insurance Coverage Requirements

Contractor shall include all subcontractors as insureds under contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor 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.

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

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

8.24.11 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.

8.24.12 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.

8.24.13 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.

8.24.14 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.

8.24.15 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 one million (\$1,000,000) 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 **Unique Insurance Coverage**

- 8.25.4.1 **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.

8.25.4.2 **Professional Liability-Errors and Omissions**

Insurance covering contractor's liability arising from or related to this Contract, with limits of not less than two million dollars (\$2,000,000) per claim and four million dollars (\$4,000,000) 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.

8.25.4.4 **Crime Coverage**

A Fidelity Bond or Crime Insurance policy with limits of not less than Five Million Dollars (\$5,000,000) per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to contractor, and apply to all of contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.4.5 **Technology Errors & Omissions Insurance**

Insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services

provided by the vendor with limits of not less than \$10 million.

8.25.4.6 Performance Security Requirements:

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

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

B. Certificate of Deposit (CD) of Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County of Los Angeles upon demand in an amount not less than three (3) months of the contract value. Such CD or LOC shall Contract.

8.26 Liquidated Damages

8.26.1 If, in the judgment of the Department Head, or his/her designee, the contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head, or his/her 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 Department Head, or his/her designee, determines that there are deficiencies in the performance of this Contract that the Department Head, or his/her designee, deems are correctable by the contractor over a certain time span, the Department Head, or his/her 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 Department Head, or his/her designee, may: (a) Deduct from the contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars (\$100 per day per infraction), or as specified in the Appendix B, SOW Technical Exhibit 2 (Performance Requirements Summary (PRS) Chart) hereunder, and that the contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the contractor; and/or (c) Upon giving five (5) days notice to the contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the contractor from the County, as determined by the County.

8.26.3 The action noted in Paragraph 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 Paragraph 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 Paragraph 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

8.27.1 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 Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

8.28.7 If the County finds that any provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) 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

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

8.30 Notice of Delays

8.30.1 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

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

8.32 Notice to Employees Regarding the Federal Earned Income Credit

8.32.1 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

8.33.1 The contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit I, Safely Surrendered Baby Law of this Contract. Additional information is available at www.babysafela.org.

8.34 Notices

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

8.35.1 Notwithstanding the above, the contractor and the County agree that, during the term of this Contract and for a period of one (1) 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 Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.
- 8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 Publicity

- 8.37.1 The contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the contractor from publishing its role under this Contract within the following conditions:
- 8.37.1.1 The contractor shall develop all publicity material in a professional manner; and
- 8.37.1.2 During the term of this Contract, the contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's

Project 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 Paragraph 8.37 (Publicity) shall apply.

8.38 Record Retention and Inspection-Audit Settlement

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

8.38.2 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) 8.38.3 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 Recycled Bond Paper

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

8.40 Subcontracting

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

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

8.40.2.1 A description of the work to be performed by the subcontractor;

8.40.2.2 A draft copy of the proposed subcontract; and

8.40.2.3 Other pertinent information and/or certifications requested by the County.

- 8.40.3 The contractor shall indemnify, defend, 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's Project Director 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. Before any subcontractor employee may perform any work hereunder, contractor shall ensure delivery of all such documents to:

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

8.41.1 Failure of the contractor to maintain compliance with the requirements set forth in Paragraph 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 Paragraph 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:

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

8.42.2.2 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 Paragraph 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's Project Director:

8.43.1.1 Contractor has materially breached this Contract;
or

8.43.1.2 Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or

8.43.1.3 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 Paragraph 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 paragraph.

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 Paragraph 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 paragraph, 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 Paragraph 8.43 (Termination for Default) it is determined by the County that the contractor was not in default under the provisions of Paragraph 8.43 (Termination for Default) 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 Paragraph 8.42 (Termination for Convenience).

8.43.5 The rights and remedies of the County provided in this Paragraph 8.43 (Termination for Default) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

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

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

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

8.45 Termination for Insolvency

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

- 8.45.1.1 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;

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

- 8.45.1.3 The appointment of a Receiver or Trustee for the contractor; or

- 8.45.1.4 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 Paragraph 8.45 (Termination for Insolvency) 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

- 8.46.1 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

8.47.1 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

8.48.1 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

8.49.1 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 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

8.51.1 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

8.52.1 Failure of contractor to maintain compliance with the requirements set forth in Paragraph 8.51 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of contractor to cure such default within 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.

8.53 Time Off for Voting

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

8.54 Compliance with County's Zero Tolerance Policy on Human Trafficking

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

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

8.55 INTENTIONALLY OMITTED

8.56 Compliance with Fair Chance Employment Practices

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph 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.

8.58 Compliance with the County Policy of Equity

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 INTENTIONALLY OMITTED

9.2 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and

Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). Under this Agreement, the Contractor provides services to the County and the Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit N in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit N, "Business Associate Under Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

9.3 Ownership of Materials, Software and Copyright

- 9.3.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work 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.
- 9.3.2 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.
- 9.3.3 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.
- 9.3.4 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.

9.3.5 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.

9.3.6 All the rights and obligations of this Paragraph 9.3 shall survive the expiration or termination of this Contract.

9.4 INTENTIONALLY OMITTED

9.5 INTENTIONALLY OMITTED

9.6 Data Destruction

Contractor(s) and Vendor(s) that have maintained, processed, or stored the County of Los Angeles' ("County") data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*. Available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special

Publication SP-800-88, *Guidelines for Media Sanitization*. Vendor shall provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

9.7 INTENTIONALLY OMITTED

9.8 INTENTIONALLY OMITTED

9.9 INTENTIONALLY OMITTED

Signatures

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed by the County's Chief Executive Officer and Contractor has caused this Agreement to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

CONTRACTOR

By _____
Sachi A. Hamai
Chief Executive Officer

By _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
Mary C. Wickham
County Counsel

By _____
Behnaz Tashakorian
Senior Deputy County Counsel

**STATEMENT OF WORK
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

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INTENTIONALLY OMITTED

STATEMENT OF WORK (SOW)

1.0 SCOPE OF WORK

The Contractor(s) shall provide workers' compensation claims administration services for all existing claims as well as all reopened or new claims reported during the Contract period for designated County departments. These County departments are referenced in Appendix B, Statement of Work (SOW) Technical Exhibit 4 of this Request for Proposal.

The Contractor(s) shall provide these services in accordance with the following standards:

1. Those specific standards and requirements set forth in this Request for Proposal.
2. To the extent a specific standard or requirement is not set forth in this Request for Proposal, those standards and requirements set forth in the State of California workers' compensation statutes, codes, regulations, or other governing statutes and regulations, including any amendment to these statutes and regulations during the term of this Request for Proposal.
3. To the extent a specific standard or requirement is not set forth in this Request for Proposal or the governing statutes and regulations, the specific standard or requirement set forth in the Change Notice signed by the County's Contract Administrator (CCA) and the Contractor(s)'s Contract Manager.

1.1 Certification

Contractor(s) shall possess a valid "Certificate of Consent to Administer Self-Insured Employers Workers' Compensation Claims." Possession of such certificate shall be required during the entire contracted period of performance. A separate certificate is required for each adjusting location operated by Contractor (Labor Code Section 3702.1).

1.2 Program Development

Contractor(s)'s responsibilities include the following:

- 1.2.1 Monthly review of procedures and practices with County personnel to ensure that the County's Workers' Compensation Program is in compliance with State requirements as well as with sound workers' compensation claims management as determined by the County.

1.2.2 Provide assistance in changing County policy and procedures to implement legislative changes or State rules and regulations which impact the County's Workers' Compensation Program.

1.3 Claims Management

Contractor(s)'s responsibilities include the following:

1.3.1 Determine compensability of injuries and illnesses within 90-days of the date of employer's knowledge of injury obtained from any source or in accordance with law.

1.3.1.1 The claims examiner shall submit to the Onsite County Representative (OSCR) a checklist in the form indicated in Appendix B (SOW Technical Exhibit 5) for all delayed claims at the following intervals subject to change at the discretion of the CCA:

1.3.1.1.1 30-days from the date of employer's knowledge of injury

1.3.1.1.2 90-days from the date of employer's knowledge of injury

1.3.1.1.3 Upon acceptance or denial of claim

1.3.1.1.4 All psychiatric claims prior to the recommendation of acceptance

1.3.2 Determine compensability of injuries and illnesses in accordance with workers' compensation laws.

1.3.2.1 Obtain a timely medical report and/or an appropriate employer-level investigation addressing the issue Arising Out of Employment (AOE), and in the Course of Employment (COE)

1.3.2.2 Where there is evidence that a claimed injury is not work related, deny the claim within 90-days of the date of employer's knowledge of injury in accordance with law.

1.3.3 Determine eligibility for and authorize temporary disability compensation benefits in accordance with medical evidence and return to work efforts. At no cost to the County, the Contractor(s) shall report all workers' compensation claims to the Insurance Services Office (ISO), Inc. – ISO Claims Search.

1.3.4 Obtain County approvals in accordance within the authority limits established by the CCA prior to the negotiation of any compromise and release agreement.

- 1.3.5 Determine the extent and degree of permanent disability, utilizing, as necessary, consultative ratings from the Disability Evaluation Unit, or rating experts subject to OSCR approval.
- 1.3.6 Authorize payments in accordance with approval limits established by the CCA for due and payable statutory benefits and other expenses.
 - 1.3.6.1 Ensure indemnity benefits are paid accurately by completing a Balance Sheet Appendix (SOW Technical Exhibit 6) in accordance with County procedures and time frames.
- 1.3.7 Investigate as necessary and appropriate all claim-related issues in order to assist in the mitigation and litigation of cases and in the proper referral of suspected fraudulent cases.
- 1.3.8 Take all necessary actions to assist the County in pursuing third-party subrogation, restitution, excess insurance, and/or contribution recoveries.
- 1.3.9 Make available to the long-term and short-term disability claims adjusting contractor(s) copies of the employee's report of injury and medical reports from the workers' compensation file, as appropriate.
- 1.3.10 Provide the County assistance in returning injured employees to their usual and customary or modified/alternate assignments in a timely manner.
- 1.3.11 If required by the County, review and process defense attorney invoices.

1.4 Medical Control

Contractor(s)'s responsibilities include the following:

- 1.4.1 Monitor treatment programs for injured or ill employees, including review of all medical reports to ensure reasonable fees, appropriate medical care, and determine need for specialty evaluations. Ensure that the treating doctor is complying with the requirements of Title 8, California Code of Regulations, Section 9785.
 - 1.4.1.1 File petition to remove treating doctors who fail to comply with California Code of Regulations, Section 9785.
- 1.4.2 Arrange medical appointments as necessary.
- 1.4.3 Evaluate and make ongoing recommendations for the panel of physicians who are utilized for the treatment of injured employees.

- 1.4.4 Utilize as necessary and appropriate any medical management program established by the County.
- 1.4.5 In accordance with Labor Code Section 4600.4, maintain adequate staffing until 5:30 p.m. to authorize medical treatment.
- 1.4.6 Process bills and liens for medical legal expenses so as to either pay the bill or lien in accordance with the official fee schedule or object to the bill or lien within the period designated by law.
- 1.4.7 Process bills and liens for medical treatment expenses so as to either pay the bill or lien in accordance with the Official Medical Fee Schedule or object to the bill or lien within the period designated by law.
- 1.4.8 Prepare an affidavit regarding resolution of liens and submit the affidavit to defense attorney at least ten (10) days prior to any workers' compensation appeals board (WCAB) conference or trial.

1.5 Customer Service

Contractor(s)'s responsibilities include the following:

- 1.5.1 Provide information and guidance to injured employees on workers' compensation benefits.
- 1.5.2 Identify and assist injured workers and County departments in the equitable resolution of claim issues.
- 1.5.3 At County direction, consult with employee group and County departmental representatives on workers' compensation issues.
- 1.5.4 At the request of the CEO, client departments, or defense attorneys, provide timely responses to inquiries, make available claim status reports, and attend claim status reviews.
- 1.5.5 Respond to all telephone calls and emails within one business day.

1.6 Litigation and Subrogation

County Counsel, or a designated contract law firm, provides legal services for all litigated County workers' compensation claims. Contractor(s)'s responsibilities include the following:

- 1.6.1 Provide all necessary claims information and other assistance to legal counsel for the defense of litigated claims.
 - 1.6.1.1 Provide a copy of all notices of conferences, mandatory settlement conferences, hearings, or trials before the WCAB to County Counsel within five days from date of receipt.

- 1.6.1.2 Prepare and send litigation files to County Counsel within 30 days from the date the WCAB application or any notice of representation is received.
 - 1.6.1.3 Forward all medical reports and correspondence to County's defense attorney within fourteen days from date of receipt.
 - 1.6.1.4 Provide the County's defense attorney with a summary of all indemnity benefits paid along with a completed balance sheet at least ten days prior to any mandatory settlement conferences.
 - 1.6.1.5 Respond in a timely manner to requests made by County's defense attorney.
- 1.6.2 Monitor and report all claims with subrogation potential to designated Chief Executive Office, Risk Management Branch (CEO, RMB) staff. Take all necessary actions to facilitate subrogation recovery. In compliance with County guidelines, refer subrogation files to County Counsel for assignment. Provide necessary information and assistance to legal counsel assigned to the subrogation claim.

1.7 Return-to-Work Program

Under direction of CCA, Contractor(s) will support County departments to ensure implementation of the County's Return-To-Work Program, and compliance with statutory requirements. Contractor(s)'s responsibilities include the following:

- 1.7.1 Utilize evidence-based disability guidelines (MD Guidelines, Official Disability Guidelines, etc.) to facilitate and expedite return-to-work efforts.
- 1.7.2 Actively communicate with the primary treating physician to determine if the injured worker's condition permits return to modified, alternative, or regular work.
- 1.7.3 Provide County departments with accurate work restriction letters within 10 days of receipt of pertinent information.
- 1.7.4 Assist County departments as necessary in their efforts to return injured workers to safe and productive employment.

1.8 Special Investigation Unit (SIU)

Contractor(s)'s responsibilities include the following:

- 1.8.1 Within 30 days of contract inception, develop written policies and procedures relating to the identification, investigation, and prosecution of

potential fraud cases. Within 60 days of contract inception, provide training on such policies.

1.8.2 Assign Contractor(s) staff person to oversee all matters relating to SIU operations.

1.8.3 Report all potentially fraudulent acts to appropriate CEO-RMB staff immediately upon identification.

1.8.4 Maintain status logs and report quarterly to appropriate CEO-RMB staff.

1.9 Claims Payments

Contractor(s) shall authorize and input payments as directed by the CCA using the County-approved claims administration system.

1.9.1 Claims Processing

Contractor(s)'s responsibilities include the following:

1.9.1.1 Establish and maintain control and payment procedures to evaluate and process County workers' compensation claims in accordance with Section 31000.8 of the Government Code.

1.9.1.2 Enter accurate payment information into the County-approved workers' compensation claims administration system for benefits and expenses relating to workers' compensation claims.

1.9.1.3 Ensure adequate processes and separation of duties exist to prevent fraud and abuse. Such internal control processes shall be subject to review and approval by appropriate CEO-RMB staff.

1.10 Establish of Checking Account

At the County's sole discretion, a zero-balance based checking account shall be established that Contractor(s) will utilize for the purpose of issuing checks. Such checking account will be an Imprest Fund Bank Account, which shall be reimbursed in accordance with California Government Code Section 31000.8, and shall be subject to audit control by the County.

1.10.1 Checks

Contractor(s) shall use check numbers in sequence and shall not sign checks in advance or make payable to cash. All unused checks shall be safeguarded to ensure that unauthorized access is precluded. Contractor(s) shall void any checks that are not cashed within 60 days of issuance. All check copies shall be retained for at least five (5) years

from date of issuance in accordance with California Government Code Section 26907.

1.10.2 Reconciliation

Contractor(s) shall reconcile funds received and disbursed from the Imprest Fund Bank Account in accordance with a schedule and format established by the County. This reconciliation includes a detailed check register with the following items:

- Payee
- Pay amount
- Check date
- Check number
- Claim number
- Pay category

1.11 Physical Security

The Contractor(s) shall be responsible for safeguarding all County claims and property in the Contractor(s)'s care, custody, and control in accordance with the County's Information Security and Privacy Requirements (SOW Technical Exhibit 7). At the close of each workday, checks, claims, files, supplies, equipment, and computer access shall be secured by the Contractor(s).

1.12 Data Security

Contractor(s) shall be responsible for restricting access to claims, files, applications, and computer systems only to authorized persons in accordance with the County's Information Security and Privacy Requirements (SOW Technical Exhibit 7).

1.13 Reporting Requirements

Contractor(s) shall furnish upon County's request loss runs for managerial, loss control, actuary, or financial purposes. The actuarial reports shall be electronically transmitted to County's designated actuary in the format required by the actuarial firm. Prior to contract implementation, the Contractor(s) and the CCA shall prepare a list of reports to be provided by the Contractor(s) within established timeframes. The County reserves the right to request additional reports and changes to existing reports during the term of this Contract.

1.14 Case File Record Retention

All medical only claim files will be retained for ten (10) years from the date of injury. All claim files with permanent disability payments or awards for lifetime medical treatment shall be retained until no future benefits can be claimed or provided. In no case shall an indemnity claim file be destroyed within ten (10) years of the date of injury or five (5) years from the last payment activity. No claim files will be destroyed without CCA approval and the Contractor(s) will be responsible for storage of all files within the above criteria during the term of this contract.

1.15 Staffing/Organization

The Contractor(s) shall be responsible for providing sufficient and competent staff to fulfill the contract objectives and establishing an effective management and organizational structure. Adjustments in staffing based upon fluctuations in caseload shall be subject to approval of CCA. Contractor(s) shall staff:

- at least one non-caseload carrying contract manager;
- at least one non-caseload carrying quality assurance auditor at the level of a claims supervisor;
- at least one non-caseload carrying claims supervisor for every six (6) claims examiners;
- at least one claims assistant for every two claims examiners; and,
- one clerk for every four claims examiners.

Average caseloads for Contractor(s) claims examiners shall not exceed 150 open indemnity claims.

Claims assistants shall be capable of handling medical only claims and other support duties.

Contractor(s)'s claims and management staff shall exclusively administer County cases in a dedicated unit. The Contractor(s) must assure provision of services to the County in the event of an Act of God or employee shortage or strike.

1.15.1 Employee Records

The Contractor(s) 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, current salary, and any additional data on licensing background, behavior, or job performance pertinent to the provision of the contract. The Contractor(s) 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.

1.16 Medical Cost Containment

Contractor(s) shall use medical management programs established by the County that include bill review, utilization review, medical provider network, nurse case management, and pharmacy benefit management. Prior to contract implementation, the Contractor(s) and the CCA shall establish guidelines to ensure the appropriate coordination of such programs.

1.17 Authority Limits

The CCA shall establish a schedule of authority limits for Contractor(s) personnel Appendix B (SOW Technical Exhibit 8).

1.18 Negotiations

Contractor(s) shall obtain written approval from a designated County representative prior to lump-sum negotiations for any amount exceeding TPA authority limits established by the CCA.

1.19 Support Services

The County has contracts with a number of private firms to provide medical management and cost containment services. The Contractor(s) shall use only those firms approved by the County. Contractor(s) shall establish and maintain panels of firms that provide services peripheral to the management of workers' compensation claims: AOE/COE and sub-rosa investigation services, record copying services, subpoena services, ergonomic vendors, etc. Contractor(s) shall ensure such firms provide quality services at competitive prices. Contractor(s) shall have no interest, direct or indirect, in the panel firms. The panels shall be submitted to the CCA at the inception of the Contract. Contractor(s) shall immediately notify the CCA of any additions to the panels. At the CCA's request, Contractor(s) shall immediately remove any firm from the panels. The County retains the right to contract for services addressed in this paragraph. Outside investigation services shall be employed only when necessary and only with the Claims Supervisor's authorization. Documentation of assignment shall include specific reasons for referral and direction provided for investigator's activities.

1.20 Workers' Compensation Claims Administration System (WCCAS)

The Contractor(s) shall interface with the County's WCCAS by provision of a local area network, having (minimally) 1-gigahertz (GHz) 32-bit (x86) processor or 1-GHz 64-bit (x64) processor with 1 GB of system memory with Windows 7 operating system or later running IE 11 or above, and ethernet connection (or other acceptable connection) and an internet broadband connection interface having sufficient bandwidth to achieve optimal processing in the Windows

environment. The equipment list to connect to workers' compensation claims administration system is provided in Appendix B, SOW Technical Exhibit 7 of this Contract. Should County deem Contractor(s)s computer interface to be insufficient to achieve optimal processing of County claims, Contractor(s) shall upgrade the deficient equipment or electronic interface capabilities to the satisfaction of the County at Contractor(s)'s sole expense. Should County change its WCCAS during the term of this Contract, Contractor(s) shall interface with the County's new system at Contractor(s)'s sole expense.

1.21 Computer Data Maintenance

Contractor(s) shall accurately input and update claims administration data fields in a timely manner.

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

2.1 All changes must be made in accordance with sub-paragraph 8.1 Amendments of the Contract.

3.0 **QUALITY CONTROL PLAN**

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

1. Method of monitoring to ensure that Contract requirements are being met;
2. Designated staffing and training;
3. Compliance with financial accounting standards, and identification and prevention of deficiencies in the quality of services performed;
4. Contractor(s) engaged independent public accounting firm to perform annual Service Organization Controls report (SOC 1). The Contractor(s) shall submit the SOC 1 report to the County within seven days of receipt.
5. A record of all inspections conducted by the Contractor(s), any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the County upon request.

4.0 **COUNTY'QUALITY ASSURANCE PLAN**

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

4.1 **Monthly Meetings** Contractor(s) is required to attend a scheduled monthly meeting. Failure to attend will cause an assessment of One Hundred dollars (\$100.00).

4.2 **Contract Discrepancy Report (Appendix B, SOW Technical Exhibit 1)**

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor 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(s).

The County Contract Project Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor(s) is required to respond in writing to the County Contract Project 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 Project Monitor within **ten (10)** workdays from receipt of document.

Continued failure on the part of the Contractor(s) to perform at an acceptable level may constitute grounds for contract termination.

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

4.4 **County Quality Assurance Monitoring Plan (QAMP)**

4.4.1 The evaluation of the Contractor(s)'s compliance to the requirements outlined in the Contract may be performed through the use of County staff and/or an independent firm.

4.4.1.1 Inspection of files, databases, logs, reports and other information.

4.4.1.2 An annual comprehensive audit, Audit Manual, Appendix B, (SOW Technical Exhibit 9) of services provided beginning the second year of this Contract.

4.4.1.3 An inspection of the appropriate employment documentation to verify that Claims Staff meet the minimum qualifications and experience.

4.4.1.4 An evaluation of complaints regarding services provided by Contractor(s).

- 4.4.1.5 Other methods deemed by the County to be appropriate for the evaluation of the Contractor(s)'s work or financial performance.

5.0 **DEFINITIONS**

5.1 **Acceptable Quality Level (AQL)**

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

5.2 **Addendum**

A document added to or supplanting portions of this Request for Proposal or a document added to or supplanting portions of the proposal submitted by the Contractor(s).

5.3 **Allocated Expenditures**

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all carve-out fees or expenses; Workers' Compensation Appeals Board or court costs; fees for service of process; fees to attorneys and paralegals; the cost of investigators; the cost of employing independent experts; the cost for record copying services; the cost of depositions and court reporter fees; and any similar cost or expenses properly chargeable to the defense of a particular claim or to protect the subrogation rights of the County. Generally, the above services are typically not performed by the Contractor(s) responsible for administration of the claim file. "Allocated Loss Expense" is not included in the fee paid to the Contractor(s).

5.4 **Base Fee**

The Base Fee is the flat, annual fee for the provision of all services. It includes all takeover (assumption) and transition costs. The Base Fee is subject to increase or decrease in accordance with Appendix A, Section 14.0 of this Statement of Work.

5.5 **Chief Executive Office (Department)**

The Department of the Chief Executive Office of the County of Los Angeles.

5.6 **Chief Executive Officer (CEO)**

The Chief Executive Officer of the County of Los Angeles.

5.7 Contract Discrepancy Report

The Contract Discrepancy Report (Appendix B, SOW Technical Exhibit 1) is a report used by the Onsite County Representative to record contract information regarding discrepancies or problems with the Contractor(s)'s performance. If the Contractor(s)'s performance is judged unsatisfactory, the Onsite County Representative may forward a Contract Discrepancy Report to the Contractor(s) for response.

5.8 Contract Start Date

Contractor(s)'s delivery of services hereunder shall commence at a date mutually agreeable to the parties but in no event, shall the implementation date be later than 12:01 a.m., January 1, 2019.

5.9 Contractor(s)'s Contract Manager

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

5.10 Contractor(s)'s Quality Control Plan

This term shall mean all measures taken by Contractor(s) to assure that the services described in this Appendix A (SOW Section 1.0, Scope of Work) are provided at the highest possible level of quality.

5.11 County

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

5.12 County's Contract Administrator (CCA)

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

5.13 County Counsel

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

5.14 County's Risk Manager

The County's Risk Manager manages the comprehensive Countywide risk management program which includes loss prevention and control, claims and litigation management, risk transfer, risk financing and Risk Management Information System design and management.

5.15 Indemnity Claim

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, liability undetermined, medical costs over \$5,000.00, or designation by the Claims Examiner.

5.16 Medical Only Claim

A non-litigated claim involving only medical payments which are not expected to exceed \$5,000.00. Indemnity payments are not anticipated.

5.17 Onsite County Representative (OSCR)

The Onsite County Representative is a County employee designated as an agent for the County responsible for monitoring the Contractor(s)'s performance, approving over limit payments, advising and training Contractor's staff in County payroll systems, facilitating communication between Contractor(s) and Client County Departments, and other County procedures. At times, this employee may be referred to as "County Liaison."

5.18 Performance Indicators

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

5.19 Performance Requirements Summary (PRS) Chart

A chart located in Appendix B (SOW Technical Exhibit 2), that summarizes adjustments to payments made to Contractor(s) pursuant to Contract Terms and Conditions.

5.20 Quality of Work Performance Requirements Summary (QWPRS)

The document in Appendix B (SOW Technical Exhibit 3), that summarizes the key performance indicators.

5.21 County Quality Assurance Monitoring Plan (QAMP)

The County may use a variety of inspection methods to evaluate the Contractor(s)'s compliance with the Agreement Standard Terms and Conditions (Statement of Work, Paragraph 4.4).

5.22 Quality Control Plan

This term shall mean all measures taken by the Contractor(s) to assure that the quality of services will meet the County's contract requirements regarding timeliness, accuracy, appearance, completeness, consistency, and conformity

to the requirements set forth in the QWPRS, Appendix B, SOW Technical Exhibit 3.

5.23 Random Sample

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

5.24 Risk Management Branch (CEO-RMB)

The organizational unit of the County's Chief Executive Office responsible for administration of the County's workers' compensation program.

5.25 Take Over Claim

Any claim filed prior to the contract start date that requires adjusting services.

5.26 Three Point Contact

This term shall mean telephonic contact by the Contractor(s)'s examiner with the injured employee or his legal representative, the appropriate County department personnel, and the treating physician.

5.27 Workers' Compensation Claims Administration System (WCCAS)

The WCCAS is used to administer County workers' compensation claims, maintain data, initiate payment requests, interface with other systems, generate reports, provide paperless document management capabilities, and comply with mandated State and Federal requirements.

The current WCCAS, ClaimsVision, is licensed to the County as a Software as a Service (SaaS) solution by P&C Insurance Systems, Inc. and provides functional workers' compensation claims administration and information modules. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Chief Executive Office.

5.28 Workday

A normal workday, Monday through Friday, 8:00 A.M. to 5:30 P.M., except County holidays.

6.0 RESPONSIBILITIES

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

COUNTY

6.1 Personnel

- 6.1.1 Monitoring the Contractor(s)'s performance in the daily operation of this Contract.
- 6.1.2 Providing direction to the Contractor(s) in areas relating to policy, information and procedural requirements.
- 6.1.3 Preparing Amendments in accordance with the Appendix C, Sample RFP Agreement, Paragraph 8. Standard Terms and Conditions, Paragraph 8.1 Amendments.

6.1.4 Key County Personnel - County Contract Administrator

- 6.1.4.1 The County shall inform the Contractor(s) of the name, address and telephone number of the CCA in writing at the time the Contract is awarded.
- 6.1.4.2 The CCA or designee shall have authority to monitor the Contractor(s)'s performance in the daily operation of the Contract.
- 6.1.4.3 The CCA or designee shall provide direction to the Contractor(s) in areas relating to County policy and procedural requirements.
- 6.1.4.4 At the CCA's request, the Contractor(s) shall immediately remove any Contractor(s) or Contractor(s)'s subcontractor employee or agent providing services for the County under this Contract.
- 6.1.4.5 In the event of a dispute regarding substantive questions, the CCA's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.
- 6.1.4.6 The CCA 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.

6.2 Furnished Items

6.2.1 Transition

County shall arrange for the release of all case files for pick-up by the Contractor(s) prior to the inception date of the contract. Contractor(s) shall not be reimbursed for any expenses during transition.

6.2.2 Orientation

County will provide orientation for key Contractor(s) personnel prior to the start date of the Contract. Contractor(s) shall not be reimbursed for any expenses during orientation or training.

CONTRACTOR

6.3 **Project Manager (Contractor Contract Manager)**

6.3.1 Contractor(s) shall provide a full-time Project Manager or designated alternate. County must have access to the Project Manager during all hours, 365 days per year. Contractor(s) shall provide a telephone number where the Project Manager may be reached on a twenty-four (24) hours per day basis.

6.3.2 Project Manager shall act as a central point of contact with the County.

6.3.3 Project Manager shall have three (3) years of experience in supervising or managing WC Claims TPA services in California.

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

6.3.5 Project Manager shall meet with the CCA or designee at regularly scheduled intervals, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor(s), and the discussion of policy and procedural matters relevant to the Contractor(s)'s performance.

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

6.3.7 Project Manager and alternative(s)' requirements shall apply to each TPA location.

6.4 **Personnel**

6.4.1 Contractor(s) shall assign a sufficient number of employees to perform the required work. At least one employee on site shall be authorized to act for Contractor in every detail and must speak and understand English.

6.4.2 Contractor(s) shall be required to background check their employees as set forth in Appendix C, Sample RFP Agreement Paragraph 7.5 – Background and Security Investigations, of the Contract.

6.4.3 The Contractor(s) shall provide all personnel necessary to comply with the representations made in Contractor's proposal and addenda thereto as required for services hereunder including Quality of Work Performance Requirements Summary as outlined in Appendix B, SOW Technical Exhibit 3.

6.4.4 Key Contractor Personnel - Contractor Contract Manager [Project Manager]

6.4.4.1 The CCM shall have a minimum of three (3) years' experience managing or supervising third-party administration services for California workers' compensation claims.

6.4.4.2 The Contractor shall provide upon award of Contract the name, address and telephone number of the CCM.

6.4.4.3 The Contractor shall seek approval from the CCA or designee prior to hiring the CCM.

6.4.4.4 The CCM shall be responsible for the daily administration and supervision of program operation. The CCM shall have full authority to act for the Contractor on all contract matters relating to daily operations.

6.4.4.5 The CCM shall be exclusively assigned to the County's account.

6.4.4.6 The CCM shall provide the CCA with the CCM's emergency telephone number and be available between 8:00 A.M. and 5:30 P.M., Monday through Friday except County holidays.

6.4.5 Contractor Personnel - Workers' Compensation Claims Supervisors

6.4.5.1 Claims Supervisors shall have a minimum of five (5) years' experience in adjusting a caseload of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA.

6.4.6 Contractor Personnel - Workers' Compensation Claims Examiners

6.4.6.1 At least 75% of the claims examiners shall have a minimum of three (3) years' experience in the adjustment of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA.

6.4.6.2 Up to 25% of the claims examiners may be examiner trainees. Examiner trainees must receive ongoing training and close supervision. The experience requirements to enter the examiner training program and the training program itself are subject to approval of the CCA. Guidelines for candidate selection into an examiner training program are:

6.4.6.2.1 Two (2) or more years as a Claims Assistant; or

6.4.6.2.2 One (1) year as a Claims Assistant with a Certificate from the Insurance Education Association (IEA) or Self-Insurance Administrator Certificate from the Division of Workers Compensation; or

6.4.6.2.3 One (1) year experience as a Claims Assistant specifically on the County account;

6.4.6.2.4 Equivalent or substitute experience may be approved by the CCA.

6.5 **Uniforms/Identification Badges**

6.5.1 Contractor's employees assigned to County facilities shall wear an appropriate uniform at all times. Uniform is to consist of a shirt with the company name on it. Uniform pants are optional. All uniforms, as required and approved by the Director or his designee, will be provided by and at Contractor's expense.

6.5.2 Contractor shall ensure their employees are appropriately identified as set forth in Appendix C, Sample RFP Agreement Paragraph 7.4 – Contractor's Staff Identification, of the Contract.

6.6 **Materials and Equipment**

Contractor shall purchase and provide any materials, equipment, transportation, supplies, work space, workstations, and furniture necessary to meet the Contract requirements. Contract shall use materials and equipment that are safe for the environment and safe for use by the employee.

6.7 **Training**

6.7.1 Contractor shall provide training programs for all new employees and continuing in-service training for all employees.

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

6.8 Contractor's Office

Contractor shall maintain an office in the County of Los Angeles or in an adjacent County within a 75-mile radius of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, for the administration of County claims. Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. The office shall be staffed during the hours of **8:00a.m. to 5:30p.m.**, Monday through Friday, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. **The Contractor shall answer calls received by the answering service within twenty-four (24) hours of receipt of the call.**

6.9 Courier Service

Contractor shall provide a daily courier service between the Contractor's office and such County offices as are designated in writing by the CCA. A schedule shall be established for the pick-up and delivery of all claim files, mail, and related items.

6.10 Files, Records, and Reports

The Contractor shall maintain accurate and complete workers' compensation claim files, as well as reports of its activities and operations as required under this Contract, including the establishment of protocols for the effective use of the paperless document management system. The Contractor is responsible for the effective and responsive handling of all mail pertaining to County workers' compensation claims. This includes forwarding misdirected mail to the appropriate third-party administrator within five (5) business days.

6.11 Transition

The Contractor shall provide sufficient management support and staffing to affect an orderly transition. The Contractor shall pay any and all expenses involved in transferring case files to the Contractor at the beginning of the Contract.

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

6.12 Work Space for County Staff

Contractor shall provide safe, adequate, and ergonomically sound work stations to include access to the WCCAS, e-mail, and telephone services, and free parking for two full-time OSCRs. Adequate temporary work space and free parking shall be provided for other County staff as necessary.

6.13 Work Space for Fee Review and Case Management Vendors

Contractor shall provide adequate, onsite workspace for case management and fee review personnel if deemed necessary and appropriate by the CCA.

6.14 Contractor – Provided Forms

Contractor shall provide all County or State-required forms (e.g., DWC1, 5020) to client departments.

6.15 Claims Administration Procedure Manual and Business Continuity Plan

Within six (6) months of the inception date of the contract, Contractor shall provide to the CCA a "Claim Administration Procedure Manual" describing policies and procedures for the administration of County cases detailing approval limits, responsibilities, reporting requirements, Quality Control Plan, etc. Such manual shall be provided to and utilized by Contractor staff handling County claims.

In addition, the Contractor will provide to the CCA a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services related to this Contract. The plan shall include the following:

1.21.1 Contractor policies and procedures to assure continued business operations.

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

This plan is subject to the County's review. The County shall neither assume responsibility nor liability for the Contractor's Business Continuity Plan.

6.16 Workers' Compensation Claims Administration System (WCCAS)

At the sole discretion of the County, Contractor shall provide, utilize, and be responsible for a fully functional WCCAS in accordance with Appendix A, SOW, Section 5.0 Definitions, Paragraph 5.14. The system shall have the capability of interfacing with other systems including:

- County's Risk Management Information System (RMIS)
- Medical Management Cost Containment systems
- County's Human Resource systems

Contractor shall be responsible for the conversion to and from their WCCAS. Conversion includes project management, user-training, data mapping, and data validation.

Contractor shall provide OSCRs and other designated County staff system access to claims administration functions including:

- Payment request authorization;
- Report generation;
- View and print notes, correspondence, documentation, financial information, and other claim-related data.

6.17 Training Required for Claims Examiners

Should the Contractor develop, offer, and implement a training program in compliance with California Code of Regulations, Title 10, Chapter 5, Section 2592, the training program shall be made available at no cost to the County to the OSCRs.

7.0 **INTENTIONALLY OMITTED**

8.0 **INTENTIONALLY OMITTED**

9.0 **INTENTIONALLY OMITTED**

10.0 **INTENTIONALLY OMITTED**

11.0 GREEN INITIATIVES

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

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

12.0 PERFORMANCE REQUIREMENTS SUMMARY

12.1 A Performance Requirements Summary (PRS) chart, Appendix B (SOW Technical Exhibit 2), listing required services that will be monitored by the County during the term of this Contract is an important monitoring tool for the County. The chart should:

12.1.1 reference section of the contract

12.1.2 list required services

12.1.3 indicate method of monitoring

12.1.4 indicate the deductions/fees to be assessed for each service that is not satisfactory

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

13.0 PAYMENT AND ADJUSTMENTS TO PAYMENTS

13.1 Payment

13.1.1 Base Monthly

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

13.1.2 Monthly Invoice and Adjustment to Monthly Invoices

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

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

13.1.2.1 The County may reduce the monthly invoice for assessments of adjustments to payments for which the County has notified the Contractor pursuant to Paragraphs 13.2.2 and 13.2.3 of this Section.

13.1.2.2 The County shall increase or reduce the monthly invoice pursuant to the provisions of Paragraphs 14.1, 14.2, and 14.3 of this Section.

13.1.2.3 The County may increase or reduce the monthly invoice pursuant to Paragraphs 14.4, 14.5, 14.6, 14.7, and 14.8 of this Section provided the County has notified the Contractor of its intention to increase or reduce pursuant to these Paragraphs at any time prior to the monthly fees becoming due.

13.1.3 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 in Paragraph 13.2, Adjustments to Payments to Contractor.

13.1.4 The total fees paid will be reduced or increased pursuant to Paragraphs 14.1 through 14.8 of this Section.

13.1.5 The County's payment is subject to adjustment following audit as set forth in Paragraph 15.0.

13.2 Adjustments to Payments to Contractor

The Contractor shall reimburse the County for any overpayment, fine, penalty or other cost incurred due to the Contractor's failure to comply with State of California workers' compensation statutes, codes, regulations, or any term or condition of this Contract.

13.2.1 Such failure includes the following:

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

13.2.1.2 Overpayment of any benefit owed to any applicant, lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Appendix A, Scope of Work, Paragraph 1.0.

13.2.1.3 Excess payment of any benefit to any applicant, lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Appendix A, Scope of Work, Paragraph 1.0.

13.2.1.4 Fines and/or administrative penalties assessed against the County due to the Contractor's failure to comply with the performance standard set forth in Appendix A, Scope of Work, Paragraph 1.0.

No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) occurred during the first four (4) months of the contract term. This provision does not apply if the Contractor administered the claims subject to this contract in the preceding contract period.

13.2.2 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to Paragraph 13.2. The Contractor shall have 60 calendar days to respond in writing to the notice. If the Contractor does not respond to the notice within 60 days, the Contractor

may lose its right to dispute the assessment. The response shall include one or more of the following:

- 13.2.2.1 Evidence that a penalty was not incurred or an overpayment or excess payment was not made.
- 13.2.2.2 Evidence that the Contractor's act(s) and/or omission(s) did not cause the penalty, overpayment, or excess payment.
- 13.2.2.3 Evidence that Contractor obtained prior written approval from an authorized County official.

13.2.3 Second Level 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 second-level dispute resolution process will be conducted. The CCA or designee and an appropriate Contractor designee shall review the evidence and resolve the dispute. The second level dispute resolution process shall be completed within 60 calendar days.

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

14.0 PERFORMANCE INCENTIVES

14.1 At sole discretion of the County, performance and financial incentives shall be applied as follows:

Performance Index (%)	Adjustments (%)
< 76.5%	Decrease of 3.0% of Base Fee
≥ 76.5% but < 80%	Decrease of 1.0% of Base Fee
≥ 80% but < 85%	Revenue neutral
≥ 85 but < 90%	Increase of 0.5% of Base Fee
≥ 90% but < 95%	Increase of 1.0% of Base Fee
≥ 95%	Increase of 1.5% of Base Fee

14.2 The performance index shall be determined by random-sample audits of services provided beginning the second year of this Contract for compliance with standards set forth in the Quality of Work Performance Requirements Summary described in Appendix B, SOW Technical Exhibit 3. The CCA may update the areas to be audited and the factors to be considered in determining the performance index.

14.3 Any increase or decrease under Sub-paragraph 14.1 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 60 days after the County submits the

final audit results, or by equal monthly installments over a one-year period commencing within the same 60-day period.

14.4 Fee Reduction for Failure to Meet Staffing Levels

If Contractor staffing levels do not meet the requirements of Appendix A, Section 1.0, Scope of Work, Paragraph 1.15, County may reduce Contractor's monthly invoice by \$8,500.00 for each aggregate thirty (30) calendar days a position is vacant.

14.5 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 A, Section 6.0, Responsibilities, Paragraph 6.15 are not developed and actively implemented within six (6) months of contract inception, payments shall be reduced to Base Fee less 1% until these requirements are met.

14.6 Fee Reduction for Failure to Timely Forward Litigation File

For every litigation file submitted to County Counsel more than 45 days after receipt of the WCAB application or any notice of representation, the County shall reduce Contractor's current monthly invoice by \$1,000.00.

No reduction in Contractor's fees is required under this section during the first four months of the Contract term. This clause does not apply if the Contractor administered the claims subject to this contract in the preceding contract period.

14.7 Fee Reduction for Failure to Make a Liability Decision within 90 days of Date of Employer's Knowledge of Injury.

For every claim where the Contractor fails to make a liability decision within 90 days of the date of employer's knowledge of injury, County shall reduce Contractor's monthly invoice by \$1,000.00. This fee reduction shall not apply to claims where the date of employer's knowledge of the injury is more than 30 days prior to the date of Contractor's knowledge of the injury.

No reduction in Contractor's fees is required under this section during the first four months of the Contract term. This clause does not apply if the Contractor administered the claims subject to this contract in the preceding contract period.

14.8 The reductions in Paragraphs 14.4 through 14.7 are separate and distinct from any reduction or increase provided for in Paragraphs 14.1 through 14.3, inclusive. These reductions shall be in addition to any adjustment under Paragraph 13.2.

15.0 ADJUSTMENT TO PAYMENTS FOLLOWING AN AUDIT

If, at any time during the term of this Contract or five 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 CCA's option, shall be either: (1) repaid forthwith by the Contractor to the County by cash payment, or (2) credited against any future payments hereunder to the Contractor, if any.

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.

15.1 Open claims reduction will be determined upon mutual agreement between County and Contractor.

STATEMENT OF WORK EXHIBITS

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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 _____

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 4.0, Term of Contract Subparagraph 4.3	Contractor shall notify CCA when this Contract is within six (6) months of the expiration of the term.	Ensure notification to CCA when this Contract is within six (6) months of the expiration of the term as provided for hereinabove.	100%	Receipt and review of records	\$50 per occurrence per day Contractor lapsed notification.
Contract, Paragraph 5.0, Contract Sum, Subparagraph 5.3, Notification of 75% of Total Contract Sum Subparagraph 5.3.1	Contractor shall notify County when it has incurred seventy-five percent (75%) of the total contract sum under this Contract.	Ensure notification to Risk Management Branch, CCA when 75% of contract sum is incurred.	100%	Receipt and review of records	\$50 per occurrence per day Contractor lapsed notification.
Contract, Paragraph 5.0, Contract Sum, Subparagraph 5.5, Invoice and Payments Subparagraph 5.5.4	Contractor shall submit the monthly invoices to the County by the 15 th calendar day of the month following the month of service.	Ensure monthly invoices are received by the 15 th calendar day of the following month.	100%	Receipt and review of records	\$50 per occurrence per day Contractor lapsed submission.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 7.0, Administration of Contract - Contractor Subparagraph 7.1, Contractor's Project Manager Subparagraph 7.2.1	Contractor shall notify County in writing of any change in the name or address of the Contractor's Project Manager.	Ensure notification to Risk Management Branch, CCA when change occurs.	100%	Receipt and review of records	\$50 per occurrence per day Contractor lapsed notification.
Contract, Paragraph 7.0, Administration of Contract - Contractor Subparagraph 7.4, Contractor's Staff Identification Subparagraph 7.4.2	Contractor shall notify County within one (1) business day when staff is terminated from working under this Contract. Contractor shall retrieve and return an employee's County ID badge to the County on the next business day after the employee has terminated employment with the Contractor.	Ensure notification to Risk Management Branch, CCA when staff terminated.	100%	Receipt and review of records	\$50 per occurrence per day Contractor lapsed notification.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.5, Complaints Subparagraph 8.5.2.1	Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints within thirty (30) business days after the Contract effective date	Ensure Contractor submits the Complaint policy	100%	Receipt and review of records	\$100 per occurrence of failed compliance.
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.5, Complaints Subparagraph 8.5.2.3	Contractor shall make changes as requested by County to the compliant policy and resubmit within five (5) business days for County approval.	Ensure Contractor resubmits the Complaint policy	100%	Receipt and review of records	\$50 per occurrence of failed compliance.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.5	Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.	Ensure notification of the status of the investigation	100%	Receipt and review of records	\$100 per occurrence of failed compliance.
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.7	Contractor shall send copies of all written responses to the County's Project Manager within three (3) business days of mailing to the complainant.	Ensure copies of all written responses to the County's Project Manager	100%	Receipt and review of records	\$50 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraphs 8.24.2.1 and 8.24.2.2	Contractor shall provide certificate(s) of insurance coverage (Certificates) satisfactorily to County, and a copy of an Additional Insured endorsement confirming County and its Agents. Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration date.	Ensure copies of all Certificates and Additional Insured endorsements on County files are current	100%	Receipt and review of records	\$100 per occurrence of failed compliance.
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraph 8.24.4, Cancellation of or Change 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 at least ten (10) days in advance of cancellation for non-payment or premium and thirty (30) days in advance for any other cancellation or policy change.	Ensure timely notification of cancellation or any change in the Required Insurance	100%	Receipt and review of records	\$100 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage	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.	Ensure Contractor maintain coverages as stipulated in Contract.	100%	Receipt and review of records	\$100 per occurrence of failed compliance.
Subparagraph 8.24.11, Claims Made Coverage					
Contract, Paragraph 8.0, Standard Terms and Conditions	Contractor shall provide Performance Bond, CD, or LOC.	Ensure timely submission to secure performance.	100%	Receipt and inspection of files, and review of records	\$50 per occurrence, if submitted more than thirty (30) days after contract start date.
Subparagraph 8.25.4.5, Performance Security Requirements					

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.34, Notices	Contractor shall notify County by giving ten (10) days prior written notice of any changes to the Exhibit F – Contractor's Administration.	Ensure timely notification of changes to Contractor's Administration.	100%	Receipt and review of records	\$100 per occurrence of failed compliance.
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.38, Record Retention and Inspection/Audit Settlement	Contractor shall maintain all records as specified	Ensure maintenance of records.	100%	Receipt and inspection of files, and review of records	\$50 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.40, Subcontracting	Contractor shall obtain County's written approval prior to subcontracting any work.	Ensure approval prior to onboarding subcontractor.	100%	Inspection of files, and review of records	\$50 per occurrence; possible termination for default of contract
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.41, Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program	Contractor shall maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program). Contractor shall cure any default of this provision within ninety (90) calendar days of written notice.	Ensure Contractor cure default timely.	100%	Receipt and review of records	Terminate this Contract pursuant to subparagraph 8.43.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
 WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
Contract, Paragraph 8.0, Standard Terms and Conditions Subparagraph 8.53, Time off for Voting	Contractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere seen by employees, information regarding time off for voting law, not less than ten (10) days before every statewide election.	Ensure Contractor posts information as stipulated in contract.	100%	Observe posting	\$50 per occurrence per day of failed posting.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.1, Certification	Contractor shall possess a valid "Certification of Consent to Administer Self-Insured Employers Workers' Compensation Claims." Possession of such certificate shall be required during the entire contracted period of performance. A separate certificate is required for each adjusting location operating by Contractor (Labor Code Section 3702.1).	Ensure Contractor possess appropriate certifications.	100%	Annual review for compliance with this SOW requirement.	\$500 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.2, Program Development Subsection 1.2.1	Contractor shall review procedures and practices with County personnel to ensure that the County's Workers' Compensation Program is in compliance with State requirements on a monthly basis or as determined by County	Ensure Contractor comply with this provision as determined by County.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.3, Claims Management Subsection 1.3.1	Contractor must determine compensability of injuries and illness within 90-days of the date of employer's knowledge of injury obtained from any source or in accordance with law.	Ensure compensability is determined within 90-days	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.3, Claims Management Subsection 1.3.1.1	Contractor must ensure claims examiner shall submit to the OSCR a checklist in the form indicated in for all delayed claims at the following intervals subject to change at the discretion of the CCA: <ul style="list-style-type: none"> • 30-days from the date of employer's knowledge of injury • 90-days from the date of employer's knowledge of injury • Upon acceptance or denial of claim • Psychiatric claims prior to the recommendation. 	Ensure Contractor comply with this provision as determined by County	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.3, Claims Management Subsection 1.3.2.2	Contractor must determine compensability of injuries and illnesses in accordance with WC laws, deny the claim within 90-days where there is evidence that a claimed injury is not work related.	Ensure that all non-work related claimed injuries are denied within 90-days.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.3, Claims Management Subsection 1.3.6	Contractor shall authorize payments in accordance with approval limits established by the CCA for due and payable statutory benefits and other expenses.	Ensure that authorize payments are payable under established guidelines.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.4, Medical Control Subsection 1.4.5	Contractor shall maintain adequate staffing in each location until 5:30 p.m. in accordance with Labor Code Section 4600.4.	Ensure that appropriate staff levels are maintained until 5:30 p.m.	100%	Annual review for compliance with this SOW requirement.	\$500 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.4, Medical Control Subsection 1.4.8	Contractor shall prepare an affidavit regarding the resolution of liens and submit the affidavit to the defense attorney at least ten (10) days prior to any WC advisory board (WCAB) conference or trial.	Ensure affidavits are submitted accordingly.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.5, Customer Service Subsection 1.5.5	Contractor shall respond to all telephone calls and emails within one (1) business day.	Ensure timely response within one (1) business day.	100%	Annual review for compliance with this SOW requirement.	\$25 per occurrence of failed compliance.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.6, Litigation and Subrogation Subsection 1.6.1.1	Contractor shall provide a copy of all notices of conferences, mandatory settlement conferences, hearings, or trials before the WCAB to County Counsel within five (5) days from date of receipt.	Ensure all information is submitted within five (5) days from date of receipt.	100%	Annual review for compliance with this SOW requirement.	\$25 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.6, Litigation and Subrogation Subsection 1.6.1.2	Contractor shall prepare and send litigation files to County Counsel within 30-days from the date the WCAB application or any notice of representation received.	Ensure all information is submitted within 30-days from the date the WCAB application or any notice of representation received.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.6, Litigation and Subrogation Subsection 1.6.1.3	Contractor shall forward all medical reports and correspondence to County's defense attorney within fourteen (14) days from date of receipt.	Ensure all information is submitted within fourteen (14) days from date of receipt.	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.6, Litigation and Subrogation Subsection 1.6.1.4	Contractor shall provide the County's defense attorney with a summary of all indemnity benefits paid along with a completed balance sheet at least ten (10) days prior to any mandatory settlement conferences.	Ensure all information is submitted within ten (10) days prior to any mandatory settlement conferences.	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.7, Return-to-Work Program Subsection 1.7.3	Contractor shall provide County departments with accurate work restriction letters within 10 days of receipt of pertinent information.	Ensure all work restriction letters are submitted within 10 days of receipt of pertinent information.	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.8, Special Investigation Unit Subsection 1.8.1(a)	Contractor shall develop written policies and procedures related to the identification, investigation, and prosecution of potential fraud cases within 30-days of contract inception.	Ensure policy and procedure is developed and submitted for approval within 30-days of contract inception.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.8, Special Investigation Unit Subsection 1.8.1(b)	Contractor shall provide training on the above referenced policy within 60-days of contract inception.	Ensure staff are trained on policy and procedure within 60-days of contract inception.	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.9.1, Claims Processing Subsection 1.9.1.1	Contractor shall establish and maintain control and payment procedures to evaluate and process County Workers' Compensation Claims in accordance with Section 31000.8 of the Government Code.	Ensure payments are processed in accordance with Section 31000.8 of the Government Code.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.10, Establish of Checking Account Subsection 1.10.1, Checks	Contractor shall void any checks that are not cashed within 60 days of issuance. All check copies shall be retained for at least five (5) years from date of issuance in accordance with California Government Code Section 26907.	Ensure the check procedures are followed appropriately.	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.14, Case File Record Retention	<p>Contractor shall ensure all medical only claim files are retained for ten (10) years from the date of injury.</p> <p>All claim files with permanent disability payments or awards for lifetime medical treatment shall be retained until no future benefits can be claimed or provided.</p> <p>In no case shall an indemnity claim file be destroyed within ten (10) years of the date of injury or five (5) years from the last payment activity. No claim files will be destroyed without CCA approval.</p>	<p>Ensure that case file record retention is maintain in accordance with the presiding provision.</p>	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.15, Staffing/Organization	<p>Contractor shall ensure:</p> <ul style="list-style-type: none"> * at least one non-caseload carrying contract manager; * at least one non-caseload carrying quality assurance auditor at the level of a claims supervisor; * at least one non-caseload carrying claims supervisor for every six (6) claims examiners; * at least one claims assistant for every two claims examiners; and, * one clerk for every four claims examiners. <p>Contractor shall ensure average caseloads not exceed 150 open indemnity claims</p>	<p>Ensure that all staffing and organizational requirements are adhered to in accordance with this provision.</p>	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
		<p>Ensure that caseload limits are met.</p>	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.15, Staffing/Organization Subsection 1.15.1, Employee Records	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	Ensure Contractor complies with County request.	100%	Request at discretion and review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.16, Medical Cost Containment	Contractor shall use medical management programs established by the County that include bill review, utilization review, medical provider network, nurse case management, and pharmacy benefit management.	Ensure Contractor uses the medical management program established by County.	100%	Review at discretion for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.18, Negotiations	Contractor shall obtain written approval from a CCA prior to lump-sum negotiations for any amount exceeding TPA authority limits established by the CCA	Ensure Contractor obtain approval by County as stipulated.	100%	Annual review for compliance with this SOW requirement.	\$50 per occurrence of failed compliance.

PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 1.0, Scope of Work Subsection 1.19, Support Services	Contractor shall comply with all activities under the support services provision.	Ensure compliance as stipulated in the provision.	100%	Review at discretion for compliance with this SOW requirement.	\$100 per occurrence per activity of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.20 Workers' Compensation Claims Administration System	Contractor shall comply with all activities under the WCCAS provision.	Ensure compliance as stipulated in the provision.	100%	Review at discretion for compliance with this SOW requirement.	\$100 per occurrence per activity of failed compliance.
SOW Section 1.0, Scope of Work Subsection 1.21, Computer Data Maintenance (CDM)	Contractor shall comply with all activities under the CDM provision.	Ensure compliance as stipulated in the provision.	100%	Review at discretion for compliance with this SOW requirement.	\$100 per occurrence per activity of failed compliance.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
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Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Section 3.0, Quality Control Plan (QCP)	Contractor shall establish and utilize a comprehensive QCP to assure the County a consistently high level of service throughout the term of the contract.	Ensures that the Contractor establishes and uses a QCP approved by the County. - Require QCP provided at start of contract - Require Contractor comply with County approved QCP	100%	Annual onsite review for compliance with this SOW requirement.	\$500 for late or failed submission of QCP to County \$50 per occurrence per day of noncompliance with approved QCP.
SOW Section 4.0, County's Quality Assurance Plan	Contractor is required to attend a scheduled monthly meeting.	Ensure meetings are attended monthly or at discretion of County.	100%	Annual review for compliance with this SOW requirement.	\$100 per occurrence of failed compliance.
SOW Sections 4.0, County's Quality Assurance Plan, Subsection 4.2, Contract Discrepancy Report (CDR) (Exhibit A-1)	County Contract Project Monitor will determine whether a formal CDR shall be issued. Respond in writing to the County Contract Project Monitor within five (5) workdays.	Ensures that the Contractor responds to a formal CDR within a time period mutually agreed upon and submits a corrective action plan of all deficiencies identified in the CDR to the County Contract Project Monitor within ten (10) workdays.	100%	Annual review date of receipt of responses to CDRs	\$100 per day that the corrective action plan is past due.

**PERFORMANCE REQUIREMENTS SUMMARY CHART FOR
WORKERS' COMPENSATION CLAIMS THIRD-PARTY ADMINISTRATION**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Specific Performance Reference	Required Services	Standard(s) of Performance	Acceptable Quality Level (AQL)	Monitoring Methods	Fiscal Deductions
SOW Sections 6.0, Responsibilities (Contractor) Subsection 6.4.4.1	Contractor shall provide a full-time Project Manager (CCM) or designated alternate with three (3) years of experience in supervising or managing WC Claims TPA services in California	Ensure compliance as stipulated in the provision.	100%	Receipt review resumes. and of	\$400 per occurrence of failed compliance.
SOW Sections 6.0, Responsibilities (Contractor) Subsection 6.4.5.1	Contractor shall provide Claims Supervisors shall have a minimum of five (5) years' experience in adjusting a caseload of California workers' compensation indemnity claims	Ensure compliance as stipulated in the provision.	100%	Receipt review resumes. and of	\$200 per occurrence of failed compliance.
SOW Sections 6.0, Responsibilities (Contractor) Subsection 6.4.6.1	Contractor shall provide at least 75% of the claims examiners have a minimum of three (3) years' experience in the adjustment of California WC indemnity claims.	Ensure compliance as stipulated in the provision.	100%	Receipt review resumes. and of	\$100 per occurrence of failed compliance.
SOW Sections 6.0, Responsibilities (Contractor) Subsection 6.15	Contractor shall provide the CCA a "Claim Administration Procedure Manual" describing policies and procedures within six (6) months of the inception date of the contract	Ensure compliance as stipulated in the provision.	100%	Annual review for compliance with this SOW requirement.	\$500 per occurrence of failed compliance.

QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

A. Introduction

The County or its authorized representative shall have the right at all times to monitor and inspect Contractor's performance under this Contract. This Appendix sets forth the performance requirements that will apply to Contractor's service hereunder. SOW Technical Exhibit 9 sets forth the County's performance expectations.

The County expects a high standard of the Contractor's performance under this Contract. The Contractor shall provide the County, or its authorized representative, reasonable access at all times during the Contractor's business hours for the purpose of monitoring and inspecting the Contractor's services hereunder. The County Contract Administrator (CCA) will make every effort to work with the Contractor to resolve any areas of difficulty; however, it is the Contractor's responsibility to satisfactorily provide all the services in the Statement of Work.

B. Measurements

The County may use a variety of inspection methods to evaluate the Contractor's performance. The methods of monitoring may include, but are not limited to the following:

- A comprehensive and complete audit by an independent auditor shall be conducted on each administrator annually to determine fee impact focusing on results;
- The Risk Management Branch designee shall request periodic audits of each administrator by County staff or an independent auditor to develop desired TPA performance focusing on processes;
- Monitoring by OSCRs;
- The County will have access to the appropriate employment documents to verify that the claims examiners meet the minimum qualifications and experience;
- Departmental complaints or user complaints;
- Random sampling of completed reports and case files. An audit shall be performed by the QAE, County representatives for periodic audits or an independent outside auditor for annual fee impact audits; and
- Other methods deemed by the CCA/designee to be appropriate for the evaluation of the Contractor's performance.

Measured components are described in Appendix B, Section 10 and Appendix C, Technical Exhibit 9.

C. Performance Indicators

The County will apply performance indicators to work requirements under the contract in accordance with industry best practices described in Appendix C, Technical Exhibit IX and the County's own Audit Criteria. The County's Audit Tool addresses components including Liability Decision, Investigation, Subrogation, Reserve Adequacy, Gencomp Database (usage), Payment Data, Case Administration, Return to Work and Medical Only. Each component is assessed using detailed instructions for reviewing each claim against component criteria questions, which when answered "yes," "no," or "not applicable" are weighted based upon the importance of the claims handling activity to the County. For reviewed claims, weighting is applied to 'yes' and 'no' determinations and the sum is divided into the sum for 'yes' to determine the TPA's percentage of compliance.

These performance indicators and the County's Audit Tool may change from time to time due to statutory requirements or agreement with the Contractor. The County's Audit Tool shall be thoroughly discussed with the TPA selected as a result of this solicitation during contract negotiations.

SAMPLE SIZE CHART

<u>LOT SIZE</u>	<u>NORMAL SAMPLE</u>	<u>REDUCED SAMPLE</u>
	<u>SIZE</u>	<u>SIZE</u>
2-8	2	2
9-15	3	2
16-25	5	2
26-50	8	3
51-90	13	5
91-150	20	8
151-280	32	13
281-500	50	20
501-1,200	80	32
1,201-3,200	125	50
3,201-10,000	200	80
10,001-35,000	315	125

PENDING DATA
DESIGNATED COUNTY DEPARTMENT

DELAYED CLAIMS ADMINISTRATION REPORT

EMPLOYEE NO.:		Examiner:	
Claim Number: 3000- -		Name:	
Claim Report:	<input type="checkbox"/> 30 day	<input type="checkbox"/> 60 day	<input type="checkbox"/> 90 day
Date of Employer's Knowledge of Injury:			
Basis for this date (Claim form, Discussion with employer, Application, etc.):			
Date Contractor must Decide Acceptance or Denial:			
Date of Contractor's Receipt of Claim:			
Parts of Body Alleged Injured:			
Lost Time:	<input type="checkbox"/> None	From:	To:
Employer sent employee to Doctor?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If No: QME Exam(s) set for AOE/COE:			
Name of Doctor:	Name of Doctor:	Name of Doctor:	
Date of Exam:	Date of Exam:	Date of Exam:	
Specialty:	Specialty:	Specialty:	
AOE/COE Invest:	Date Requested:	<input type="checkbox"/> Not necessary	
Personnel File:	Date Requested:	<input type="checkbox"/> Not Necessary	
Wage Statement:	Date Requested:	<input type="checkbox"/> Not Necessary	
Job Description:	Date Requested:	<input type="checkbox"/> Not Necessary	
Medical Releases:	Date Requested:	<input type="checkbox"/> Not Necessary	
Date records sent to QME for review:			
Case Final Outcome:			
Date of Denial:		Number days since DOK:	
Date of Acceptance:		Number days since DOK:	
Case Litigated:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If yes: Date application received by Contractor:			
Date litigation file forwarded to County Counsel:			
Case Reserves:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Case on Diary:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Sub status Codes:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Supervisor Review:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Employer Advised of Status of Claim:		Date(s) Advised:	
Action to be taken:			

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

This Exhibit A-7 (Information Security and Privacy Requirements) is an attachment and forms a part of the Agreement for Risk Management Information System and Related Services dated as of the Effective Date (together with all Exhibits, Schedules, and Attachments thereto, the “**Agreement**”) entered into by and between the County of Los Angeles (“**County**”) and _____ (“**Contractor**”) and is incorporated into the Agreement by reference hereof. Capitalized terms used herein without definition have the meanings given to such terms in the Agreement.

This Exhibit A-7 (Information Security and Privacy Requirements) sets forth information security procedures to be established by Contractor before the Effective Date of the Agreement and maintained throughout the term and following the expiration/termination of the Agreement. These procedures are in addition to the requirements of the Agreement. They present a minimum standard only. It is Contractor’s sole obligation to: (i) implement appropriate administrative, physical and technical measures to secure its systems and data to protect and ensure the privacy, confidentiality, integrity and availability of County Data as defined in Subparagraph 3.3.1 (Ownership of County Data) of the Agreement (consisting of but not limited to County Confidential Information, Personally Identifiable Information, and Protected Health Information) against internal and external threats, vulnerabilities and risks; and (ii) continuously review and revise those measures to address ongoing threats, vulnerabilities and risks. Failure to comply with the minimum standards set forth in this Exhibit A-7 (Information Security and Privacy Requirements) will constitute a material, non-curable breach of the Agreement by Contractor, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Agreement, to immediately terminate the Agreement.

References in this Agreement to laws, rules, regulations, standards, guidelines, directives, policies, recommendations, and audits shall be deemed to refer to such laws, rules, regulations, standards, guidelines, directives, policies, recommendations, and audits as they are in effect from time to time, or, if applicable, successors thereto.

1. **Security Policy.** Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards and procedures (in this Exhibit A-7 collectively “**Information Security Policy**”). The Information Security Policy will be communicated to all Contractor personnel, agents and subcontractors in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.

2. **Personnel and Contractor Protections.** Contractor shall screen and conduct background checks on its staff performing work under the Agreement as required by the Agreement and require all employees and contractors (non-employees) performing work under the Agreement to sign an appropriate written confidentiality/non-disclosure agreement as required by the Agreement. All agreements with third-parties involving access to Contractor's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems. Contractor shall supply each of its staff performing work under the Agreement with appropriate, ongoing training regarding information security procedures, risks, vulnerabilities and threats. Contractor shall have an established set of procedures to ensure Contractor personnel promptly report actual and/or suspected breaches of security.
3. **Removable Media.** Except in the context of Contractor's routine back-ups or as otherwise specifically authorized by County in writing, Contractor shall institute strict administrative, physical and logical security controls to prevent transfer of County information to any form of Removable Media. For purposes of this Exhibit A-7 (Information Security and Privacy Requirements), "Removable Media" means portable or removable hard disks, floppy disks, USB memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., Secure Digital (SD), Memory Sticks (MS), CompactFlash (CF), Smart Media (SM), Multimedia Card (MMC), and xD-Picture Card (xD)), magnetic tape, and all other removable data storage media.
4. **Storage, Transmission, and Destruction of County Data.** All County Data shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals in accordance with County Board of Supervisors policies (as provided in writing to Contractor) and applicable regulatory requirements, including but not limited to HIPAA, as amended and supplemented by the HITECH Act and the California Civil Code section 1798 et seq, and AB1149 regarding Identity Theft Prevention. Without limiting the generality of the foregoing, Contractor shall encrypt (i.e., National Institute of Standards and Technology (NIST) Special Publication (SP) 800-111 Guide to Storage Encryption Technologies for End User Devices¹) County Data, including but not limited to all Personally Identifiable Information, electronic Protected Health Information (stored and during transmission), and MI, in accordance with County Board of Supervisors policies (as provided in writing to Contractor) and applicable regulatory requirements, including but not limited to HIPAA, as amended and supplemented by the HITECH Act and the California Civil Code section 1798 et seq, and AB1149 regarding Identity Theft Prevention. If County Data is no longer required to be retained by Contractor under the Agreement and applicable law, Contractor shall destroy such County Data (subject to Contractor's obligations to return any County Data under the Agreement) in a fashion that the information becomes

¹ Available at <http://www.csrc.nist.gov/>.

unrecoverable, unusable, unreadable, and undecipherable by: (a) shredding or otherwise destroying paper, film, or other hard copy media so that the Personally Identifiable Information and Protected Health Information cannot be read or otherwise cannot be reconstructed; and (b) clearing, purging, or destroying electronic media containing County Data consistent with National Institute of Standards and Technology (NIST) Special Publication (SP) 800-88, Guidelines for Media Sanitization² and US Department of Defense (DOD) 5220.22-M data sanitization and clearing directive³.

Contractor(s) and its subcontractors and/or agents that have maintained, processed, or stored the County Data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the NIST Special Publication 800-88 titled Guidelines for Media Sanitization and DOD 5220.22-M.

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within thirty (30) days, a signed document from Contractor, its agents and/or subcontractors, that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Contractor, its agents and/or subcontractors shall certify that any County Data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current NIST Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor, its agents and/or subcontractors shall provide County with written certification, within thirty (30) business days of removal of any electronic storage equipment and devices that validates that any and all County Data was destroyed and is unusable, unreadable, and/or undecipherable.

5. **Data Encryption.** Contractors and Subcontractors that electronically transmit or store personal information (PI), protected health information (PHI) and/or medical information (MI) shall comply with the encryption standards set forth below. PI is defined in California Civil Code Section 1798.29(g). PHI is defined in Health Insurance Portability and Accountability Act (HIPAA) of 1996, and implementing regulations. MI is defined in California Civil Code Section 56.05(j).

- a. **Stored Data.** Contractors' and Subcontractors' workstations and portable devices (e.g., mobile wearables, tablets, thumb drives, external hard drives) require encryption (i.e. software and/or hardware) in accordance with: (a) Federal Information Processing Standard Publication (FIPS) 140-2; b) National Institute of Standards and Technology (NIST) Special

² Available at <http://www.csrc.nist.gov/>.

³ Available at <http://www.dtic.mil/whs/directives/corres/pdf/522022MSup1.pdf>.

Publication 800-57 Recommendation for Key Management – Part 1: General (Revision 3); (c) NIST Special Publication 800-57 Recommendation for Key Management – Part 2: Best Practices for Key Management Organization; and (d) NIST Special Publication 800-111 Guide to Storage Encryption Technologies for End User Devices. Advanced Encryption Standard (AES) with cipher strength of 256-bit is minimally required.

- b. **Transmitted Data.** All transmitted (e.g. network) County PI, PHI and/or MI require encryption in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management – Part 3: Application-Specific Key Management Guidance. Secure Sockets Layer (SSL) is minimally required with minimum cipher strength of 128-bit.
 - c. **Certification.** The County must receive within ten (10) business days of its request, a certification from Contractor (for itself and any Subcontractors) that certifies and validates compliance with the encryption standards set forth above. In addition, Contractor shall maintain a copy of any validation/attestation reports that its data encryption product(s) generate and such reports shall be subject to audit in accordance with the Agreement. Failure on the part of the Contractor to comply with any of the provisions of this Section 5 shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.
6. **Data Control, Media Disposal and Servicing.** Subject to and without limiting the requirements under Section 4 (Storage, Transmission and Destruction of County Data), County Data (i) may only be made available and accessible to those parties explicitly authorized under Section 11.2.3 of the Agreement or otherwise expressly approved by County in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using industry standard encryption technology in accordance with the NIST SP 800-52 Guidelines for the Selection and use of Transport Layer Security Implementations⁴; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier or protected using industry standard encryption technology in accordance with NIST SP 800-111 Guide to Storage Encryption Technologies for End User Devices⁵. The foregoing requirements shall apply to back-up data stored by Contractor at off-site facilities. In the event, any hardware, storage media, or Removable Media must be disposed of or sent off-site for servicing, Contractor shall ensure all County Confidential Information, including Personally Identifiable Information and Protected Health Information, has been cleared,

⁴ Available at <http://www.csrc.nist.gov/>.

⁵ Available at <http://www.csrc.nist.gov/>.

purged, or scrubbed from such hardware and/or media using industry best practices in accordance with NIST SP 800-88, Guidelines for Media Sanitization⁶).

7. **Hardware Return.** Upon termination or expiration of the Agreement or at any time upon County's request, Contractor will return all hardware, if any, provided by County containing Personally Identifiable Information, Protected Health Information, or County Confidential Information to County. The Personally Identifiable Information, Protected Health Information, and County Confidential Information shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County. In the event the hardware containing County Confidential Information, Personally Identifiable Information or Protected Health Information is owned by Contractor or a third-party, a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction, and the company or individual who performed the destruction will be sent to a designated County security representative within thirty (30) days of termination or expiration of the Agreement or at any time upon County's request. Contractor's destruction or erasure of Personal Information and Protected Health Information pursuant to this Section shall be in compliance with industry Best Practices (e.g., NIST Special Publication 800-88, Guidelines for Media Sanitization⁷).
8. **Physical and Environmental Security.** Contractor facilities that process County Data will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.
9. **Communications and Operational Management.** Contractor shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-viral software and adequate back-up facilities to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures will be adequately documented and designed to protect information, computer media, and data from theft and unauthorized access.
10. **Access Control.** Contractor shall implement formal procedures to control access to its systems, services, and data, including, but not limited to, user account management procedures and the following controls:
 - a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;

⁶ Available at <http://www.csrc.nist.gov/>.

⁷ Available at <http://www.csrc.nist.gov/>.

- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;
 - c. Applications will include access control to limit user access to information and application system functions; and
 - d. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with incident response policies set forth below.
11. **Security Incident.** A "Security Incident" shall have the meaning given to such term in 45 C.F.R. § 164.304. With respect to the notification requirements under this Section 11, Security Incidents shall not include, without limitation, pings and other broadcast attacks on Contractor's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, provided no such incident results in loss of use of the System, unauthorized access, use or disclosure of County's PHI.
- a. Contractor will promptly notify (but in no event more than twenty-four (24) hours after the detection of a Security Incident) the designated County security contact by telephone and subsequently via written letter of any potential or actual security attacks or Security Incidents.
 - b. The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence.
 - c. Contractor will provide a monthly report of all Security Incidents noting the actions taken. This will be provided via a written letter to the County security representative on or before the first (1st) week of each calendar month. County or its third-party designee may, but is not obligated, perform audits and security tests of Contractor's environment that may include, but are not limited to, interviews of relevant personnel, review of policies, procedures and guidelines, and other documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Data.
 - d. In the event of a Security Incident, Contractor shall take whatever reasonable steps that are necessary to halt such action, including taking the Hosting Services down. Contractor shall immediately contact the person designated by County to discuss what measure to take. However, if time is critical, action may be required before the contact can be reached. Contractor's action shall include, as appropriate:
 - i. Confirm the threat;

- ii. Deny access from the source of the attack;
- iii. Investigate the extent of the damage, in any;
- iv. Back-up the affected systems and those suspected to be affected;
- v. Strengthen defenses of the Hosting Environment and all other Contractor-controlled points of access to the System, not just the suspected path that the attacker used;
- vi. Contact the Internet Service Provider (ISP) where the threat or attack originated and/or law enforcement to work with Contractor's security team;
- vii. Produce an incident report within twenty-four (24) hours detailing Contractor's findings (i.e., steps taken to investigate the threat/attack/breach, impact to the County, remediation steps taken, and recommendations to prevent this type of threat in the future; and
- viii. Re-instate the denial of access after a set time period, but continue to monitor traffic from that source until risk of further attacks is deemed to be minimized.

12. **Security Audits.** Contractor will provide to County a summary of: (1) a summary of the final results of any security audits, security reviews, or other relevant audits listed below, conducted by Contractor or a third-party as applicable; and (2) the corrective actions or modifications, if any, Contractor will implement in response to such audits.

Relevant audits conducted by Contractor as of the Effective Date include:

- a. ISO 27001:2013 (Information Security Management). A full recertification is conducted every three (3) years with surveillance audits annually.
 - i. External Audit – Audit conducted by independent, qualified non-Contractor personnel, to assess Contractor's level of compliance to applicable regulations, standards, and contractual requirements.
 - ii. Internal Audit – Audit conducted by qualified Contractor personnel (or contracted designee) not responsible for the area of review, of Contractor organizations, operations, processes, and procedures, to assess compliance to and effectiveness of Contractor's Quality System ("CQS") in support of applicable regulations, standards, and requirements.

- iii. Supplier Audit – Quality audit conducted by qualified Contractor personnel (or contracted designee) of product and service suppliers contracted by Contractor for internal or Contractor client use.
- iv. Detailed findings- are not published externally, but executive summary of the report findings, and corrective actions, if any, will be made available to County as provided above and the ISO certificate is published on Contractor's website.
- v. SSAE-18 / SOC 1, Type 2 Report. As to the Hosting Services only:
- vi. Audit, conducted by an independent, qualified vendor, to span a full twelve (12) months of operation and is produced one (1) per year to keep it “fresh”.
- vii. The resulting summary report is available to County.
- viii. Vulnerability Testing. At least once per year, Contractor will retain an independent qualified vendor to conduct a vulnerability assessment and penetration testing of security processes, procedures and environment. Contractor shall enter into a confidentiality agreement with such vendor(s) prior to the vendor conducting the assessment and testing. Contractor will provide to County a summary of the report from the vendor(s) with the results of the assessment and testing.

Detailed findings are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above. If County determines that, as a result of review of such report(s), Company has been deficient or negligent in complying with the requirements of this Exhibit A-7, County may request Contractor to take immediate corrective action. If such corrective action is not taken to the reasonable satisfaction of County (provided Contractor has discretion on how to implement such corrective action best suited for Contractor’s Hosted Environment but still in full compliance with this Exhibit A-7), County may terminate this Agreement upon written notice to Contractor, without penalty, after providing Contractor thirty (30) days (or such greater amount of time as agreed to by the County) to comply with the County’s additional requests following the implementation of the corrective action; provided that such opportunity to comply does not compromise the security of County Data.

In addition to the audits described in Section 12 (Self Audit), during the term of this Contract, County or its third-party designee may annually, or more frequently as agreed in writing by the Parties, request a security audit of Contractor's data center and systems. The audit will take place at a time mutually agreed to by the Parties, but in no event on a date more than ninety (90) days from the date of the

request by County. County's request for security audit will specify the areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. County shall pay for all third-party costs associated with the audit. It is understood that summary data of the results may filtered to remove the specific information of other Contractor customers such as IP address, server names, etc.. Contractor shall cooperate with County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the County's regulators shall have the same right upon request, to request an audit as described above. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes

13. **Meetings with Security Staff.** Upon County's request, Contractor shall make its security staff available for a conference call with County's Project Director, County's Project Manager, and other County-designated staff. County may request a meeting annually, and in connection with each Security Incident, delivery of each summary report specified in Section 12 (Security Audits), and Contractor's status and completion of corrective action specified in any such summary report.
14. **Applicable Security Standards.** If at any time Contractor believes that a different security standard, guideline, recommendation, or audit from those referenced in this Exhibit A-7 more appropriately apply to Contractor, the Licensed Software, the Services, or the RMIS as a whole, Contractor may submit a request in writing to County's Project Director to revise the applicable standard, guideline, recommendation, or audit, provided that no such requested standard, guideline, recommendation, or audit be less stringent or provide for a less secure Hosted Environment than the existing standard, guideline, recommendation, or audit. County's Project Director is authorized to approve any such request, with written concurrence of County's Chief Information Security Officer or designee, such approval not to be unreasonably withheld or delayed.

15. **Confidentiality**

- a. Contractor agrees that all information supplied by its affiliates and agents to the County including, without limitation, (a) any information relating to County's customers, patients, business partners, or personnel; and (b) Personally Identifiable Information (as defined below) will be deemed confidential and proprietary to the County, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary" ("Confidential Information"). To be deemed "Confidential Information", trade secrets and mask works must be plainly and prominently marked with restrictive legends.
- b. **County Data.** All of the County Confidential Information, data, records, and information of County to which Contractor has access, or otherwise provided to Contractor under this Contract ("County Data"), shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. The County Data shall not be used by Contractor for any purpose other than as required under this Contract, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.
- c. **Personally Identifiable Information.** "Personally Identifiable Information" shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personally Identifiable Information shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("U.S.C.") §6801 et seq.), Protected Health Information, and "Personally Identifiable Information" as that term is defined in EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.
 - i. Personally Identifiable Information. In connection with this Contract and performance of the services, Contractor may be provided or obtain, from County or otherwise, Personally Identifiable Information pertaining to County's current and prospective personnel, directors and officers, agents, investors, patients, and customers and may need to process such Personally Identifiable Information and/or transfer it, all subject to the restrictions set forth in this Contract and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the services.

- ii. **Treatment of Personally Identifiable Information.** Without limiting any other warranty or obligations specified in this Contract, and in particular the confidential provisions of Section 13 (Confidentiality), during the term of this Contract and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personally Identifiable Information in any manner and will not disclose, distribute, sell, share, rent, or otherwise retain any Personally Identifiable Information to any third-party, except as expressly required to perform its obligations in this Contract or as Contractor may be expressly directed in advance in writing by County. Contractor represents and warrants that Contractor will use and process Personally Identifiable Information only in compliance with (a) this Contract, (b) County's then current privacy policy, and (c) all applicable local, state, and federal laws and regulations (including, but not limited to, current and future laws and regulations relating to spamming, privacy, confidentiality, data security, and consumer protection).
- iii. **Retention of Personally Identifiable Information.** Contractor will not retain any Personally Identifiable Information for any period longer than necessary for Contractor to fulfill its obligations under this Contract. As soon as Contractor no longer needs to retain such Personally Identifiable Information in order to perform its duties under this Contract, Contractor will promptly return or destroy or erase all originals and copies of such Personally Identifiable Information.
- d. **Return of Confidential Information.** On County's written request or upon expiration or termination of this Contract for any reason, Contractor will promptly: (a) return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County's Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract; and (c) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 13(a), and provide a notarized written statement to County certifying that all documents and materials referred to in Subsections 13(a) and (b) have been delivered to County or destroyed, as requested by County.

AUTHORITY LIMITS

Personnel	Negotiations	Payment
Risk Manager – CEO	\$500,000+	\$75,000+
CCA – CEO	\$500,000	\$75,000+
CCM – CEO	\$250,000	\$75,000
QAE Monitor – CEO	\$100,000	\$75,000
TPA Manager or Qualified Designee	\$20,000	\$7,500
TPA Supervisor	\$10,000	\$5,000
TPA Examiner	\$5,000	\$4,000
TPA Claims Assistant	0	\$1,000

No County employee shall have access to his/her workers' compensation claim file unless authorized by the County Risk Manager and County Counsel. County employees shall not, **on behalf of the County**, negotiate or authorize payments related to their workers' compensation claim.

AUDIT MANUAL

Introduction

This manual describes the criteria by which 37 different areas of performance are to be measured.

The program references a recommended weight factor for each audit criteria.

The instructions for each audit criteria are as follows:

Definition

General definition of the area to be audited.

Instructions to Auditor:

Series of questions the Auditor may consider while reviewing these audit criteria. The answers to these questions will give the Auditor insight into how to grade the performance of the Third-Party Administrator (TPA) on these audit criteria.

Application

Defines the type of claim to which these audit criteria apply.

Audit Criteria

The listed factors should be considered when evaluating the TPA's performance on these audit criteria. **The audit criteria are not to be considered a complete list of factors to be considered while auditing this area.** They should be thought of as guides for evaluating the TPA's performance.

LIABILITY DECISION**Decision Correct?**

Program Reference: A 1

Weight Factor: 3

Definition

The decision to accept, deny, or delay the claim was properly made and statutory benefit notices sent to the employee.

Instruction to Auditor

Determine if the decision to accept, deny, or delay claim was properly made based on the facts known at the time the decision was made.

On cases delayed prior to acceptance or denial, determine if decision to delay was appropriate and was the final decision appropriate based upon information known at the time the decision was made.

Application

All claims

Factors to be considered

The Auditor may consider the following when evaluating this audit item:

1. Type and severity of injury.
2. Mechanism by which injury occurred.
3. Time of injury.
4. Information available to the TPA that places claim in doubt.
5. Defenses available to deny claim.
6. Employment status.

7. Type of medical treatment & diagnosis.
8. Time between injury and employer's knowledge.

Additional Directions

1. If case opened as indemnity, but should have been medical-only, score decision correct "Y", but Medical Only determination "N".
2. Written notice of any decision to accept, deny, or delay claim shall be issued on all claims.

LIABILITY DECISION**Decision Timely?*****Program Reference:* A 2*****Weight Factor:* 3*****Definition***

The decision to accept, deny, or delay a claim was made in accordance with statutory time limits.

Instruction to Auditor

Determine if the decision to accept, deny, or delay a claim was made in a timely manner.

Application

All Claims

Factors to consider

1. Were labor code requirements to accept, deny, or delay claim within 14 days met?
2. If claim was delayed, was a decision to accept or deny, made within 90 days pursuant to labor code requirements?
3. If not accepted or denied within 90 days, was the claim of such complex nature that additional delay is warranted?
4. If compensability notice was issued timely, does the file reflect necessary investigation was initiated and a final determination to accept or deny claim was made as quickly as possible?

5. Has failure to make a timely decision by the 90th day caused forfeiture of defenses, which could have reasonably led to a claim denial?

6. **Benefit notices will be used in determining dates upon which above events took place.** Claims that do not contain appropriate benefit notices will be considered to have failed this audit category, regardless of any other documentation in file. In the event of a no lost-time claim, the acceptance notice will be used in lieu of statutory notices.

Additional Directions

1. If TPA receives claim within the first 8 days of employer date of knowledge, the benefit notice is due by the 14th day from employer date of knowledge.

2. If TPA receipt of claim is after the 8th day, TPA is given seven (7) days from receipt of claim to issue a benefit notice delaying, accepting, or denying claim.

INVESTIGATION

AOE / COE Need Identified and Adequately Completed?

Program Reference: B 1

Weight Factor: 2

Definition

The TPA recognized the need to assign a field investigation to determine compensability. The investigation is complete and timely.

Instruction to Auditor

Determine if the TPA properly identified the need for further investigation to resolve issues of compensability.

Application

All claims where field investigation was conducted or should have been conducted.

Factors to be Considered

1. Does documentation within the file support the decision to investigate or not investigate?
2. If the claim was denied, was necessary investigation conducted prior to the denial?
3. If the claim was delayed, was investigation conducted which would lead to a final decision?
4. If the claim was accepted, was investigation necessary to support such a decision?

5. Was the decision to investigate or not investigate based on the facts known at the time a decision was made?
6. Was an unnecessary investigation assigned?
7. Did TPA make sufficient efforts to collect information to avoid assigning investigation?

Additional Directions

1. Only applies to field investigation.
2. Report must be available in claims file at time of audit. If not, the score will be "N" even if assignment was appropriately made.

INVESTIGATION

Sub Rosa Need Identified?

Program Reference: B 2

Weight Factor: 1

Definition

Sub rosa investigation was assigned based on documented articulable suspicion.

Instruction to Auditor

If sub rosa investigation was conducted or should have been conducted, determine if the TPA recognized the need for such investigation.

Application

All claims where sub rosa was conducted or should have been conducted.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was the decision to conduct sub rosa based on sound judgment which would eliminate or reduce the exposure to the County?
2. Did the TPA fail to assign sub rosa as necessary based on the facts of the claims?
3. Were the results of the investigation documented?
4. Did the TPA take any necessary and appropriate actions based on the results of the investigation?

INVESTIGATION

State Panel QME Packet Sent Timely?

Program Reference: B 3

Weight Factor: 2

Definition

State Panel QME packet sent timely to injured worker for completion

Instruction to Auditor

Determine if the State Panel QME packet was sent timely.

Application

All claims where a medical evaluation was needed to determine AOE/COE.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was a medical evaluation needed to determine AOE/COE?
2. Was the packet sent to the injured worker within 14 days of employer date of knowledge of claim?

Additional Directions

1. If TPA receives claim within the first 8 days of employer date of knowledge, the packet is due by the 14th day from employer date of knowledge.
2. If TPA receipt of claim is after the 8th day, TPA is given seven (7) days from receipt of claim to issue the packet.

INVESTIGATION

State Panel QME or IME* Exam Scheduled Timely and Appropriately?

Program Reference: B 4

Weight Factor: 1

Definition

State Panel QME or IME* exam scheduled timely and appropriately.

Instruction to Auditor

Determine if the State Panel QME exam was scheduled timely and appropriately.

*In the event claim is subject to terms of Fire Dept. Carve-Out, review to determine if IME exam scheduled timely and appropriately.

Application

All non-litigated claims where a medical evaluation was needed to determine AOE/COE.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the employee failed to submit the forms to the AD within ten days of receipt? If so, did the TPA submit the forms within ten days of that date?
2. Did the TPA choose the proper medical specialty based on the facts of the claim?
3. Did the employee failed to choose a physician from the panel provided by the AD? If so, did the TPA schedule an exam with a physician from the panel within ten days of that date?

4. If IME* examination is required, did the TPA make an appointment with the appropriate IME within ten business days of the date of the dispute and/or notification of delay?

Additional Directions

The Auditor should factor in five days of mailing time in the calculation of the due dates, if the actual dates are not known.

SUBROGATION

Subrogation Identified?

Program Reference: C 1

Weight Factor: 2

Definition

Potential subrogation recovery is recognized by the TPA.

Instruction to Auditor

On those cases where subrogation was possible, determine if the TPA recognized the potential for subrogation recovery.

Application

All claims where subrogation was identified or should have been identified based on the information available.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Does the file reflect that the TPA recognized the possibility of subrogation recovery?

Additional Directions

1. All cases shall have documentation showing that potential subrogation was identified timely and why it was or was not pursued.

SUBROGATION

Timely Pursuit?

Program Reference: C 2

Weight Factor: 2

Definition

The TPA takes effective and timely action to pursue recovery from negligent third parties.

Instruction to Auditor

Determine if the TPA took appropriate steps to pursue recovery from negligent third parties, in a timely manner.

Application

All claims where subrogation was pursued or should have been pursued.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was investigation necessary to prosecute subrogation conducted in a timely manner?
2. Were the responsible parties notified within 10 days of identification?
3. Was subrogation investigation referred to the designated County representative?
4. Was the appropriate level of investigation conducted to generate facts which would lead to successful prosecution of subrogation rights?
5. Was the case referred to counsel for pursuit of subrogation in a timely manner?

6. Was the statute of limitations to pursue subrogation protected?
7. Was proper lien information transmitted to the subrogation attorney?
8. If no legal representation, did the TPA pursue recovery from the appropriate third party?

Additional Directions

1. All cases shall have documentation showing that potential subrogation was identified timely and why it was or was not pursued.

RESERVE ADEQUACY

Proper Case Reserves?

Program Reference: D 1

Weight Factor: 1

Definition

Case reserves are defined as follows: total of all payments on the file plus the outstanding reserves.

Instruction to Auditor

Determine if the current case reserves are based on the expected cost of the claim.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Nature of injury.
2. Extent of injury.
3. Nature of work.
4. Employee profile (i.e., age, length of employment).
5. Medical treatment received.
6. Prognosis for recovery.

7. Likelihood of future treatment and disability.

Additional Directions

1. Reserves should be based on the expected costs with documentation of analysis in the file.
2. If file is closed, this category will not be scored.

RESERVE ADEQUACY

Reserves Adjusted Timely?

Program Reference: D 2

Weight Factor: 2

Definition

Case reserves are changed with the changing status and ultimate expected cost of the claim.

Instruction to Auditor

Determine if case reserves were adjusted in a timely manner based on the facts of the case as they became known.

Application

All claims

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Were initial reserves established within four working days of receipt of the claim?
2. Does the reserve history reflect that the TPA adjusts reserves in accordance with the changing facts?
3. Do reserves reflect the changing medical and disability status of the claim?
4. Does the file indicate reserves are reviewed no less frequently than semi-annually?

Additional Directions

1. If file is closed, reserve amount will not be scored, but review file to see if adjusted timely.

WCCAS DATABASE**Primary WCCAS Data Fields Accurate and Up-to-Date?**

Program Reference: E 1

Weight Factor: 2

Definition

New claims are input into the County's Workers' Compensation Claims Administration System (WCCAS) within one working day of receipt of the claim with primary WCCAS fields entered accurately. Primary WCCAS fields are correct at the time of audit.

Instruction to Auditor

Determine if the claim was input into the WCCAS computer system within one working day from TPA's receipt of claim.

Determine if primary data fields were input accurately and completely.

Determine if primary data fields were updated and accurate based on the changing facts of the case.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was claim originally input into the WCCAS system by the TPA being audited?
2. What information was available to the TPA at the time the claim was originally input?
3. Has the TPA corrected any errors made by the prior TPA?

4. Have data fields been brought up to date as new information was obtained on the claim?
5. Is the current coding accurate based on the facts known at the time of the audit?
6. How long has the TPA been responsible for the claim, and have they had sufficient time to correct errors made by the prior TPA?

Additional Directions

The primary data fields are:

- Employee's name
- Employee's address
- Employee's social security number
- Employee's salary
- Date of injury

If any of these fields are not coded correctly, based on the above criteria, the category should be scored "N".

WCCAS DATABASE**Secondary WCCAS Data Fields Accurate and Up-to-Date?**

Program Reference: E 2

Weight Factor: 1

Definition

New claims are input into WCCAS within one working day of receipt of the claim with secondary WCCAS fields entered accurately. Secondary WCCAS fields are correct at the time of audit.

Instruction to Auditor

Determine if secondary data fields were input accurately and completely.

Determine if secondary data fields were updated and accurate based on the changing facts of the case.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was claim originally input into the WCCAS system by the TPA being audited?
2. What information was available to the TPA at the time the claim was originally input?
3. Has the TPA corrected any errors made by the prior TPA?
4. Have data fields been brought up to date as new information was obtained on the claim?

5. Is the current coding accurate based on the facts known at the time of the audit?

6. How long has the TPA been responsible for the claim, and have they had sufficient time to correct errors made by the prior TPA?

Additional Directions

1. RTW field should be actual RTW date, not date employee was released to return to work.

2. On NLT cases, the date can be actual DOI or day after DOI.

3. Secondary data fields are those data fields not specified in E1. If three or more of these fields are not coded correctly, the score should be "N".

PAYMENT DATA

TD Payments Paid Timely?

Program Reference: F 1

Weight Factor: 3

Definition

Temporary total and temporary partial disability benefits are paid in accordance with time requirements of the labor code. Benefit notices reflect timely delivery of TTD and TPD.

Instruction to Auditor

Determine if temporary total disability benefits and temporary partial disability benefits were paid in accordance with time limits established by the California Labor Code.

Application

All indemnity claims.

Factors to be Considered.

The Auditor may consider the following when evaluating this audit item:

1. Are benefit notices completed accurately and timely in accordance with the California Worker's Compensation Labor Code when an employee is on wage continuation?
2. Are copies of the benefit notices sent to the appropriate county departments?
3. Do benefit notices reflect the proper wage and benefit levels as well as the appropriate periods of total disability. Did the TPA recognize the need for temporary total disability payments after wage continuation stops?
4. Was the initial as well as subsequent payment of temporary disability made in accordance with the labor code?

5. Were periods of temporary total disability documented with medical and employer information supporting and authorizing temporary total disability?
6. Were fines or penalties paid or due because of the TPA's failure to pay TTD or TPD?

PAYMENT DATA**Permanent Disability Paid Timely?**

Program Reference: F 2

Weight Factor: 3

Definition

Issues of permanent partial disability are addressed and permanent disability payments are made in accordance with time requirements established in the labor code.

Instruction to Auditor

Determine if the TPA fulfilled the labor code obligation to ascertain the employee's eligibility for permanent disability. If the employee was eligible for permanent disability, determine if advances were started and paid in accordance with the requirements of the labor code.

Determine if all subsequent permanent disability advances were made in a timely manner and in accordance with the requirements of the labor code.

Application

All claims where PPD, LP, or PTD was paid or should have been paid.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the TPA take the necessary steps to ascertain the employee's eligibility for permanent disability?
2. If the employee was eligible for permanent disability, were advances started in accordance with time requirements of the labor code?

3. If permanent disability advances were made, were subsequent payments made in a timely manner?

4. Was a reasonable and appropriate amount of permanent disability advanced?

PAYMENT DATA**Disability Benefits Paid Accurately?**

Program Reference: F 3

Weight Factor: 3

Definition

All indemnity benefits are paid at the correct rate and for the correct period of time.

Instruction to Auditor

Determine whether all disability benefits were paid at the proper rate and for the proper time periods.

Application

All indemnity claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the TPA make a good faith effort to obtain wage documentation when the rate was less than maximum of the proper rate was in question?
2. Did the TPA recognize changes of rate dictated by the labor code?
3. Was the proper rate paid?
4. Were benefits paid for the correct time periods?
5. Were any duplicate payments made?

PAYMENT DATA**Death Benefit Properly Paid?**

Program Reference: F 4

Weight Factor: 2

Definition

Proper dependents are identified and payments are made at the correct rate and in a timely manner.

Instruction to Auditor

Determine if the TPA paid death benefits at the proper rate, in a timely manner, and to the proper dependents of a deceased employee.

Application

All indemnity claims where an alleged injury or illness caused the death of the employee.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Were benefits paid at the rate in effect at the time of the death of the employee?
2. Did the TPA properly identify dependents entitled to statutory death benefits?
3. Were payments made timely and in accordance with the requirements of the labor code?
4. Was the burial expense paid timely and at the proper rate based on the documentation supplied?

PAYMENT DATA**Case Balanced Per County Guidelines?**

Program Reference: F 5

Weight Factor: 2

Definition

The claim was balanced in accordance with procedure and time requirements as established by the County.

Instruction to Auditor

Determine if the file was correctly balanced at the last date balancing was required. For extremely complex files, determine if the TPA made a good-faith attempt to balance the file.

Application

All indemnity claims where indemnity or rehabilitation benefits have been paid.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. When was the last balance required?
2. Was the file accurately balanced?
3. Is this a complex and difficult file to balance?
4. Was a good faith-effort made to balance the file?

Additional Directions

1. Case Balanced per County Guidelines:
 - a. It has been determined that TPA will be given 14 calendar days from date benefits were adjusted, ended or changed to correctly balance the file.

 - b. On cases where payments are on cycle, claim should be balanced at least once every 52 weeks.

2. File should also be balanced whenever a payment category ends, when an award or order is paid, at the end of each cycle, when doing a C&R work-up, prior to an MSC, etc.

PAYMENT DATA**Transportation Expenses Paid?**

Program Reference: F 6

Weight Factor: 2

Definition

Transportation expenses are documented and paid at the correct rate, within the time requirements of the labor code.

Instruction to Auditor

Determine if transportation expenses were paid at the proper rate, for proper mileage and in accordance with benefits allowed by the labor code.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was the proper mileage rate paid?
2. Did the TPA request a travel expense statement from the injured employee?
3. Was the mileage paid in accordance with doctor's visits as indicated on the physician's bill?
4. If the employee did not submit a mileage statement did the TPA estimate and voluntarily pay mileage?

5. Were mileage and travel expenses paid in a timely manner and in accordance with the labor code?

PAYMENT DATA**Medical Bills Sent for Fee Review?**

Program Reference: F 7

Weight Factor: 1

Definition

Medical bills are sent to be reviewed by the designated Medical Management Company.

Instruction to Auditor

Determine if the medical bills in file, received during the audit period, were referred to the designated Medical Management Company

Application

All claims with medical bills received during the audit period.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Were the medical bills received by the TPA forwarded to the designated Medical Management Company?

PAYMENT DATA**Payment-Processing Controls Followed?**

Program Reference: F 8

Weight Factor: 2

Definition

Payments are authorized, entered, and released in accordance with County policy.

Instruction to Auditor

Determine if TPA complied with payment-processing controls in accordance with County policy.

Application

All claims with payment requests processed by the TPA during this audit period.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did payment request contain approvals from all necessary personnel (TPA and/or COLA)?
2. If delegation of authority was needed, was paperwork completed signed, and attached to the payment request?
3. Were all approvals completed with the full name and date printed out or date-stamped?
4. Did approvals include initials or signatures of approving party(ies)?

5. Are the initials on the transaction in WCCAS of someone with “Y” release authority?

PAYMENT DATA

Bill Payment Timely?

Program Reference: F 9

Weight Factor: 2

Definition

Vendor bills are authorized within 21 days of receipt and paid in accordance with statutory requirements.

Instruction to Auditor

Determine if vendor bills are authorized for payment and paid in a timely manner.

Application

All claims where a vendor bill has been authorized for payment during the audit period.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Does a legible date stamp indicate the date on which the bill was received by the TPA?
2. If the bill is not date stamped with the receipt date, it will be considered to have been paid in an untimely manner.
3. Did a payment issue in accordance with statutory requirements?

PAYMENT DATA

Payment Accurate?

Program Reference: F 10

Weight Factor: 2

Definition

Payments to vendors are accurate and supported by claim file documentation.

Instruction to Auditor

Determine if the proper amount was paid on the vendor bills considering the claim documentation and services rendered.

Application

All claims where a vendor bill has been authorized for payment during this audit period.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was an underpayment or overpayment made on the bills reviewed?
2. Was supporting documentation to issue payment in the claim file?

Additional Directions

1. If bill is missing, but per WCCAS it went to Fee Review, assess for accurate bill payment, not file documentation.

CASE ADMINISTRATION

Case Under Medical Control?

Program Reference: G 1

Weight Factor: 2

Definition

The TPA controls medical treatment and costs by directing medical care, special examinations, second opinions, utilization review and communicating with physicians.

Instruction to Auditor

Determine if the TPA availed itself of all possible methods allowed by the labor code to control the type of medical treatment, cost of medical treatment and medical/legal evaluations in a manner such as to result in an early and economical disposition of the claim.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the TPA direct the employee to approved medical providers?
2. Did the employee file a notice to treat with personal physician prior to the injury?
3. Did the TPA require medical reports from the treating physician at appropriate time intervals?
4. Did the TPA arrange for consultations at appropriate time intervals?

EXHIBIT A-9

5. Did the injured employee receive treatment from the appropriate medical specialist? If not, did the TPA object to or redirect treatment to the appropriate medical specialist?
6. Did the TPA object to bills or treatment for inappropriate physicians?
7. Did the TPA communicate with treating and evaluating physicians to ensure that proper treatment is being rendered?
8. Did the TPA obtain necessary medical records in a timely manner?
9. Did the TPA schedule appropriate medical legal evaluations with the proper specialty?
10. Did the TPA timely and accurately send requests for utilization review to the designated Medical Management Company pursuant to statutory requirements and County policy?

CASE ADMINISTRATION

Good File Documentation?

Program Reference: G 2

Weight Factor: 2

Definition

Documents, correspondence and notes reflect the events that have taken place on the claim.

Instruction to Auditor

Determine if documents contained in the file accurately and completely reflect the activities which have occurred on the file.

Application

All claims

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. File Documentation consists of, but is not limited to the following:
 - Correspondence
 - Medical reports
 - Examiner notes, including documented review and plans of action no less than 45-day intervals for indemnity claims, 90-day intervals for medical only claims, and 180-day intervals for future medical claims.
 - State-required forms
 - County-required forms, including the 30/60/90 day checklist on delayed claims.
 - TPA forms
 - Reports from vendors

2. Does file documentation reflect the sequence of events and activities which have occurred on the claim?
3. Do the file and computer records contain accurate and proper documentation of all financial transactions on the claim?

Additional Directions

1. Mark "N" if benefit notices for CAT 25, 26, or 29 but no payment request of Salary Continuation Verification Form in file.
2. Can review companion files if available. If medical report found in companion file, assess under file documentation, not failure to have medical report.
3. Mark "N" if applicable sub pay categories are not used.
4. In bill missing, but WCCAS shows it went to Fee Review, assess under accurate bill payment, not file documentation.

CASE ADMINISTRATION

Correspondence Handled Timely?

Program Reference: G 3

Weight Factor: 2

Definition

Requests for information or action are responded to promptly and in accordance with the urgency and importance of the request.

Instruction to Auditor

Determine if the TPA responded to and took appropriate action based on correspondence in a timely manner.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Is the correspondence of such a nature that it requires a response or action to be taken?
2. Did the TPA respond to correspondence in a timely manner based on the urgency and type of correspondence?
3. What entity is originating the correspondence?
4. Is the correspondence in the form of a complaint?

5. Is the correspondence regarding high priorities such as benefit delivery or other factors which will impact the speedy and cost effective resolution of the claim?

Additional Directions

1. Put "O" if there's nothing to be handled.
2. Investigation reports shall be considered correspondence for the purposes of this category.

CASE ADMINISTRATION

Settlement / Closure Timely and Appropriate?

Program Reference: G 4

Weight Factor: 1

Definition

TPA took action to bring claim to a timely and appropriate resolution.

Instruction to Auditor

Determine if the claim was brought to a timely resolution and closed appropriately.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Consider the complexity and nature of the claim.
2. What is the litigation status of the claim?
3. What is the nature of the injury and the probable course and time of treatment?
4. What are the labor code requirements for final resolution of the claim?
5. Did the TPA take the necessary steps and implement a strategy which would lead to timely resolution?
6. Was claim closed appropriately with respect to CCR 15400.2?

CASE ADMINISTRATION

Evidence of Supervisory Control?

Program Reference: G 5

Weight Factor: 2

Definition

Supervisors provide appropriate guidance at the inception of claim and as necessary on a continuous basis.

Instruction to Auditor

Determine if supervisor identified critical issues and provided specific instructions.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Is there evidence of supervisory involvement in the form of recommendations and comments regarding past and future claim handling activities?

CASE ADMINISTRATION

Initial Three-Point Contact?

Program Reference: G 6

Weight Factor: 2

Definition

Injured workers or their legal representative, appropriate departmental staff, and medical providers are contacted by telephone within three working days of receipt by the TPA.

Instruction to Auditor

Determine if the TPA made a good faith attempt to contact injured workers or their legal representative, appropriate departmental staff, and medical providers by telephone within three working days of receipt of a claim.

Application

All claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Date of receipt is considered the date the TPA had knowledge of the injury from the County, the treating physician, the injured worker, or their legal representative.
2. How many attempts to contact the necessary parties are documented in the file?
3. Written communications and benefit notices may not be considered to meet the requirements of this section.

4. Under most circumstances, one unsuccessful attempt to contact an injured worker is not considered to be a good faith attempt to make contact.

Additional Instructions

1. This category shall be judged based on the documentation in the WCCAS claim notes.

LEGAL / LITIGATION**Timely Referral to Legal?**

Program Reference: H 1

Weight Factor: 1

Definition

Litigation is referred to County counsel at the proper time but not to exceed 30 days.

Instruction to Auditor

Determine if the TPA referred the claim to County counsel in a timely manner that would allow defense counsel the time necessary to prepare a defense and pursue discovery, but not to exceed 30 days from written notice of representation.

Application

All litigated claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item.

1. When did the TPA become aware that this was litigated?
2. On what date did the TPA receive a copy of the application for adjudication of claim?
3. On what date did the TPA refer the case to counsel?

LEGAL / LITIGATION**Subsequent Documentation Sent to Legal Counsel Timely?**

Program Reference: H 2

Weight Factor: 2

Definition

Relevant documentation subsequent to the initial referral sent to defense counsel within five days of receipt that allows proper defense of the claim.

Instruction to Auditor

Determine if the TPA sent copies of medical reports and other documentation to defense counsel in a timely manner.

Application

All litigated claims

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. What documentation is necessary and appropriate for referral to defense counsel?
2. When was this material received by the TPA?
3. When was this material forwarded to defense counsel?

LEGAL / LITIGATION**Analysis Provided to Counsel Prior to Hearing?**

Program Reference: H 3

Weight Factor: 2

Definition

TPA provides analysis with all pertinent information to defense counsel prior to any WCAB appearance.

Instruction to Auditor

Determine if the TPA provided an analysis of the case to defense counsel before MSC or trial at the WCAB.

Determine if the TPA provided pertinent information such as an accounting of benefits, current medical records, names of witnesses, etc. no later than ten days before MSC or trial at the WCAB.

Application

All litigated claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the TPA evaluate the value of the case?
2. Did the TPA provide settlement recommendations?
3. Was an accounting of benefits provided?
4. Was a lien affidavit completed?

5. Were subpoenas issued?
6. Did examiner provide necessary testimony?
7. Did TPA provide all request information to defense counsel?

LEGAL / LITIGATION**Award Paid Timely?*****Program Reference: H 4******Weight Factor: 3*****Definition**

All payment requests subsequent to an award are processed within 14 days of receipt or earlier. Subsequent payments are paid in accordance with the Labor Code and the award.

Instruction to Auditor

Determine if the TPA submitted payment requests of all benefits due under an award of the Workers' Compensation Appeal Board in a timely manner.

Application

All claims with awards issued by the Workers' Compensation Appeals Board.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. On what date was the award received by the TPA?
2. Did the TPA submit payment requests within 14 days of the date the award was approved?
3. If the award was received late from defense counsel, did the TPA make a good-faith effort to make payment in accordance with labor code and WCAB rules and regulations?

4. Did the TPA take action to avoid a penalty or interest if the award was received late?

5. Was payment of subsequent benefits proper?

RETURN TO WORK

Work Restriction Letters Accurate?

Program Reference: I1

Weight Factor: 2

Definition

TPA accurately issued temporary and/or permanent work restrictions letters to the Department based on County policies and procedures.

Instruction to Auditor

Determine if the work restriction letters were accurate based on the relevant medical reports of the primary physician, QME, or AME.

Application

All indemnity claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Were the letters appropriately labeled based on the status of the injured worker?
2. Do the work restrictions documented in the letter(s) properly reflect the findings of the physician?
3. If the letter was based on verbal communication with the physician's office, did the letter reflect this?
4. Among other relevant information, the work restriction letters should also contain:

- Name of physician
- Specialty
- Date of report

RETURN TO WORK

Work Restriction Letters Timely?

Program Reference: I2

Weight Factor: 2

Definition

TPA timely issued the temporary and/or permanent work restriction letters based on County policies and procedures.

Instruction to Auditor

Determine if work restriction letters were issued timely upon receipt of pertinent medical documentation.

Application

All indemnity claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the TPA issue a work restriction letter within ten days of pertinent medical documentation?
2. If clarification was needed from the physician's office, was the request made timely?
3. Is there documentation in the file to show that the TPA made attempts to facilitate an early return-to-work?

RETURN TO WORK

Supplemental Job Displacement Voucher Appropriate?

Program Reference: 13

Weight Factor: 2

Definition

TPA appropriately issued accurate notice of eligibility, supplemental job displacement voucher, and payment for services based on statutory requirements.

Instruction to Auditor

Determine if TPA complied with all statutes and regulations relating to the supplemental job displacement voucher.

Application

All lost time claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Did the employee return to regular, modified, or alternate work as defined in LC 4658.1?
2. Did the employee deny a job offer made pursuant to LC 4658.6?
3. Did the voucher contain the correct monetary value based on the PD awarded and the date of injury?

RETURN TO WORK

Supplemental Job Displacement Voucher Timely?

Program Reference: 14

Weight Factor: 2

Definition

TPA timely issued notice, supplemental job displacement voucher, and payment of services.

Instruction to Auditor

Determine if the TPA complied with the time frames of all statues and regulations as well as County policy regarding payments.

Application

All lost time cases.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Was a notice of eligibility issued timely based on the relevant statute?
2. Was a voucher issued timely based on the relevant statute?
3. Was payment made timely upon receipt of supporting documentation and the relevant statute?

MEDICAL ONLY**M.O. Determination Correct?**

Program Reference: J 1

Weight Factor: 2

Definition

The claim is appropriately classified as medical-only in accordance with County policy.

Instruction to Auditor

Determine if the decision to establish this claim as a medical-only claim was proper.

Application

Medical-only claims.

Factors to be Considered

The Auditor may consider the following when evaluating this audit item:

1. Is temporary total disability an issue?
2. Is permanent partial disability an issue?
3. Does the nature or extent of medical treatment warrant the additional expertise of an examiner?
4. Is there a question of extensive future medical care?
5. Does the decision adhere to County guidelines?

Additional Instructions

**PRICING SCHEDULES
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

PRICING SCHEDULE

WCTPA – UNIT A

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
Contract Term Year 1 (January 1, 2019 through December 31, 2019)	
Contract Term Year 2 (January 1, 2020 through December 31, 2020)	
Contract Term Year 3 (January 1, 2021 through December 31, 2021)	
Contract Term Year 4 (January 1, 2022 through December 31, 2022)	
Contract Term Year 5 (January 1, 2023 through December 31, 2023)	
MAXIMUM TOTAL (Base Contract Fees)	

¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.

² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.

³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT A

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
OPTIONAL Contract Term Year 6 (January 1, 2024 through December 31, 2024)	
OPTIONAL Contract Term Year 7 (January 1, 2025 through December 31, 2025)	
OPTIONAL Contract Term Year 8 (January 1, 2026 through December 31, 2026)	
MAXIMUM TOTAL (Optional Contract Fees)	

¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.

² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.

³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT B

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
Contract Term Year 1 (January 1, 2019 through December 31, 2019)	
Contract Term Year 2 (January 1, 2020 through December 31, 2020)	
Contract Term Year 3 (January 1, 2021 through December 31, 2021)	
Contract Term Year 4 (January 1, 2022 through December 31, 2022)	
Contract Term Year 5 (January 1, 2023 through December 31, 2023)	
MAXIMUM TOTAL (Base Contract Fees)	

- ¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.
- ² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.
- ³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT B

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria)^{1,2,3}	TIER ONE ANNUAL FEES
OPTIONAL Contract Term Year 6 (January 1, 2024 through December 31, 2024)	
OPTIONAL Contract Term Year 7 (January 1, 2025 through December 31, 2025)	
OPTIONAL Contract Term Year 8 (January 1, 2026 through December 31, 2026)	
MAXIMUM TOTAL (Optional Contract Fees)	

- ¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.
- ² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.
- ³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT C

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
Contract Term Year 1 (January 1, 2019 through December 31, 2019)	
Contract Term Year 2 (January 1, 2020 through December 31, 2020)	
Contract Term Year 3 (January 1, 2021 through December 31, 2021)	
Contract Term Year 4 (January 1, 2022 through December 31, 2022)	
Contract Term Year 5 (January 1, 2023 through December 31, 2023)	
MAXIMUM TOTAL (Base Contract Fees)	

¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.

² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.

³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT C

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
OPTIONAL Contract Term Year 6 (January 1, 2024 through December 31, 2024)	
OPTIONAL Contract Term Year 7 (January 1, 2025 through December 31, 2025)	
OPTIONAL Contract Term Year 8 (January 1, 2026 through December 31, 2026)	
MAXIMUM TOTAL (Optional Contract Fees)	

- ¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.
- ² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.
- ³ ...In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT D

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
Contract Term Year 1 (January 1, 2019 through December 31, 2019)	
Contract Term Year 2 (January 1, 2020 through December 31, 2020)	
Contract Term Year 3 (January 1, 2021 through December 31, 2021)	
Contract Term Year 4 (January 1, 2022 through December 31, 2022)	
Contract Term Year 5 (January 1, 2023 through December 31, 2023)	
MAXIMUM TOTAL (Base Contract Fees)	

- ¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.
- ² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.
- ³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

PRICING SCHEDULE

WCTPA – UNIT D

(County Provided WCCAS)

ANNUAL CONTRACT TERMS (Pricing Criteria) ^{1,2,3}	TIER ONE ANNUAL FEES
OPTIONAL Contract Term Year 6 (January 1, 2024 through December 31, 2024)	
OPTIONAL Contract Term Year 7 (January 1, 2025 through December 31, 2025)	
OPTIONAL Contract Term Year 8 (January 1, 2026 through December 31, 2026)	
MAXIMUM TOTAL (Optional Contract Fees)	

- ¹ ... Proposers shall provide annual fees for each Contract Term Year to cover all services specified throughout Appendix A, Statement of Work, includes optional services outlined in Paragraphs 1.10 and 6.16.
- ² ... For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload, administered by Workers' Compensation Claims Examiners, is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx. For any quarter where the Contractor's open indemnity caseload is equal to or less than xxxx, the monthly base fee shall be reduced by \$xxxx, and etc.
- ³ ... In the event of sudden and an unexpected increase of new claims or special projects that require additional claims examiners, the County may elect as approved by the Board of Supervisors to increase the annual base fee up to 5%. This fee increase will apply to the year in which the new claims or special projects were assigned and will be at the sole discretion of the County.

**CONTRACTOR'S PROPOSED SCHEDULE
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

**CONTRACTOR'S EEO CERTIFICATION
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

CONTRACTOR'S EEO CERTIFICATION

 Contractor Name

 Address

 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 <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 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 <input type="checkbox"/> | No <input type="checkbox"/> |

 Authorized Official's Printed Name and Title

 Authorized Official's Signature

 Date

**COUNTY'S ADMINISTRATION
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY PROJECT DIRECTOR:

Name: _____

Title: _____

Address: _____

Telephone: _____ Facsimile: _____

E-Mail Address: _____

COUNTY PROJECT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____ Facsimile: _____

E-Mail Address: _____

COUNTY CONTRACT PROJECT MONITOR:

Name: _____

Title: _____

Address: _____

Telephone: _____ Facsimile: _____

E-Mail Address: _____

**CONTRACTOR'S ADMINISTRATION
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: _____

CONTRACT NO: _____

CONTRACTOR'S PROJECT MANAGER: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Notices to Contractor shall be sent to the following:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

**REQUIRED FORMS AT EXECUTION
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

CONTRACTOR ACKNOWLEDGMENT 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 EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT

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

Contractor Name _____ Contract No. _____

Employee _____ Name _____

GENERAL INFORMATION:

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

EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT

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

Contractor Name _____ Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

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

NON-EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

**JURY SERVICE ORDINANCE
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

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.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

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

2.203.040 Contractor Jury Service Policy.

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

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

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

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

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

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

2.203.090. Severability.

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

**SAFELY SURRENDERED BABY LAW
FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

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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.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

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 Angeles

Sin pena. Sin culpa. Sin nombres.

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

www.babysafela.org



Ley de Entrega de Bebés Sin Peligro

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

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

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

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. 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 brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes 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 Angeles 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 brazaletes 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 periodo 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.



INTENTIONALLY OMITTED EXHIBITS

**EXHIBITS J, K, & L
EXHIBITS M1 THROUGH M2
EXHIBIT O**

**COVERED ENTITY AGREEMENT UNDER
THE HEALTH INSURANCE PORTABILITY
AND ACCOUNTABILITY ACT OF 1996
(HIPAA) FOR
WORKERS' COMPENSATION CLAIMS
THIRD-PARTY ADMINISTRATION
SERVICES**

**BUSINESS ASSOCIATE AGREEMENT
UNDER THE HEALTH INSURANCE PORTABILITY
AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("Business Associate Agreement") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

1. DEFINITIONS

- 1.1 "Breach" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
- 1.2 "Business Associate" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement "Business Associate" shall mean Contractor.

- 1.3 "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County.
- 1.4 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.
- 1.5 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.
- 1.6 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.7 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.8 "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.9 "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.10 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Electronic Protected

Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.11 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.
- 1.12 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, Individual means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).
- 1.13 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
- 1.14 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 164.502 (b).
- 1.15 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.
- 1.16 "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
- 1.17 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
- 1.18 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
- 1.19 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate

- 1.20 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.
- 1.21 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
- 1.22 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)
- 1.23 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

2. PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.
- 2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.
- 2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.
- 2.4 Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity's applicable Minimum Necessary policies and procedures.
- 2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.
- 2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of

which it is aware in which the confidentiality of the Protected Health Information has been breached.

- 2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

3. PROHIBITED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 3.1 Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.
- 3.2 Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.
- 3.3 Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2.

4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION

- 4.4 Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.
- 4.5 Business Associate shall comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

5. REPORTING NON-PERMITTED USES OR DISCLOSURES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION

- 5.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.
- 5.1.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or

Subcontractors not provided for by this Agreement of which Business Associate becomes aware.

5.1.2 Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware.

5.1.3. Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.

5.2 Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.

5.2.1 Business Associate shall make an immediate telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis,

disability code or other types of information were involved);

- (d) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2 Business Associate shall make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **Chief Privacy Officer at: Chief Privacy Officer, Kenneth Hahn Hall of Administration, 500 West Temple Street, Suite 525, Los Angeles, California 90012, HIPAA@auditor.lacounty.gov**, that includes, to the extent possible:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from

potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;

- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and
- (h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.

5.3 Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.

5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.

5.3.2 If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

6. WRITTEN ASSURANCES OF SUBCONTRACTORS

6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

- 6.2 Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.
- 6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.
- 6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.
- 6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.
- 6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7 Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

7. ACCESS TO PROTECTED HEALTH INFORMATION

- 7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within two (2) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individuals(s) or other person(s) designated by Covered Entity with

a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.

- 7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.
- 7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business Associate shall provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.

8. AMENDMENT OF PROTECTED HEALTH INFORMATION

- 8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make any amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.
- 8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request. Whether an amendment shall be granted or denied shall be determined by Covered Entity.

9. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 9.1 Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 shall include:

- (a) The date of the Disclosure;
- (b) The name, and address if known, of the entity or person who received the Protected Health Information;
- (c) A brief description of the Protected Health Information Disclosed; and
- (d) A brief statement of the purpose of the Disclosure.

9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1, and shall maintain the information for six (6) years from the date of the Disclosure.

9.2 Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528

9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request, and shall provide the requested accounting of disclosures to the Individual(s) within 30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

10. COMPLIANCE WITH APPLICABLE HIPAA RULES

10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

10.2 Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

11. AVAILABILITY OF RECORDS

11.1 Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health

Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.

- 11.2 Unless prohibited by the Secretary, Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

12. MITIGATION OF HARMFUL EFFECTS

- 12.1 Business Associate shall mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.

13. BREACH NOTIFICATION TO INDIVIDUALS

- 13.1 Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

13.1.1 Business Associate shall notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.

13.1.2 The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:

- (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
- (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

- (c) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
 - (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and
 - (e) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.
- 13.2 Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.
- 13.3 Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

14. INDEMNIFICATION

- 14.1 Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.
- 14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

15. OBLIGATIONS OF COVERED ENTITY

- 15.1 Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own Uses and Disclosures accordingly.
- 15.2 Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

16. TERM

- 16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 16.2 Notwithstanding Section 16.1, Business Associate's obligations under Sections 11, 14, and 18 shall survive the termination or expiration of this Business Associate Agreement.

17. TERMINATION FOR CAUSE

- 17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- 17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this

Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION

- 18.1 Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or, if agreed to by Covered entity, shall destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.
- 18.2 Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.
- 18.3 Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.
- 18.3.1 Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such Protected Health Information other than for the

purposes for which such Protected Health Information was retained.

18.3.2 Business Associate shall return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.

18.4 Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.

19. AUDIT, INSPECTION, AND EXAMINATION

19.1 Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in section 17.

19.2 Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.

19.3 At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.

19.4 That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.

19.5 Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such

practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

- 19.6 Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

20. MISCELLANEOUS PROVISIONS

- 20.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.
- 20.2 HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.
- 20.3 No Third-Party Beneficiaries. Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 20.4 Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

- 20.6 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.
- 20.7 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

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Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

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2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

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2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
 - B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)
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2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

1. Chief Executive Office delegated authority agreements under \$50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth 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
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

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2.206.070 Enforcement and remedies.

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For 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; and/or,
 - 3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 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. No. 2009-0026 § 1 (part), 2009.)
