



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

September 20, 2005

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

Dear Supervisors:

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**WORKERS' COMPENSATION CLAIMS THIRD-PARTY
ADMINISTRATION SERVICES CONTRACTS
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached three contracts for workers' compensation claims third-party administration (TPA) services with Acclamation Insurance Management Services, Inc. (AIMS), TRISTAR Risk Management, and TRISTAR Risk Management No. 2, Inc. (collectively referred to as TRISTAR), for the period of January 1, 2006 through December 31, 2010. The three contracts' first-year cost is \$17,195,586.
2. Find that the services provided under the three contracts are more economically performed by the contractors rather than by County of Los Angeles (County) employees (Attachment 1).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current workers' compensation claims TPA contracts with TRISTAR (Units 1 and 2) and Cambridge Integrated Services Group, Inc. (Cambridge) (Unit 4) expire December 31, 2005. The workers' compensation TPA contract with Intercare Insurance Services (Unit 3) expires December 31, 2008. Cambridge adjusts approximately 25 percent of the County's workers' compensation claims and TRISTAR adjusts approximately 50 percent. A Request for Proposals (RFP) for workers' compensation claims TPA services was issued on January 4, 2005, to replace the services of Cambridge and TRISTAR. Six proposals were received and evaluated, and the highest-ranked proposers were AIMS and TRISTAR.

Implementation of Strategic Plan Goals

The workers' compensation claims TPA services to be provided by AIMS and TRISTAR promote and further the County's goals:

- Goal 2 - Workforce Excellence, by providing timely and effective services to injured County workers that facilitate their expeditious and successful return to productive work;
- Goal 3 - Organizational Effectiveness, by ensuring workers' compensation services are delivered efficiently and effectively; and
- Goal 4 - Fiscal Responsibility, by providing the most cost effective claims administration for the County.

FISCAL IMPACT/FINANCING

The first-year cost of these contracts is \$17,195,586. Subsequent years' costs could increase by the lesser of either the general movement in County employees' salaries or the Consumer Price Index. If no general movement in County employees' salaries occurs within a contract year, AIMS and TRISTAR will not be granted a fee increase.

The new contracts' cost is approximately 17 percent more than the expiring contracts. The reasons for the increase are:

- The number of indemnity claims adjusted under the contracts has increased five percent since the contracts were last bid in 2000;
- Based on salary data collected from all RFP proposers, salaries for workers' compensation claims adjusters increased 12 to 18 percent since 2000; and
- These contracts contain a significant enhancement that requires TPAs to employ a full-time Quality Assurance Monitor.

Overall, TRISTAR was the highest-ranked proposer for two contracts (Units 1 and 2) and AIMS was the highest-ranked proposer for Unit 4. In the evaluation process applied to each proposer, price was the highest-weighted component at 30 percent of the overall score. The proposed prices for Unit 1 ranged from \$6,903,000 to \$15,506,250, Unit 2 from \$4,308,000 to \$9,956,250, and Unit 4 from \$5,732,000 to \$12,556,250. The evaluation process considered factors other than price; for example, proposer's statement of work; staff training, experience, and capability; quality control

plan; acceptance of terms and conditions; transition plan; and, customer service. Although AIMS was not the lowest cost proposer for Unit 4, AIMS' proposal was rated higher than others in the area of staff experience and financial capability. Additionally, AIMS scored high in customer service, as confirmed by the evaluator's reference checks of AIMS' current customers. AIMS' customers related a high level of client satisfaction. After consideration of all rating factors, the evaluation committee determined that AIMS and TRISTAR would provide the most cost-effective service to the County.

Costs for these contracts will be paid by the County's Workers' Compensation Trust Fund.

The County may terminate the contracts if sufficient funds are not available.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code, Section 5.31.050, the Director of Personnel is authorized to administer a complete workers' compensation system. On July 30, 2002, the Director of Personnel delegated this authority to the Chief Administrative Officer (CAO).

The requirements of County Code, Section 2.121.380, Award of Contracts – Mandatory Prerequisites, have been met. The workers' compensation claims TPA services being provided will not have any impact on County tort liability and no projected employee relations implication since County employees currently do not perform these services. There will be no reduction in County services as a result of these contracts.

The contractors are in compliance with your Board and CAO requirements. These contracts have been approved as to form by County Counsel.

The Community Business Enterprise (CBE) information form is attached (Attachment 2). None of the proposers are a CBE. However, AIMS and TRISTAR were selected without regard to gender, race, or creed.

CONTRACTING PROCESS

The CAO issued an RFP for workers' compensation claims TPA services on January 4, 2005.

The RFP was posted on the County's Web site (Attachment 3). An Invitation to Submit Proposal was mailed to a list of 146 vendors, including 22 vendors from the Office of Affirmative Action Compliance and County-certified CBE participating vendors listing.

The RFP was advertised in the *Los Angeles Times*, *Los Angeles Sentinel*, *La Opinion*, and *Acton/Agua Dulce* newspapers.

Fourteen companies attended a proposer's conference held on February 1, 2005. Six proposals were submitted by the February 23, 2005 due date.

The RFP process involved three evaluation phases:

1. The Minimum Requirements Phase was conducted by CAO staff and consisted of a verification of all minimum requirements described in the RFP.
2. The second phase, the Technical Review Phase, conducted on April 11, 2005, consisted of a technical review that included a financial capability assessment by the Auditor-Controller (A-C) and an evaluation by a Technical Review Committee. The Technical Review Committee consisted of staff possessing workers' compensation expertise from the Department of Children and Family Services, Department of Health Services (DHS), Department of Public Works (DPW), and the Sheriff's Department (Sheriff). During this phase, two proposers were eliminated and the remaining four proposers were invited to make oral presentations during the third and final phase of the evaluation process.
3. The third and final phase was conducted on April 26, 2005, by an Executive Evaluation Committee comprised of department executives from DHS, DPW, and Sheriff. As specified in the RFP, this phase consisted of oral presentations from the four remaining proposers.

Following the third phase, scores from the second and third phase evaluations were combined. TRISTAR's proposal attained the highest score for Units 1 and 2, and AIMS' proposal attained the highest score for Unit 4. As determined by the evaluation committees, AIMS' and TRISTAR's proposals would provide the County and its employees the best combination of service and cost.

These contracts are "Proposition A" contracts. The "Proposition A" cost analysis demonstrates continued cost effectiveness by utilizing the services of a TPA, as shown in Attachment 1. The contracts should generate first-year "Proposition A" savings of \$2,543,895. The A-C validated the accuracy of the computation of estimated cost savings.

The CAO determined that AIMS and TRISTAR fully comply with the requirements of the Living Wage Program (County Code Chapter 2.201) and agree to pay a living wage to their employees providing County services.

Honorable Board of Supervisors
September 20, 2005
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After proposers were notified of their rankings, five of the proposers requested debriefing sessions with CAO staff. No requests for a Proposed Contractor Selection Review were filed after the debriefings.

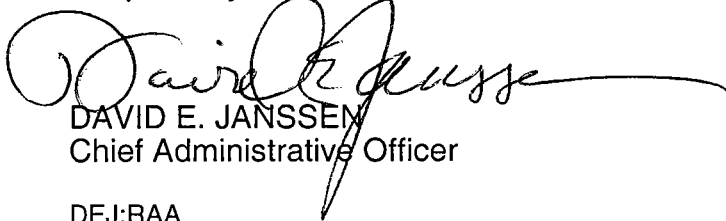
IMPACT ON CURRENT SERVICES (OR PROJECTS)

None; approval of these contracts provides for the continuation of existing services.

CONCLUSION

Please sign three copies of each attached contract and return two copies to the CAO's Risk Management Branch, attention Rocky A. Armfield, County Risk Manager.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:RAA
DU:sg

Attachments (3)

c: County Counsel
Auditor-Controller

**PROPOSITION A CONTRACTING
WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION AGREEMENT
COMPARISON OF ESTIMATED AVOIDABLE COSTS TO THE COST OF CONTRACTING**

<u>COUNTY</u>			<u>COST OF INCREASE (DECREASE) FROM CONTRACTING</u>
<u>DIRECT</u>			
SALARIES	\$12,981,257		
EMPLOYEE BENEFITS	5,176,619		
TOTAL PERSONNEL COSTS		\$18,157,876	
EQUIPMENT/SERVICES & SUPPLIES		1,581,604	
TOTAL DIRECT		\$19,739,480	
<u>INDIRECT</u>			
TOTAL OVERHEAD	\$0		
TOTAL INDIRECT		\$0	
TOTA AVOIDABLE COST		\$19,739,480	(\$19,739,480)
<u>CONTRACT</u>			
<u>DIRECT</u>			
SALARIES & EMPLOYEE BENEFITS	\$9,997,685		
PAYROLL TAXES	940,592		
SERVICES & SUPPLIES & OTHER	3,204,532		
TOTAL DIRECT	\$14,142,809	\$14,142,809	
<u>INDIRECT</u>			
MANAGEMENT COST	\$1,884,175		
TOTAL INDIRECT	\$1,884,175	\$1,884,175	
PROFIT	\$1,168,601	\$1,168,601	
TOTAL CONTRACT COST		\$17,195,585	\$17,195,585
ESTIMATED SAVINGS FROM CONTRACTING			(\$2,543,895)

County of Los Angeles – Community Business Enterprise Program (CBE) - Attachment 2

**Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: TRISTAR Risk Management / TRISTAR Risk Management No. 2, Inc.

I AM NOT A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance
 I AM as of this date of this proposal/bids submission

As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number: _____

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: Sole Proprietorship Partnership Corporation Non-Profit Franchise
 Other (Please Specify)

Total Number of Employees (including owners): 419

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories.

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American	0	0	0	3	4	18
Hispanic/Latino	0	0	3	11	21	63
Asian or Pacific Islander	0	0	1	4	20	39
American Indian	0	0	0	0	1	2
Filipino	Included in Asian or Pacific Islander					
White	1	0	14	27	31	156

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

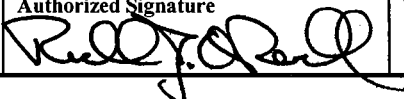
	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	0 %	0 %	0 %	0 %	0 %	.2 %
Women	0 %	0 %	0 %	0 %	0 %	0 %

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES:

If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	Expiration Date
Men	%	%	%	%	%
Women	%	%	%	%	%

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name Russell J. O'Donnell	Authorized Signature 	Title Senior VP & COO	Date February 18, 2005
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County of Los Angeles – Community Business Enterprise Program (CBE)

**Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: ACCLAMATION INSURANCE MANAGEMENT SERVICES, INC.

I AM NOT A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

I AM

As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Franchise <input type="checkbox"/> Other (Please Specify) _____						
Total Number of Employees (including owners): <u>104</u>						
Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:						
Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American			1		3	2
Hispanic/Latino			1		3	2
Asian or Pacific Islander				1	6	6
American Indian						
Filipino					2	
White			12	10	13	42

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.


	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	100 %
Women	%	%	%	%	%	%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES:

If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis-advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name Jeffrey Russo	Authorized Signature 	Title Vice President	Date 02/22/05
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Bid Detail Information

Bid Number : CAO01-047
Bid Title : Third-Party Workers' Compensation Claims Administration Services
Bid Type : Service
Department : Chief Administrative Office
Commodity : ADMINISTRATIVE SERVICES, ALL KINDS
Open Date : 1/4/2005
Closing Date : 2/23/2005 11:00 AM
Bid Amount : N/A
Bid Download : [Available](#)
Bid Description : The County of Los Angeles is issuing a Request for Proposals (RFP) for third-party workers' compensation claims administration services. Written questions regarding this RFP are due by January 25, 2005, a Mandatory Proposers' Conference will be held on February 1, 2005, and proposals are due by 11:00 a.m. (PST), February 23, 2005.
Contact Name : Ann Rain
Contact Phone# : (213) 738-2199
Contact Email : arain@cao.co.la.ca.us
Last Changed On : 1/4/2005 10:54:32 AM

[Back to Last Window](#)



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

TRISTAR RISK MANAGEMENT NO. 2, INC.

FOR

**THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES**

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- A STATEMENT OF WORK
- B PRICING SCHEDULE
- C CONTRACTOR'S PROPOSED SCHEDULE (Not Applicable)
- D CONTRACTOR'S EEO CERTIFICATION
- E COUNTY'S ADMINISTRATION
- F CONTRACTOR'S ADMINISTRATION
- G FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION
 - G1 CONTRACTOR EMPLOYEE ACKNOWLEDGMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT
 - G2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGMENT,
CONFIDENTIALITY AND COPYRIGHT ASSIGNMENT AGREEMENT
- H JURY SERVICE ORDINANCE
- I SAFELY SURRENDERED BABY LAW

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UNIQUE EXHIBITS

PROP A - LIVING WAGE PROGRAM DOCUMENTS

J LIVING WAGE ORDINANCE

K MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

L PAYROLL STATEMENT OF COMPLIANCE

EXHIBIT M – INTENTIONALLY OMITTED

N CONTRACTOR'S OBLIGATION UNDER HIPAA

O CHARITABLE CONTRIBUTIONS CERTIFICATION

TECHNICAL EXHIBITS

I	CAO, Risk Management Branch Description
II	Other County Departments
III	Open Claims By Department – Unit 1, Unit 2, and Unit 4
IV	New Claims by Year and Month – Unit 1, Unit 2, and Unit 4
V	Workload Statistics – Historical and Annual Self-Insurance Plans Reports
VI	Claims Administration Checklist
VII	Equipment List to Connect to GENCOMP
VIII	Quality of Work Performance Requirements Summary
IX	Performance Requirements Summary
X	Contract Discrepancy Report
XI	Workers' Compensation Manual
XII	Payment Provisions
XIII	Anatomy of a Payment
XIV	Examples of Overpayments and Excess Costs
XV	Sample Balance Sheet
XVI	Intentionally Omitted
XVII	Claim Status Reports Form & Guidelines
XVIII	Los Angeles County Code 5.31.050
XIX	Population Count and Operating Expenses 1998-2004

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
TRISTAR RISK MANAGEMENT NO. 2, INC.
FOR
THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES**

This Contract which includes the attached Exhibits made and entered into this _____ day of _____, 2005 by and between the County of Los Angeles, hereinafter referred to as County and TRISTAR Risk Management No. 2, Inc., hereinafter referred to as Contractor. Contractor is located at 100 Oceangate, Suite 700, Long Beach, CA 90802.

RECITALS

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the Director of Personnel shall have the authority and responsibility to establish, administer and operate a complete self-insured workers' compensation program; and

WHEREAS, on July 30, 2002, the Director of Personnel delegated his authority under the Los Angeles County Code Section 5.31.050 to the Chief Administrative Officer; and

WHEREAS, pursuant to Los Angeles County Code Section 2.121.295, et seq., County is authorized to contract with private business to perform personal services when it is more economical or feasible to do so; and

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

WHEREAS, in response to County's Request for Proposals for such services, Contractor has submitted its proposal to County and desires to provide such services; and

NOW, THEREFORE, the parties hereto agree to as follows:

Prop A authorization:

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract Third Party Workers' Compensation Claims 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 (intentionally omitted), N and O, and Technical Exhibits I, II, III, IV, V, VI, VII, VIII, IX, X, XI XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX are attached to and form a part of this Contract.

In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Contractor's Proposed Schedule (Not Applicable)
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - County's Administration
- 1.6 EXHIBIT F - Contractor's Administration
- 1.7 EXHIBIT G - Forms Required at the Time of Contract Execution
- 1.8 EXHIBIT H - Jury Service Ordinance
- 1.9 EXHIBIT I - Safely Surrendered Baby Law

Unique Exhibits:

Prop A - Living Wage Program

- 1.10 *EXHIBIT J - Living Wage Ordinance*
- 1.11 *EXHIBIT K - Monthly Certification for Applicable Health Benefit Payments*
- 1.12 *EXHIBIT L - Payroll Statement of Compliance*
- 1.13 **EXHIBIT M - INTENTIONALLY OMITTED**

Health Insurance Portability & Accountability Act (HIPAA) Agreement

- 1.14 EXHIBIT N - Contractor's Obligation Under HIPAA
- 1.15 EXHIBIT O - Charitable Contributions Certification

Technical Exhibits

- 1.16 I CAO, Risk Management Branch Description
- 1.17 II Other County Departments
- 1.18 III Open Claims By Department – Unit 1, Unit 2, and Unit 4
- 1.19 IV New Claims by Year and Month – Unit 1, Unit 2, and Unit 4
- 1.20 V Workload Statistics – Historical and Annual Self-Insurance Plans Reports
- 1.21 VI Claims Administration Checklist
- 1.22 VII Equipment List to Connect to GENCOMP
- 1.23 VIII Quality of Work Performance Requirements Summary
- 1.24 IX Performance Requirements Summary
- 1.25 X Contract Discrepancy Report
- 1.26 XI Workers' Compensation Manual
- 1.27 XII Payment Provisions
- 1.28 XIII Anatomy of a Payment
- 1.29 XIV Examples of Overpayments and Excess Costs
- 1.30 XV Sample Balance Sheet
- 1.31 XVI Intentionally Omitted
- 1.32 XVII Claim Status Reports Form & Guidelines
- 1.33 XVIII Los Angeles County Code 5.31.050
- 1.34 XIX Population Count and Operating Expenses 1998-2004

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.4 - Change Notices and Amendments and signed by both parties.

2.0 DEFINITIONS

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

- 2.1 **Contract:** Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.
- 2.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the Statement of Work.
- 2.3 **Contractor Contract Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.4 **County Contract Monitor:** Person with responsibility to oversee the day to day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by Contractor.
- 2.5 **County Risk Manager:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County Contract Administrator.
- 2.6 **County Contract Administrator (CCA):** Person designated by County's Risk Manager to manage the operations, work or service under this Contract.
- 2.7 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.8 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the *Statement of Work, Exhibit A*.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall

be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2010. Contractor'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, 2006.
- 4.2 In the event of expiration of the term of this Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 4.3 Contractor shall notify CCA when this Contract is within six months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit E - County's Administration.

5.0 CONTRACT SUM

- 5.1 Contractor shall be paid as set forth in Exhibit B, Pricing Schedule.
- 5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the CCA's express prior written approval.
- 5.3 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total Contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in *Exhibit E - County's Administration*.

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

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this 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. Contractor shall be paid as set forth in Exhibit A, Statement of Work, Section III, Contractor Payment and Adjustments to Payment. 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.

Prop A - Living Wage Program:

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

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

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

Third Party Workers' Compensation Claims
Administration Services
County Contract Administrator
Chief Administrative 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 CCA 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, and in no instance will such approval take more than 60 days from receipt of properly prepared invoices by the County.

5.6 Cost of Living Adjustments (COLA's)

The Contract yearly amount may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

The Chief Administrative Officer (hereinafter referred to as "CAO") or his authorized designee, shall have the authority to administer this Contract

on behalf of the County. The term "County Contract Administrator (CCA)" as used in this Agreement means the Workers' Compensation Chief Program Specialist, Risk Management Branch, CAO or CCA's duly authorized designee.

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

6.1 County's Risk Manager

Responsibilities of the County's Risk Manager include:

- ensuring that the objectives of this Contract are met;
- making changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments; and
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Contract Administrator

Responsibilities of the County's Contract Administrator include:

- ensuring that the objectives of this Contract are met;
- making changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments; and
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.
- meeting with Contractor's Contract Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.

The CCA 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 except as provided in Sub-paragraph 8.4.

6.3 County's Contract Monitor

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

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Contract Manager

7.1.1 Contractor's Contract 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 Contract Manager.

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

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

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

7.3.2 Contractor shall notify the County within one business day when staff is terminated from working on this Contract. Contractor is responsible to retrieve and immediately destroy the staff's County photo identification badge at the time of removal from the County Contract.

- 7.3.3 If County requests the removal of Contractor's staff, Contractor is responsible to retrieve and immediately destroy the Contractor's staff's County photo identification badge at the time of removal from working on the Contract.

7.4 Background and Security Investigations

- 7.4.1 At any time prior to or during term of this Contract, the County may require that all Contractor staff performing work under this Contract undergo and pass, to the satisfaction of County, a background investigation, as a condition of beginning and continuing to work under this Contract. County shall use its discretion in determining the method of background clearance to be used, up to and including a County performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation.
- 7.4.2 County may request that Contractor's staff be immediately removed from working on the County Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County conducted background clearance.
- 7.4.3 County may immediately deny or terminate facility access to Contractor's staff who do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access, at the sole discretion of the County.
- 7.4.4 Disqualification, if any, of Contractor staff, pursuant to this Sub-paragraph 7.4, shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

(any reference to Copyright Assignment would apply to Information Technology Contracts only)

The Contractor shall maintain the confidentiality of all records obtained from the County under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "*Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", Exhibit G1. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "*Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", Exhibit G2.

8.0 STANDARD TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, either in whole or in part, without the prior written consent of the CCA. Any unapproved assignment or delegation shall be null and void. Any payments by the CAO to any approved delegate or assignee on any claim under this Contract shall be deductible, at CCA's sole discretion, against the claims, which the Contractor may have against the County.

8.1.2 If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without CCA's express prior written approval, may result in the termination of this Contract.

8.2 AUTHORIZATION WARRANTY

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

8.3 BUDGET REDUCTIONS

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to

renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

8.4 CHANGE NOTICES AND AMENDMENTS

8.4.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. A change in performance standards pursuant to paragraph 1.0 of Exhibit A, Section III may be made by Change Notice. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.

8.4.2 Upon mutual agreement between CAO and Contractor, the Contractor shall assume County workload from other third party administrators at the same terms as this Contract. The CAO is authorized to enter into and execute such amendment.

8.4.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.

8.5 COMPLAINTS

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

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

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

8.5.2 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.

8.5.3 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.

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

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.

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

8.6 COMPLIANCE WITH APPLICABLE LAW

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

8.6.2 The Contractor shall indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

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

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010

through 2.203.090 of the Los Angeles County Code, a copy of which is attached as *Exhibit H* and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences,

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

4. Contractor's violation of this Sub-paragraph of the 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 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 Sub-paragraph shall be a material breach of this Contract.

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

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

8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

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.

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 not to exceed three (3) years, 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

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.

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.

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.

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it

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

8.15 COUNTY'S QUALITY ASSURANCE PLAN

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

8.16 DESCRIPTION OF SERVICES

8.16.1 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 the Statement of Work, Exhibit A.

8.16.2 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.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

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.

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 Change Notices and Amendments prepared pursuant to Sub-paragraph 8.4, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices and 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

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 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.

8.21 INDEPENDENT CONTRACTOR STATUS

- 8.21.1 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.
- 8.21.2 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.
- 8.21.3 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.
- 8.21.4 As previously instructed in Sub-paragraph 7.5 - Confidentiality, the Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "*Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", *Exhibit G1*. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "*Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", *Exhibit G2*.

8.22 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, 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, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to this Contract.

8.23 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.23.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to:

County Contract Administrator
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or

fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.23.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.23.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.23.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.23.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to

comply results in any costs to the County, the Contractor shall pay full compensation for all costs incurred by the County.

8.23.6 Insurance Coverage Requirements for Subcontractors:

The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.24 INSURANCE COVERAGE REQUIREMENTS

8.24.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

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

8.24.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

8.24.3 Workers’ Compensation and Employers’ Liability insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor’s employees will be engaged in maritime employment, coverage shall provide workers’ compensation benefits as required by the U.S. Longshore and Harbor Workers’ Compensation Act, Jones Act or any other federal law for which the Contractor is responsible. In all cases, the above insurance also shall include Employers’ Liability coverage with limits of not less than

the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.24.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of net less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

8.24.5 Crime Coverage: Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee:

Employee Dishonesty:	\$1 million
Forgery or Alteration:	\$1 million
Theft, Disappearance and Destruction:	\$1 million
Computer Fraud:	\$1 million
Burglary and Robbery:	\$1 million

8.24.6 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.

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

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

8.24.7 Insurance policies purchased and maintained under this Contract by the Contractor shall include a waiver of subrogation recovery against the County and employees.

8.25 LIQUIDATED DAMAGES

8.25.1 If, in the judgment of the CAO, the Contractor breaches the Contract requirements as specified in the *Performance Requirements Summary (PRS) Chart*, as defined in *Technical Exhibit IX*, hereunder, the County will have a claim for the sum specified in the PRS, to be paid by the Contractor in accordance with the Contract as liquidated damages. The Chief Administrative Officer, or his/her designee shall notify Contractor in writing of the specific instances and areas of noncompliance and/or nonperformance and the corresponding unsatisfactory performance deductions.

8.25.2 This Sub-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, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.26 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this 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.

8.27 NONDISCRIMINATION AND AFFIRMATIVE ACTION

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

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

8.27.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated

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

- 8.27.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.27.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.27.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.27 when so requested by the County.
- 8.27.7 If the County finds that any provisions of this Sub-paragraph 8.27 have been violated, such violation shall constitute a material breach of this 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 Practices 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.

8.27.8 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.

8.28 NON EXCLUSIVITY

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

8.29 NOTICE OF DELAYS

Except as otherwise provided under this 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) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.30 NOTICE OF DISPUTES

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

8.31 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

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

8.32 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to

safely surrender a baby. The fact sheet is set forth in *Exhibit I* of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.33 NOTICES

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

8.34 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

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

8.35 PUBLIC RECORDS ACT

8.35.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.37 - Record Retention and Inspection/Audit Settlement of this 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.

8.35.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of 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.

8.36 PUBLICITY

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

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County Contractor Administrator. The County shall not unreasonably withhold written consent.

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

8.37 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this 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 records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other 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.

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

8.37.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 8.37 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

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

8.38 RECYCLED-CONTENT PAPER

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

8.39 SUBCONTRACTING

8.39.1 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.

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

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

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

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

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

8.39.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.

- 8.39.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.39.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County Contract Administrator
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

before any subcontractor employee may perform any work hereunder.

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

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - 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 Contractor to cure such default within 90 calendar days of within notice shall be grounds upon which the County may terminate this Contract pursuant to Sub-paragraph 8.42 - Termination for Default and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

8.41 TERMINATION FOR CONVENIENCE

8.41.1 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 Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

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

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

8.41.3 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 Sub-paragraph 8.37, Record Retention & Inspection/Audit Settlement.

8.42 TERMINATION FOR DEFAULT

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

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

8.42.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.42.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.42.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of

the type identified in Sub-paragraph 8.42.2 if its failure to perform this 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 Sub-paragraph 8.42.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

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

8.42.5 In the event the County terminates this Contract in its entirety due to the Contractor's default as provided in Sub-paragraph 8.42.1, the Contractor and the County agree that the County will have actual damages, which are extremely difficult to calculate and impracticable to fix and which will include, but are not limited to, the County's costs of procurement of replacement services and costs incurred due to delays in procuring such services. Therefore, the Contractor and the County agree that the County shall, at its sole option and in lieu of the provisions of Sub-paragraph 8.42.2, be entitled to liquidated damages from the Contractor, pursuant to California Civil Code Section 1671, in the amount of Ten Thousand Dollars (\$10,000) or ten percent (10%) of the applicable year's Contract sum,

whichever is more, as equitable compensation to the County for such actual damages. This amount of liquidated damages shall be either paid by the Contractor to the County by cash payment upon demand or, at the sole discretion of the CAO, or designee, deducted from any amounts due to the Contractor by the County, whether under this Contract or otherwise.

These liquidated damages shall be in addition to any credits, which the County is otherwise entitled to under this Contract, and the Contractor's payment of these liquidated damages shall not in any way change, or affect the provisions of Sub-paragraph 8.22 - Indemnification.

- 8.42.6 The rights and remedies of the County provided in this Sub-paragraph 8.42 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.43 TERMINATION FOR IMPROPER CONSIDERATION

- 8.43.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this 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.
- 8.43.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 8.43.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.44 TERMINATION FOR INSOLVENCY

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

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

8.44.2 The rights and remedies of the County provided in this Sub-paragraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.45 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

8.46 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors

appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.47 VALIDITY

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

8.48 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.48 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.49 WARRANTY AGAINST CONTINGENT FEES

8.49.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this 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.

8.49.2 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.

8.50 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1282, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit O, the

County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

9.0 UNIQUE TERMS AND CONDITIONS

9.1 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM

9.1.1 Living Wage Program:

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

9.1.2 Payment of Living Wage Rates.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County under the Contract:
 - a. Not less than \$9.46 per hour if, in addition to the per-hour wage, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
 - b. Not less than \$8.32 per hour if, in addition to the per-hour wage, the Contractor contributes at least \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed \$1.14 per hour towards the provision of bona fide health care benefits if the benefits are

provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this Sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract Contract and a copy of the Living Wage Program shall be attached to the Contract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.
3. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.
4. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the

Contract and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

9.1.3 Contractor's Submittal of Certified Monitoring Reports.

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

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

During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act,

employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

9.1.5 County Auditing of Contractor Records.

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

9.1.6 Notifications to Employees.

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

9.1.7 Enforcement and Remedies.

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

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a

breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any

Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
- c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

3. Debarment. In the event the Contractor breaches a requirement of this Sub-paragraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, not to exceed three years.

9.1.8 Use of Full-Time Employees.

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

9.1.9 Contractor Retaliation Prohibited.

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

9.1.10 Contractor Standards.

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

9.1.11 Employee Retention Rights

1. Contractor shall offer employment to all retention employees who are qualified for such jobs. A "retention employee" is an individual:
 - a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
 - b. Who has been employed by a Contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and
 - c. Who is or will be terminated from his or her employment as a result of the County entering into this new contract.
2. Contractor is not required to hire a retention employee who:
 - a. Has been convicted of a crime related to the job or his or her performance; or
 - b. Fails to meet any other County requirement for employees of a Contractor.
3. Contractor shall not terminate a retention employee for the first 90 days of employment under the contract, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

9.1.12 Neutrality in Labor Relations

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

permitted under the provisions of the National Labor Relations Act.

9.2 CONTRACTOR'S OBLICATIONS UNDER HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)

The County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Contract, Contractor provides services to the County and the Contractor receives, has access to, and/or creates 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, Contractor's Obligations Under HIPAA*.

9.3 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

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

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

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

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

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply if Contractor is no longer eligible for certification as a result in a change of their status and Contractor failed to notify the State and the County's Office of Affirmative Action Compliance of this information.

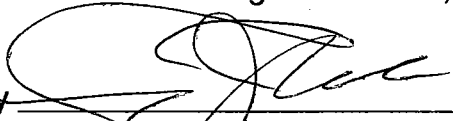
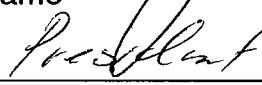
9.4 OWNERSHIP OF MATERIALS – REPORTS AND RECORDS

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

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

CONTRACTOR:

TRISTAR Risk Management No. 2, Inc.

By  _____
Name
 _____
Title

COUNTY OF LOS ANGELES

By _____
(Mayor/Chairman), Board of Supervisors

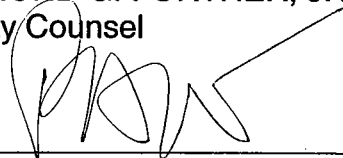
ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By  _____
Patrick Wu
Assistant County Counsel

8-2-05
g/amr/WC TPA RFP 2005/Contract – Unit 1 – Tristar No. 2

**EXHIBIT A – UNIT 1
TRISTAR RISK MANAGEMENT NO. 2
STATEMENT OF WORK
SECTION I - DEFINITIONS**

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

1.0 ACCEPTABLE QUALITY LEVEL (AQL)

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

Recognition of unintentional error does not relieve Contractor from the right of the County to make adjustments to payment to Contractor under Section III.

2.0 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.

3.0 ALLOCATED EXPENDITURES

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all carve-out fees or expense, Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of services of outside undercover investigators or operatives and detectives; and vocational rehabilitation counselors; the costs of employing independent experts for the purpose of preparing maps, photographs, diagrams, analysis, or giving expert advice or opinions; the cost of copies of transcripts of testimony at Coroner's Inquests or criminal or civil proceedings; the photocopy cost of obtaining copies of any public records; 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 responsible for administration of the claim file. "Allocated Loss Expense" is not included in the fee paid to the Contractor.

4.0 BASE FEE

The Base Fee is the flat, one-time fee per new claim or the annual flat fee for provision of all services. The Base Fee is subject to increase or decrease in accordance with, of Section III, of this Statement of Work.

5.0 CHIEF ADMINISTRATIVE OFFICE (DEPARTMENT)

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

6.0 CHIEF ADMINISTRATIVE OFFICER (CAO)

The Chief Administrative Officer of the County of Los Angeles.

7.0 CONTRACT DISCREPANCY REPORT

The Contract Discrepancy Report (Technical Exhibit X) is a report used by the County's Quality Assurance Evaluator to record contract information regarding discrepancies or problems with the Contractor's performance. If the Contractor's performance is judged unsatisfactory, the Quality Assurance Evaluator shall forward a Contract Discrepancy Report to the Contractor for response.

8.0 CONTRACT START DATE

The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2010. Contractor'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, 2006.

9.0 CONTRACTOR'S QUALITY CONTROL PLAN

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

10.0 COUNTY

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

11.0 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 Workers' Compensation Chief Program Specialist, CAO Risk Management Branch or his/her designee.

12.0 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.

13.0 COUNTY COUNSEL

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

14.0 COUNTY'S WORKERS' COMPENSATION RISK MANAGEMENT INFORMATION SYSTEM

The County installed workers' compensation system. The current version GENCOMP for Windows software modules were licensed to the County by GenSource Corporation. The system includes on-line input of claims, vocational rehabilitation and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Risk Management Branch.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall expeditiously and completely convert to the County's new system, at a time of County's choosing, at sole expense to Contractor.

15.0 CONTRACTOR'S CONTRACT MANAGER

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

16.0 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, liability undetermined, medical costs over \$3,500.00, benefits due more than six months after opening of case, and designation by the Claims Examiner.

17.0 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed \$3,500.00. Indemnity payments are not anticipated.

18.0 NON-INCLUDED SERVICES (See Allocated Expenditures)

19.0 PERFORMANCE INDICATORS

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

20.0 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

A chart located in Technical Exhibit IX, that summarizes all adjustments to payments made to Contractor pursuant to Contract Terms and Conditions.

21.0 QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY (QWPRS)

The document which summarizes the key performance indicators.

22.0 QUALITY ASSURANCE EVALUATOR (QAE)

The Quality Assurance Evaluator is a County employee designated as an agent for the County responsible for monitoring the Contractor's performance, approving over limit payments, advising and training third party administrator staff in County payroll systems and other County procedures. At times this employee may be referred to as "County Monitor."

23.0 COUNTY QUALITY ASSURANCE MONITORING PLAN (QAMP)

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

24.0 COUNTY'S QUALITY CONTROL PLAN

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

25.0 RANDOM SAMPLE

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

26.0 RISK MANAGEMENT BRANCH

The organizational unit of the County's Chief Administrative Office responsible for administration of the County's self-insured program for workers' compensation.

27.0 TAKE-OVER CLAIM

An open claim or a closed claim which subsequently must be re-opened for a period of time for adjusting services.

28.0 TAKE-OVER (ASSUMPTION) FEE

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

29.0 THREE POINT CONTACT

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

30.0 USER COMPLAINT REPORT

The report submitted by an individual or group of individuals to record discrepancies or problems with the Contractor's performance. The Contractor may be required to respond to a User Complaint Report and may be part of a Contract Discrepancy Report.

31.0 WORKDAY

Throughout the Statement of Work, whenever "workday" appears, it means a normal workday, Monday through Friday, 8:00 A.M. to 5:00 P.M., except County holidays. Except as noted in 1.3.7, Section II, Statement of Work.

EXHIBIT A – UNIT 1

SECTION II - CONTRACTOR'S SERVICES

1.0 SCOPE OF WORK

The Contractor 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 Technical Exhibit III of this Contract.

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

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

1.1 Program Development

Contractor's responsibilities include but are not limited to the following:

- 1.1.1 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.
- 1.1.2 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.

1.2 Claims Management

Contractor's responsibilities include but are not limited to the following:

1.2.1 Review and process all industrial injury cases in accordance with County standards, state statutes or laws and requirements of the State Department of Industrial Relations for reporting and notification. All liability decisions and required notices for those decisions will be made within 90 days, or less if required by State of California statutes or regulations, from the date of employer's knowledge of injury in accordance with law, including but not limited to Labor Code section 5402.

1.2.1.1 The claims adjuster shall submit to the COUNTY QAE and FAX to the COUNTY department a checklist in the form indicated in Technical Exhibit VI for all indemnity claims where liability is undetermined at the following intervals subject to change at the discretion of the CCA:

1.2.1.1.1 30 days from the date of employer's knowledge of injury

1.2.1.1.2 60 days from the date of employer's knowledge of injury

1.2.1.1.3 90 days from the date of employer's knowledge of injury

1.2.1.1.4 Upon acceptance or denial of claim

1.2.1.2 The claims examiner shall immediately notify the COUNTY QAE of any claim or injury 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.

1.2.2 Determine compensability of injuries and illnesses in accordance with State Workers' Compensation laws, including but not limited to the following:

1.2.2.1 Obtain a medical report addressing the issue of AOE/COE within 90 days, or less as required by law, from the date of employer's knowledge of injury.

1.2.2.2 Where there is evidence that a claimed injury is not work

related, deny the claim within 90 days, or less as required by law, of filing of the claim or within 90 days or less from the date of employer's knowledge in accordance with law, including but not limited to Labor Code section 5402.

- 1.2.3 Determine eligibility for and authorize temporary disability compensation benefits in accordance with medical advice and rehabilitation efforts. At no cost to the County, the Contractor shall report all indemnity workers' compensation claims to the Insurance Services Office, Inc. – ISO Claims Search.
- 1.2.4 Obtain County approvals in accordance with approval limits established by the CCA prior to the negotiation of any compromise and release agreement.
- 1.2.5 Determine the extent and degree of permanent disability, utilizing, as necessary and desirable, consultative ratings from the Disability Evaluation Unit of the Office of Benefit Determinations.
- 1.2.6 Authorize payments, in accordance with approval limits, for temporary and/or permanent disability compensation, medical care and death benefits in accordance with advisory ratings, or orders of the Workers' Compensation Appeals Board or compromise and release agreements.
 - 1.2.6.1 Ensure that all indemnity benefits are paid accurately by completing a Balance Sheet (Technical Exhibit XV) in accordance with County procedures and time frames.
- 1.2.7 Investigate, as necessary and appropriate, questionable cases and the status of disabled employees in order to assist in the adjustment, mediation and litigation of cases and in the proper referral of suspected fraudulent cases.
- 1.2.8 Take all necessary actions, including timely notification, to assist the County in recovering reimbursement for County liability through third-party subrogation, restitution, reinsurance, apportionment, and/or contributions from the State Compensation Insurance Fund on cases involving shared liability.

1.2.9 Provide the County's Risk Management Branch or the long-term and short-term disability claims adjusting contractor with copies of the employee's report of injury, medical reports from the workers' compensation files and the award letter and exchange other pertinent case information on those Workers' Compensation claims also having a long-term disability claim with the County for the same condition.

1.2.10 Provide the County aid and assistance in returning injured employees to their usual and customary or modified/alternate assignments in a timely manner.

1.2.11 If required by the County, review and process County attorney monthly invoices.

1.3 Medical Control

Contractor's responsibilities include but are not limited to the following:

1.3.1 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 Administrative Code, section 9785.

1.3.1.1 File petition to remove treating doctors who fail to comply with California Administrative Code section 9785.

1.3.2 Make all necessary medical appointments.

1.3.3 Maintain close liaison with treating physicians to provide guidance to the employing County department in evaluating employee's ability to return to work and/or recommend further treatment program.

1.3.4 Evaluate and make recommendations for the panel of physicians who are utilized for the initial treatment of employees and the panel of physicians used for treatment requiring long-term treatment or specialty care and evaluation. Make on-going recommendations for updating of these panels.

- 1.3.5 Utilize information provided by and cooperate in the enforcement of any medical case management program and/or Medical Provider Networks implemented by the CCA for County claims including, but not limited to obtaining pre-certification for medical procedures through utilization review and requesting case management on older claims as needed or at County's request.
- 1.3.6 Provide written policies and procedures within 60 days of contract inception to ensure timely referrals of cases to managed care contractors and to maintain close coordination with managed care staff on a continuing basis.
- 1.3.7 In accordance with Labor Code 4600.4, maintain adequate staffing until 5:30 p.m. to authorize medical treatment.
- 1.3.8 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, including but not limited to Labor Code section 4622.
- 1.3.9 Process bills and liens for medical treatment 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, including but not limited to Title 8, California Administrative Code, section 9792.5.
- 1.3.10 Prepare an affidavit regarding resolution of liens and submit the affidavit to COUNTY's representative or defense attorney at least 10 days prior to any MSC.

1.4 Customer Service

Contractor's responsibilities include but are not limited to the following:

- 1.4.1 Provide information and guidance to injured employees on benefits they will receive in accordance with State laws as well as additional County work injury benefits.
- 1.4.2 Assist in identifying and resolving employee problems arising out of industrial injuries.

- 1.4.3 At County direction, at Contractor's sole expense, consult with employee groups, County departmental representatives, management, or central staff, on problems in accordance with County policies.
- 1.4.4 Develop and recommend policies and procedures to ensure that the employee's return to work is consistent with the findings of disability as determined by the Workers' Compensation Appeals Board.
- 1.4.5 At the request of the CAO, client departments, or defense attorneys, provide responses to inquiries, make available claim status reports (Technical Exhibit XVII), and attend County claim status reviews or County loss control and prevention meetings.

1.5 Litigation and Subrogation

The County Counsel, or a designated private law firm, provides legal services for all County Workers' Compensation Claims. Contractor's responsibilities include but are not limited to the following:

- 1.5.1 Provide all necessary claims information and other assistance to legal counsel for the defense of litigated claims.
 - 1.5.1.1 Provide a copy of all notices of conferences, mandatory settlement conferences (MSCs) or hearings before the WCAB to County Counsel within five days from date of receipt.
 - 1.5.1.2 All litigation files will be prepared and sent to County Counsel within 45 days from the date the WCAB application or notice of representation is received.
 - 1.5.1.3 Forward all medical reports and correspondence from applicant or applicant's attorney to County's defense attorney within five days from date of receipt.
 - 1.5.1.4 Provide to County's defense attorney a complete summary of all benefits paid (amounts and periods) to the injured employee along with a completed Balance Sheet, at least ten days prior to any MSC and provide an updated summary as necessary for other WCAB proceedings.
 - 1.5.1.5 Correspondence, telephone calls, and e-mail from

defense attorney's will be responded to within two weeks or sooner if the correspondence is urgent in nature, e.g. necessitated by an upcoming WCAB appearance date.

1.5.2 Monitor and report to County Risk Management Branch all claims with potential subrogation recoveries; prepare correspondence to effect collection or, at the request of the County, refer subrogation claims information to County Counsel for subrogation recovery assignment. Provide necessary information and assistance to legal counsel or Risk Management Branch assigned the subrogation claim.

1.5.3 Provide a written status report on open litigated and subrogated cases as requested. Parameters of this report will be established by CCA.

1.6 Rehabilitation Services

When medically appropriate, Contractor shall coordinate implementation of rehabilitation plans for injured employees for approval by the County, the employee and other agencies, to provide rehabilitation, re-training or re-assignment for employees with physical or performance limitations resulting from industrial injuries, pursuant to Labor Code Section 139.5.

Contractor's responsibilities include, but are not limited to the following:

1.6.1 Manage all rehabilitation cases including evaluation, control, monitoring and selection of duly licensed professional rehabilitation service providers.

1.6.2 Determine initial rehabilitation efforts for each injured employee with primary emphasis on returning employees to work in the County through job modification or re-assignment to a position compatible with the worker's medical capacities.

1.6.2.1 If placement within the County is not possible, rehabilitation efforts are to be directed at returning employees to other gainful employment.

1.6.3 Determine if injured workers are entitled under provisions of Labor Code Section 139.5 to receive temporary disability or rehabilitation maintenance allowance, the services of a rehabilitation counselor, a program of retraining and placement, and reimbursement for costs directly related to the rehabilitation plan.

1.6.4 Represent the County at formal and informal hearings before the

State Rehabilitation Unit.

- 1.6.5 Coordinate the above-mentioned activities with other interested or related County programs and agencies.
- 1.6.6 Determine if injured workers are eligible for supplemental job displacement benefits pursuant to Labor Code Section 4658.5.
- 1.6.7 Provide injured workers' with required rehabilitation and supplemental job displacement notices in compliance with State requirements.

1.7 Return to Work Program

Under direction of CCA, Contractor will support County departments to ensure aggressive implementation of the County's Return-To-Work Program, including assistance in obtaining Patient Status Reports, RU-90 forms from physicians and the RU-94 from County departments.

1.8 Special Investigation Unit (SIU)

At no cost to the County, the Contractor within 30 days of contract inception shall develop written policies and procedures relating to the identification, investigation and prosecution of potential fraud cases.

- 1.8.1 At no cost to the County, the Contractor will provide SIU training to key personnel within 60 days of contract inception to ensure aggressive, cost effective investigation and appropriate referrals to the Department of Insurance and District Attorney.

1.9 Claims Payments - Accounting Controls

Contractor shall approve claims for payment and, as directed by CCA, shall input and process same for payment by the County's workers' compensation risk management information system, financial or accounts payable system.

1.9.1 Claims Processing

Contractor's responsibilities include but are not limited to the following:

- 1.9.1.1 Establish and maintain control procedures and necessary documentation to process and reject, settle, compromise or approve benefit claims against the County in accordance with Section 31000.8 of the Government Code.
- 1.9.1.2 Payments shall be input to the County's workers' compensation risk management information system for payment of benefits and other claims file expenses.
- 1.9.1.3 The Contractor shall interface with the County's Workers' Compensation risk management information system by provision of a local area network, PCs with Windows 2000 or XP, WordViewer, Microsoft Word, and Excel, ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines, or other compatible or better interface (see Technical Exhibit VII), subject to approval by the CCA. The workers' compensation risk management information system must be up-dated daily by the Contractor.
- 1.9.1.4 The case files and records are subject to audit by the County at any reasonable time (see Contract, Section 8.37, Record Retention and Inspection/Audit Settlement, and Section 9.4, Ownership of Materials - Reports and Records), of this Agreement.

1.10 Physical Security

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

1.11 Data Security

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

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Reporting Requirements and County Administrative Controls

The Contractor shall comply with all County Workers' Compensation Claims Administration Policies and Standards, which will be provided by the CCA and is responsible for overall coordination and integration of claims services. At the sole discretion of the County, the Contractor shall take all necessary steps to reduce costs, increase productivity and to enhance the quality and the level of claims administration.

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The reports required to be provided by the Contractor may include, but are not limited to:

2.1.1 Monthly Reports

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

2.1.1.2 Statistical and narrative reports to assist the County in evaluating its workers' compensation program.

2.1.1.3 A statistical and narrative report on outstanding issues to be addressed at Performance Evaluation Meetings (see Exhibit A, Section II, Paragraph 6.5).

2.1.2 Quarterly Reports

A written status report on selected open cases. Parameters and scope of this report will be established by CCA.

2.1.3 Annual Report

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

2.1.4 Employee Records

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

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

2.1.5 Other Reports

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

2.2 Case File Record Retention

All medical only case files will be retained for ten years from the date of injury. All indemnity case files which do not involve permanent disability payment and have no payment activity for five years will be retained for ten years from the date of injury. All indemnity case files which involve payment activity within the last five years and cases with permanent disability payments or awards for lifetime medical treatment will be retained indefinitely. No claims will be destroyed without CCA approval and the Contractor will be responsible for storage of all files within the above criteria during the term of this contract. Presently, there are approximately Unit 1- 4,931, Unit 2 – 2,798 and Unit 4 - 1,928 boxes of closed files.

2.3 Staffing/Organization

The Contractor shall be responsible for providing sufficient and competent staff to fulfill the contract and shall have complete flexibility for establishing an effective management and organizational structure. Adjustments in staffing based upon fluctuations in caseload shall be subject to approval of CCA. Contractor shall have at least one non-caseload carrying contract manager. Additionally, Contractor shall have at least one non-caseload carrying claims supervisor for every six claims examiners. Contractor shall have at least one claims assistant for every two claims examiners and one clerk for every four claims examiners. In addition to the staffing requirements

in the preceding sentence, Contractor shall have at least one non-caseload bearing quality assurance auditor at the level and experience of a claims supervisor. Average caseloads for Contractor claims examiners shall not exceed 175 open indemnity claims.

Claims assistants shall be capable of handling medical only claims and other support duties such as: obtaining medical updates, calculating routine temporary disability payments, identifying cases for assignment to medical case management, etc.

Contractor's claims and management staff shall exclusively administer County cases in a dedicated unit. The Contractor must assure provision of services to the County in the event of an Act of God or employee shortage or strike. Contractor shall be responsible for assuring that staff comply with performance requirements outlined in Technical Exhibit VIII.

2.4 Medical Cost Containment

The Contractor shall ensure that all statements for medical benefits are reviewed and all amounts authorized for payment have been determined in accordance with the Official Medical Fee Schedule adopted by the Administrative Director of the Division of Workers' Compensation. Contractor shall ensure that duplicate medical payments are not sent for fee review. The Contractor shall utilize County medical panels, medical provider networks, Preferred Provider Organizations (PPO), hospital and other medical utilization review services, and managed medical care services as directed by the County. All TPA subcontractors or vendors shall be subject to prior review and approval by the County Contract Administrator (CCA).

Should County wish to add County medical panels, medical provider networks, or a secondary Preferred Provider Organization to enhance services provided by County's current fee review/PPO vendor, Contractor will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

2.5 Authority Limits

The CCA shall establish a schedule of authority limits and referrals, for all personnel approving indemnity, medical or County salary continuation benefits (see Technical Exhibit XI).

2.6 Certification

The Contractor 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 third-party administrator (Labor Code Section 3702.1).

2.7 Settlement, Negotiations

The Contractor shall obtain written approval from a designated representative of the County as required by approval levels established by the CCA, prior to the initiation of negotiations relating to a compromise and release agreement.

2.8 Support Services

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

The Contractor shall assist the County in maintaining a panel of private firms that provide services peripheral to the management of workers' compensation claims: AOE/COE and sub-rosa investigation services, risk management consultants, arbitrators/mediators, record copying services, subpoena services, vocational rehabilitation services, etc. These private firms shall meet the minimum requirements established by the CCA or his/her duly authorized designee. The Contractor shall use only these firms and shall utilize a rotational system for making assignments, unless otherwise instructed by the CCA.

2.9 Computer Interface

The County has license to use and has installed a computer software system for the workers' compensation claims administration. (For description see workers' compensation risk management information system in Definitions, Section I, Paragraph 13.0 of this Part of the Agreement). The Contractor shall interface with this system by provision of a local area network, having (minimally) Pentium 4 2.0 GHz PCs with 256 megabytes of RAM, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in

Technical Exhibit VII of this Contract.

The Contractor shall maintain the capacity to send and receive e-mail for each claims examiner assigned to County cases. Contractor shall comply with CCA specified e-mail protocol dealing with content and confidentiality when using e-mail for County cases.

2.10 Computer Data Maintenance

Contractor shall, on a daily basis, accurately and thoroughly input, update and maintain all data fields on the County's workers' compensation risk management information system for all cases administered by Contractor.

3.0 COUNTY FURNISHED ITEMS

3.1 County shall arrange for the release of all case files for pick-up by the Contractor prior to the start date of the contract as described below in Section 3.2 of this Part of the Agreement.

3.2 Orientation/Transition

County will provide orientation to the County's workers' compensation risk management information system for key Contractor personnel prior to the start date of the Contract. Contractor shall not be reimbursed for any expenses during orientation or training.

3.3 Changes in Reporting Requirements/Approvals

The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Contract.

4.0 CONTRACTOR FURNISHED ITEMS

4.1 General

The Contractor shall furnish all personnel, work space and work stations, furniture, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work, except those listed in Section 3.0 or those listed in Technical Exhibit VII related to the workers' compensation risk management information system. Generally, the categories for such services are:

4.1.1 Personnel and Performance Standards

The Contractor shall provide all personnel necessary to comply with the representations made in Contractor's proposal and addenda thereto as required for services hereunder including but not limited to Quality of Work Performance Requirements Summary as outlined in Technical Exhibit VIII.

4.1.2 Equipment

The Contractor shall provide any equipment or furniture necessary to meet the Contract requirements.

4.1.3 Files, Records and Reports

The Contractor shall maintain and provide accurate and complete financial and other records and files of workers' compensation claims as well as reports of its activities and operation as required under this Contract. 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 business days.

4.1.4 Local Office, Expenses

The Contractor shall maintain an office in the County of Los Angeles or in an adjacent County or 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. The Contractor shall have a toll free "800" telephone number. The Contractor shall pay out of its own resources, all costs and charges in connection with its work or services offices, office furnishing and supplies, except as otherwise provided in this Contract.

4.1.5 Courier Service, Vehicles

The 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, claims mail and related items. The Contractor shall pay the costs of such services out of its own resources, including any and all expenses involved in transferring case files to the Contractor at the beginning of the Contract.

4.1.6 Orientation/Transition

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

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

4.1.7 Work Space for County Staff

Contractor shall provide safe, adequate and ergonomically sound work space, complete ergonomically correct furniture and work station including workers' compensation risk management information system computer access and e-mail, telephone and facsimile service, and free parking for two full-time County monitors and adequate temporary work space and work station and free parking for other County staff as necessary for required program auditing or monitoring.

4.1.8 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.

4.1.9 Contractor – Provided Forms

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

4.1.10 Claims Administration Procedure Manual and Business Continuity Plan

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

In addition, the Contractor will provide a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services related to this Contract

following an event which could interrupt these business operations. The plan shall include, but not be limited to, the following:

1. A description of critical services and business processes.
2. Contractor policies and procedures to assure continued business operations following an event.
3. Address, computer, telephone, facsimile, key contact and all other critical information concerning alternative business processes and/or location(s) following an event.

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

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

4.1.11 Computer Interface

The Contractor shall interface with the County's workers' compensation risk management information system by provision of a local area network, having (minimally) Pentium 4, 2.0 GHz PCs with 256 megabytes of Ram, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in Technical Exhibit VII of this Contract.

Should County deem Contractor's computer interface to be insufficient to achieve optimal processing of County claims, Contractor shall upgrade the deficient equipment or electronic interface capabilities to the satisfaction of the County at Contractor's sole expense.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall convert to the County's new system, at a time of County's choosing, at Contractor's sole expense.

4.1.12 Contractor Preferred Provider Network

Should County wish to add a County medical panel or secondary Preferred Provider Organization to enhance the services provided by County's current fee review/PPO vendor, and Contractor has a Preferred Provider Organization, Contractor will provide these services at the same price as County's primary vendor and will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

4.1.13 Training Required for Claims Adjusters

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 two County Quality Assurance Evaluators per year.

5.0 PERSONNEL

5.1 Key County Personnel - County Contract Administrator (CCA)

- 5.1.1 The County shall inform the Contractor of the name, address and telephone number of the CCA in writing at the time the Contract is awarded.
- 5.1.2 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the Contract.
- 5.1.3 The CCA or designee shall provide direction to the Contractor in areas relating to County policy and procedural requirements.
- 5.1.4 The Contractor shall immediately remove, at the CCA's request, any Contractor or Contractor subcontractor employee or agent providing services for the County under this Contract.
- 5.1.5 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.
- 5.1.6 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.

5.2 Key Contractor Personnel - Contractor Contract Manager

- 5.2.1 The Contract Manager or designee shall have a minimum of three years experience in supervising or managing third-party workers' compensation claims administration services for California workers' compensation claims.
- 5.2.2 The Contractor shall provide upon award of Contract, the name, address and telephone number of the Contract Manager or designee who shall be responsible for administering the Contract.
- 5.2.3 The County shall have sole discretion to approve Contract Manager and any replacement recommended by Contractor.
- 5.2.4 The Contractor's Contract Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations. Contract Manager will not be assigned any workers' compensation claims.
- 5.2.5 The Contractor's Contract Manager shall be exclusively assigned to the County's account.
- 5.2.6 The Contract Manager or designee shall be able to read, write, speak and understand English.
- 5.2.7 The Contract Manager or designee shall provide the CCA with the Contract Manager's emergency telephone number and be available between 8:00 A.M. and 5:00 P.M., Monday through Friday except County holidays.

5.3 Contractor Personnel - Workers' Compensation Claims Supervisors

- 5.3.1 Claims Supervisors shall have a minimum of five years experience in adjusting a caseload of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA. Supervisors will not be assigned any workers' compensation claims.
- 5.3.2 Claims Supervisors employed by the Contractor shall be able to read, write, speak and understand English.

5.4 Contractor Personnel - Workers' Compensation Claims Examiners

- 5.4.1 At least 75% of the claims examiners shall have a minimum of three years experience in the adjustment of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA.
- 5.4.2 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:
 - 5.4.2.1 Two or more years as a Claims Assistant; or
 - 5.4.2.2 One 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
 - 5.4.2.3 One year experience as a Claims Assistant specifically on the County account.
- 5.4.3 Claims Examiners employed by the Contractor shall be able to read, write, speak and understand English.

6.0 CONTRACTOR PERFORMANCE

6.1 Contractor Quality Control Plan

The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the Contract are met and sound financial accounting records and procedures are maintained. The plan shall include, but not be limited to, the following:

- 6.1.1 The methods for assuring and verifying that the minimum requirements for Claims Examiners are met, including a formal training program for Claims Examiner Trainees.
- 6.1.2 A system for monitoring compliance with financial accounting standards and all the services listed in this Section. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspections/audits.

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

6.2 County Quality Assurance Monitoring Plan (QAMP)

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

At the sole discretion of the County, a variety of methods may be used to evaluate the Contractor's performance, including but not limited to :

6.2.1 Monthly one-hundred percent inspection of files, databases, logs, reports and other information.

6.2.2 A comprehensive and complete audit conducted annually beginning the second year of this Contract.

6.2.3 Inspecting the appropriate employment documentation to verify that Claims Examiners meet the minimum qualifications and experience.

6.2.4 Complaints received by County Risk Management Branch.

6.2.5 Monitoring the timeliness of responses from the Contractor against the time a request for work or service is made by the County.

6.2.6 Staff/user complaints.

6.2.7 Sampling of claims, records, reports, and logs.

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

The County shall monitor the Contractor's performance under this Contract. The County's procedure may include but not necessarily be limited to those specified in Technical Exhibit VIII, Quality of Work Performance Requirements Summary. All monitoring observations shall be recorded. Significant deviation from performance standards as indicated in Technical Exhibit VIII, may result in Contract termination.

6.3 Acceptable/Unacceptable Performance

If performance standards or financial discrepancies are noted by County or its authorized auditor, a Contract Discrepancy Report shall be issued to the

Contractor.

6.4 Contract Discrepancy: Actions To Be Taken

If discrepancies from performance or financial standards are noted by the County, a Contract Discrepancy Report shall be issued to the Contractor.

6.4.1 Contractor Response

Upon receipt of a Contract Discrepancy Report, the Contractor shall respond in writing to the CCA within five working days acknowledging the reported discrepancy/discrepancies or presenting contrary evidence and a program for immediate correction of all failures in performance that have been identified.

6.4.2 County Response

At the discretion of the County, the CCA shall evaluate the Contractor's explanation and determine what further action, if any, should be taken. Continued failure on the part of the Contractor to perform at an acceptable level shall constitute grounds for contract termination and suspension of further payments by the County as defined in the Quality of Work Performance Requirements Summary, Technical Exhibit VIII.

6.5. Performance Evaluation Meetings

The Contractor's Contract Manager of Workers' Compensation Claims Administration shall meet with the CCA or his/her designee at regularly scheduled intervals, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of policy and procedural matters relevant to the Contractor's performance and the County Risk Management's monitoring function, including a discussion of the monthly report on all outstanding issues.

EXHIBIT A – UNIT 1

SECTION III - CONTRACTOR PAYMENT AND ADJUSTMENTS TO PAYMENT

1.0 PAYMENT AND ADJUSTMENTS TO PAYMENTS

1.1 Payment

1.1.1 Base Monthly

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

1.1.2 Monthly Invoice and Adjustment to Monthly Invoices

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

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

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

1.1.2.2 The County shall increase or reduce the monthly invoice pursuant to the provisions of Paragraphs 2.1, 2.2, and 2.3 of this Section.

1.1.2.3 The County may increase or reduce the monthly invoice pursuant to Paragraphs 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, and 2.11 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.

- 1.1.3 The total fees paid will be reduced for overpayments, fines, penalties and other costs incurred due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Paragraph 1.2, Adjustments to Payments to Contractor.
- 1.1.4 The total fees paid will be reduced or increased pursuant to Paragraphs 2.1 through 2.11 of this Section.
- 1.1.5 The County's payment is subject to adjustment following audit as set forth in Paragraph 3.0.

1.2 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.

1.2.1 Such failure includes, but is not limited to, the following:

- 1.2.1.1 Late payment or nonpayment of any benefit to any applicant or medical provider resulting in penalty or attorney fees.
- 1.2.1.2 Overpayment of any benefit owed to any applicant, any lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Exhibit A, Section II, Paragraph 1.0.
- 1.2.1.3 Excessive 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 Exhibit A, Section II, Paragraph 1.0.
- 1.2.1.4 Fines and/or administrative penalties assessed against the County due to the Contractor's failure to comply with the performance standard set forth in Exhibit A, Section II, Paragraph 1.0.

1.2.2 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to this Paragraph 1.2. 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 shall lose its right to dispute the assessment. The response shall include, but not be limited to, one or more of the following:

- 1.2.2.1 Evidence that a penalty was not incurred or an overpayment or excessive cost was not made.
- 1.2.2.2 Evidence that the Contractor's act(s) and/or omission(s) did not cause the penalty, overpayment, or excess cost.
- 1.2.2.3 Evidence that Contractor obtained prior written approval from an authorized County official.

1.2.3 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 his/her appointed 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.

2.0 PERFORMANCE INCENTIVES

- 2.1 At sole discretion of the County, mutually beneficial performance and financial incentives shall be applied as follows:

<u>Performance Index (%)</u>	<u>Incentive Payment (%)</u>
Less than 75%	Base Fee minus 4.5%
75% - 79%	Base Fee minus 1.5%
80% - 84%	Revenue neutral
85% - 89%	Base Fee plus 1.5%
90% - 94%	Base Fee plus 3.0%
95% or over	Base Fee plus 4.5%

2.2 The performance index shall be determined by random-sample audits commencing no later than the end of the second contract year and conducted at least annually thereafter by County Quality Assurance Evaluators for compliance with standards set forth in the Quality of Work Performance Requirement Summary described in Technical Exhibit VIII. The CCA may update the areas to be audited and the factors to be considered in determining the performance index.

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

2.4 Fee Reduction for Failure to Meet Staffing Levels

If Contractor staffing levels do not meet the requirements of Exhibit A, Section II, Paragraph 2.3, County shall reduce Contractor's monthly invoice by \$7,000.00 for each aggregate thirty calendar days a position is vacant.

2.5 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 Exhibit A, Section II, Paragraph 4.1.10 and the Quality Control Plan required in Exhibit A, Section II, Paragraph 6.1, are not developed and actively implemented and integrated into the County claims unit within 180 days of contract inception date, payments shall be reduced to Base Fee less 5% until these requirements are met.

2.6 Fee Reduction for Failure to Timely Forward Litigation File

For every litigation file received by County Counsel more than 45 days after receipt of the WCAB application as specified in Exhibit A, Section II, Paragraph 1.5.1.1, County shall reduce Contractor's current monthly invoice by \$1,000.00.

2.7 Fee Reduction for Failure to Timely Complete 30 Day Checklist

For every indemnity claim where the checklist specified in Exhibit A, Section II Paragraph 1.2.1.1 is not submitted to the QAE and the County Department within 30 days from the date of employer's knowledge of injury, County shall reduce Contractor's monthly invoice by \$300.00. This fee reduction shall not apply to indemnity claims where the date of employer's knowledge of the injury is more than 20 days prior to the date of Contractor's knowledge of the injury.

2.8 Fee Reduction for Failure to Make a Liability Decision within 90 days or less as required by law of Date of Employer's Knowledge of Injury.

For every claim where the Contractor fails to make a liability decision within 90 days or less as required by law of the date of employer's knowledge pursuant to Exhibit A, Section II, Paragraph 1.2.2, County shall reduce Contractor's monthly invoice by \$1,000.00. This fee reduction shall not apply to indemnity 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.

2.9 The reduction in Paragraphs 2.4 through 2.8, inclusive, are separate and distinct from any reduction or increase provided for in Paragraphs 2.1 through 2.3, inclusive. This reduction shall be in addition to any adjustment under Paragraph 1.2. The provisions of Paragraphs 2.4 through 2.8, inclusive, are in effect through out the term of this Contract and are separate and distinct from the performance standards and performance index of Paragraphs 2.1 through 2.3, inclusive. All Contractor discrepancies and failure under Paragraphs 2.1 through 2.8, inclusive, will be processed pursuant to Paragraphs 6.3 and 6.4 of Section II.

2.10 Fee Increase for Subrogation Recoveries

For every claim initially identified by Contractor for subrogation recovery, and recovered within the contract period, Contractor shall receive five percent of the County net recovery, not to exceed \$1,000.00.

2.11 Fee Increase for Facilitation of Return to Work

The CCA, or designee, may award a bonus where, in the opinion of the CCA, the Contractor provides exceptional effort in the Return to Work process and that effort leads to an offer of modified work. In no event shall this bonus exceed \$250.00.

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

**EXHIBIT A – UNIT 1 – TRISTAR RISK MANAGEMENT NO. 2
STATEMENT OF WORK
SECTION IV - PAYMENT SCHEDULE**

175 ANNUAL CLAIM CASELOAD

County shall pay Contractor the following annual fee:

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1^C	\$6,903,000.00	\$575,250.00
YEAR 2^{ABC}	[(CPI-W)(\$YEAR ONE)] + \$YEAR ONE	(YEAR 2)/12
YEAR 3^{ABC}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4^{ABC}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5^{ABC}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

- A. Denotes a cost of living adjustment capped at the lesser of:
- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12 months preceding the contract anniversary date; or
 - The general salary movement percentage for County employees for the 12 month period preceding the prior July 1st.
- B. The number of new indemnity claims submitted in calendar year 2004 for Unit 1 was 2,046. For any calendar year where the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 2,046 by 175, the County shall pay the contractor an additional \$48,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,046 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$96,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,046 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$144,000 within 60 days of the end of the calendar year, and etc.
- C. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 6,325, the monthly base fee shall be reduced by \$4,000. For any quarter where the

Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 6,150, the monthly base fee shall be reduced by \$8,000. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 5,975, the monthly base fee shall be reduced by \$12,000, and etc.

8-30-05

G/amr/WC TPA RFP 2005/Statement of Work – Unit 1

**EXHIBIT B
UNIT 1 – TRISTAR RISK MANAGEMENT NO. 2
PRICING SCHEDULE**

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1^C	\$6,903,000.00	\$575,250.00
YEAR 2^{ABC}	[(CPI-W)(\$YEAR ONE)] + \$YEAR ONE	(YEAR 2)/12
YEAR 3^{ABC}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4^{ABC}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5^{ABC}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

- A. Denotes a cost of living adjustment capped at the lesser of:
- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12 months preceding the contract anniversary date; or
 - The general salary movement percentage for County employees for the 12 month period preceding the prior July 1st.
- B. The number of new indemnity claims submitted in calendar year 2004 for Unit 1 was 2,046. For any calendar year where the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 2,046 by 175, the County shall pay the contractor an additional \$48,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,046 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$96,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,046 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$144,000 within 60 days of the end of the calendar year, and etc.
- C. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 6,325, the monthly base fee shall be reduced by \$4,000. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 6,150, the monthly base fee shall be reduced by \$8,000. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 5,975, the monthly base fee shall be reduced by \$12,000, and etc.

8-10-05

G/amr/WC TPA RFP 2005/Contract – Unit 1 – Exhibit B – Pricing Schedule

EXHIBIT C - NOT APPLICABLE

PROPOSER'S EEO CERTIFICATION

TRISTAR Risk Management / TRISTAR Risk Management No. 2, Inc.

Company Name

100 Oceangate, Suite 700, Long Beach, California 90802

Address

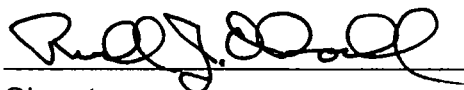
95-2791831

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer 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.

CERTIFICATION	YES	NO
1. Proposer has written policy statement prohibiting discrimination in all phases of employment.	(X)	()
2. Proposer periodically conducts a self-analysis or utilization analysis of its work force.	(X)	()
3. Proposer has a system for determining if its employment practices are discriminatory against protected groups.	(X)	()
4. When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	()



Signature

February 18, 2005

Date

Russell J. O'Donnell, Senior Vice President and Chief Operating Officer

Name and Title of Signer (please print)

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY RISK MANAGER:

Name: Rocky A. Armfield
Title: Assistant Administrative Officer, CAO Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
Telephone: (213) 351-5346
Facsimile: (213) 252-0405
E-Mail Address: rarmfield@cao.co.la.ca.us

COUNTY CONTRACT ADMINISTRATOR (CCA):

Name: Alex Rossi
Title: Chief Program Specialist, CAO Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
Telephone: (213) 738-2154
Facsimile: (213) 252-0404
E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITOR(S):

Name: Mark Le Blanc
Title: Program Specialist III, CAO Risk Management Branch
Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
Telephone: (714) 480-4421
Facsimile: (213) 252-0404
E-Mail Address: **Mleblanc@cao.co.la.ca.us**

CONTRACTOR'S ADMINISTRATIONTRISTAR Risk Management, No. 2, Inc.

CONTRACTOR'S NAME

CONTRACT NO. _____

CONTRACTOR'S CONTRACT MANAGER:

Name: Curt Crockett
 Title: Branch Manager
 Address: 125 Technology Dr., Suite 150
Irvine, CA 92618
 Telephone: (949) 790-5005
 Facsimile: (949) 753-5934
 E-Mail Address: curt.crockett@tristargroup.net

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Thomas J. Veale
 Title: President
 Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
 Telephone: (562) 495-6630
 Facsimile: (562) 432-8619
 E-Mail Address: tom.veale@tristargroup.net

Name: Russell O'Donnell
 Title: Chief Operating Officer
 Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
 Telephone: (562) 495-6615
 Facsimile: (562) 432-8619
 E-Mail Address: russ.o'donnell@tristargroup.net

Notices to Contractor shall be sent to the following address:

Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
 Telephone: (562) 495-6615
 Facsimile: (562) 432-8619
 E-Mail Address: russ.o'donnell@tristargroup.net

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

- G1 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT

- G2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

**CONTRACT FOR THIRD PARTY WORKERS'
COMPENSATION CLAIMS ADMINISTRATION SERVICES**

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(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, Confidentiality, and Copyright Assignment 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.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

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.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

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

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

**CONTRACT FOR THIRD PARTY WORKERS' COMPENSATION
CLAIMS ADMINISTRATION SERVICES**

**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(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, Confidentiality, and Copyright Assignment 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.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

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.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

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

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

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.

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

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

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.

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.

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.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

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.

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.

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.

SAFELY SURRENDERED BABY LAW

No shame. No blame. No names.

Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.



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



State of California
Gov. D. Mervyn D. Evans

Health and Human Services Agency
C. Franklin Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors:
Richard Molina, Supervisor, First District
Wonna Brinkwhite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by Sheriff's LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs 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, workers 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.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns 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?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

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

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts 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 nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernard no under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

Los recién nacidos pueden ser entregados en forma segura en la sala de emergencia de cualquier hospital o en un cuartel de bomberos del Condado de Los Angeles.



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafe-la.org



Estado de California
Cruz Blanca Subcomité

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grandes Unidades Secretarías

Departamento de Servicios de Salud
(Department of Health Services)
Unidad de Emergencia



Consejo de Supervisores del Condado de Los Angeles

Glenn Molina, Supervisora, Distrito Central

Wynne Brathwaite-Purke, Supervisora, Segundo Distrito

Levy Galinsky, Supervisora, Tercer Distrito

Don Knab, Supervisora, Cuarto Distrito

Miguel D. Antonovich, Supervisora, Quinto Distrito

Esta iniciativa también es apoyada por First 5 LA y NFO LINE de Los Angeles.

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

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿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 del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un 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 trabajadoras utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

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

Los padres que cambian de opinión pueden empezar 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 1-800-640-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llavan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

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

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 26 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

2.201.010 Findings.

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

2.201.020 Definitions.

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

- A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.
- B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.
- C. "Employer" means:
1. An individual or entity who has a contract with the county:
 - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or
 - b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and
 - c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or
 2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.
- D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week. (Ord. 99-0048 § 1 (part), 1999.)

2.201.030 Prospective effect.

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

*Editor's note: Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

2.201.040 Payment of living wage.

- A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$8.32 per hour with health benefits, or \$9.46 per hour without health benefits.
- B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$1.14 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.
- C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. (Ord. 99-0048 § 1 (part), 1999.)

2.201.050 Other provisions.

- A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.
- B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.
- C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions

on the implementation and on-going administration of this Chapter. Such instructions may provide for the delegation of functions to other county departments.

- D. **Compliance Certification.** An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.
- E. **Contractor Standards.** An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

2.201.060 Employer retaliation prohibited.

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

2.201.070 Employee retention rights.

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

- A. A "retention employee" is an employee of a predecessor employer:
1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
 2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
 3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.
- B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

- C. A subsequent employer is not required to hire a retention employee who:
1. Has been convicted of a crime related to the job or his or her job performance; or
 2. Fails to meet any other county requirement for employees of a contractor.
- D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

2.201.080 Enforcement and remedies.

For violation of any of the provisions of this chapter:

- A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.
- B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:
1. Assess liquidated damages as provided in the contract; and/or
 2. Recommend to the board of supervisors the termination of the contract; and/or
 3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, not to exceed three years. (Ord. 99-0048 § 1 (part), 1999.)

2.201.090 Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.
- B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.
- D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:
1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

Page 5 of 5

2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

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

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

2.201.100 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)



**COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS**

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

(1) Name: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/>		Address: (Street, City, State, Zip)										
(2) Payroll No.:		(4) From payroll period: ___/___/___ to payroll period: ___/___/___										
(6) Department Name:		(5) For Month Ending: ___/___/___										
(8) Contractor Health Plan Name(s):												
(9) Contractor Health Plan ID Number(s):												
(11) Employee Name, Address & Social Security Number	(12) Work Classification	(7) Contract Service Description:					(14) Total Aggregate Hours	(15) Employer Paid Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employer Paid Health Benefit DEDUCTIBLE	(18) Gross Amount Paid (14x17)	(19) Aggregate \$ Health Benefits Paid (16+18)
		(13) Total Hours Worked Each Week of Monthly Pay Period										
1		1	2	3	4	5						
2												
3												
4												
5												
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.												
Print Authorized Name: _____												
Date: ___/___/___ Title: _____												
Telephone Number (include area code) (_____) _____ Page: _____ of _____												



**COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS**

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

(1) Name: **Tough Guy, Inc.** Subcontractor Contractor Address: (Street, City, State, Zip) **1501 Torrance Blvd., Sre. 11A, Torrance, CA 90503**

(2) Payroll No: **81600** (3) Work Location: **LAX** (4) From payroll period: **8/1/00** to payroll period: **8/27/00** (5) For Month Ending: **August**

(6) Department Name: **OAAC** (7) Contract Service Description: **Security Services - LAX Airport** (8) Contract Name & Number: **LAX Security Services #95260**

(9) Contractor Health Plan Name(s): **PacificCare GreatLife** (10) Contractor Health Plan ID Number(s): **HS3567-08**

(11) Employee Name, Address & Social Security Number	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Aggregate Hours	(15) Employee Paid Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Amount/DOB	(18) Gross Amount Paid (16+17)	(19) Aggregate \$ Health Benefits Paid (18x16)
		1	2	3	4	5						
1 Del Real, Rafael 14821 Lurch Avenue Lawndale, CA 90260 SSH 111-11-1111	Custodian	35	45	32	48	160	\$0.90	\$144.00	\$0.24	\$38.40	\$182.40	
2 Masterson, Philip 15567 Reeves Avenue Culver City, CA 90230 SSH 222-22-2222	Security Guard II	39	32	40	35	146	\$1.14	\$166.44	\$0.11	\$16.06	\$182.50	
3 Hernandez, Jaime R. 9404 Stanford Avenue South Gate, CA 90280 SSH 333-33-3333	Custodian I	40	40	40	40	160	Not Applicable	0	N/A	0	N/A	
4 Palmeri, Thomas 1711 Masontown Road Long Beach, CA 90802 SSH 444-44-4444	Security Guard I	32	40	40	35	147	Not Applicable	\$0.00	N/A	0	\$0.00	
5 Figueroa, Arturo 5569 Via Marisol Los Angeles, CA 90042 SSH 555-55-5555	Security Guard-Supvr	40	46	40	48	174	Not Applicable	0	N/A	0	N/A	
Total (This Page)		186	203	192	206	787		\$310.44			\$364.90	
Total (All Pages)		186	203	192	206	787		\$310.44		\$54.46	\$364.90	

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Authorized Name: **Mr. Tough Guy** Date: **9/01/00** Title: **Payroll** Telephone Number (include area code): **(213) 974-1393** Page: **1** of **1**

Authorized Signature: _____

COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM

PAYROLL STATEMENT OF COMPLIANCE

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

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____; that during the payroll period commencing on the _____ day of _____, and ending the _____ day of _____ all persons employed on said work site have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of _____ (Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in directly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

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

3. That:

- A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS
 In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.
- B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH
 Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title	Owner or Company Representative Signature:
----------------------	--

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.

LIVING WAGE ORDINANCE – PAYROLL REPORTING FORM
Instructions for completing and filing Living Wage Ordinance-Payroll Reporting form.

The Living Wage Ordinance-Payroll Reporting (Payroll) form is to be completed by each contractor (both prime and subcontractor) and signed by a responsible official of the company. The reports are to be filed by the 15th day of each month following the preceding reporting period, during the term of the contract, and shall include the total work hours for each employee working on a County contract. The prime contract shall submit a report for its aggregate work force and collect and submit reports for each subcontractor's aggregate work force to the contracting County department.

Clearly print in ink, type or indicate with a check mark (✓) all entries:

CONTRACTOR INFORMATION:

- 1) Contractor/Subcontractor: Indicate by a check (✓) in the applicable box to identify your status as a Contractor or Subcontractor.
- 2) Name: Enter your company's name.
- 3) Address: Enter your company's street address, city, state and zip code.
- 4) Contract Person: Print the name of the company representative responsible for responding to the County's questions regarding information provided on the form.
- 5) Telephone: Enter the contact person's telephone number, including area code and extension, if applicable.
- 6) Contract No.: Enter the County's Contract Number (from the signed contract).
- 7) Type of Service: Provide a brief description of service provided under the contract (e.g., custodial, ground maintenance or refer to the contract description).
- 8) Work Location(s): Indicate the County locations (addresses) serviced under the contract number indicated above.

PAYROLL INFORMATION:

- 9) Payroll Period: Enter the beginning and ending dates of the payroll period of this report.
- 10) Name/Address: For each employee, provide the surname and first name, followed by the employee's street address, city and zip code.
- 11) SS #: Enter the employee's Social Security number.
- 12) Full/Part: Check (✓) the applicable box to identify the named employee's work status with your company (i.e., Full = works for company full-time or works full-time for your company but provides part-time service to the County; or Part = only works part-time with County approval).
- 13) Health Ins.: Check (✓) the applicable box to acknowledge whether company provides any health benefits to the named employee.
- 14) Pos Title: Enter the named employee's work classification (position title) when performing County contract services (e.g., custodian, foreman, etc.).
- 15) Day and Date: Under the applicable date of the month within the reported Payroll Period, enter the hours worked by the named employee on the appropriate category line to indicate straight hours worked on County contract (County), overtime hours worked on County contract (first OT line), straight hours worked on non-County contract (Other Job) and/or overtime hours worked on non-County contract (last OT line).
- 16) Total Hours: Indicate the gross (total) hours worked in each category by the named employee during reported Payroll Period.
- 17) Pay Rate: Enter the actual hourly pay rate for each category in which hours were worked during reported Payroll Period (County straight paid, County OT, Other Job straight paid and/or non-County OT), Enter the named employee's rate of pay.
- 18) Gross: Enter the gross (grand) total of wages paid the named employee during reported Payroll Period (multiply entry 16 by entry 17 for each category in which employee worked. Grand total of computations equals Gross Earnings).

DEDUCTIONS:

Enter the applicable taxes and deduction amounts deducted from named employee's gross earnings during reported Payroll Period:

- 19) Medi-SS / FICA: The amount of Federal Insurance Contributions Act taxes deducted from named employee's gross earnings.
- 20) Fed Taxes: The amount of Federal Taxes deducted from the named employee's gross earnings.
- 21) State Taxes: The amount of California State Taxes deducted from the named employee's gross earnings.
- 22) Hlth. Ins.: The amount of the named employee's elected contribution to Health Insurance premium deducted from the named employee's gross earnings.
- 23) Other: Any additional withholdings not listed in entries 19 through 22. Please describe in section entitled Payroll Statement of Compliance
- 24) Total Deduct: The total of all deductions withheld during reported Payroll Period (total entries 19 through 23).
- 25) Net Wages: The net payment to the named employee (18 less 24 equals Net Wages).

NOTE: Complete upper right corner of Payroll Reporting form (page number and total number of pages) and the reverse side of the form prior to submitting to the awarding County department.

**COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM**

PAYROLL STATEMENT OF COMPLIANCE

I, Bruce Irons C.E.O.
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by
Tough Guy, Inc. on the Headquarters
(Company or subcontractor Name) (Service, Building or Work Site)

that during the payroll period commencing on the 1st day of August 2000, and
(Calendar day of Month) (Month and Year)
 ending the 27th day of August 2000 all persons employed on said work site
(Calendar day of Month) (Month and Year)

have been paid the full weekly wages earned, that no rebates have been or will be made either directly or
 indirectly to or on behalf of Tough Guy, Inc.
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or
 directly from the full wages earned by any person, other than permissible deductions as defined in
 Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as
 amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

Deduction: Credit Union Savings Program (insert amount & frequency)
sample

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

3. That:

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

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

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

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

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under
 penalty of perjury certifying that all information herein is complete and correct.

<small>Print Name and Title</small> Mr. Tough Guy, C.E.O.	<small>Owner or Company Representative Signature:</small>
--	---

**THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR
 SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR
 SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY
 COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.**



SAMPLE

CONTRACTOR SUBCONTRACTOR CONTRACT NO.: 12345

NAME: Tough Guy Inc. TYPE OF SERVICE: Security Services - LAX Airport

ADDRESS: 1501 Torrance Blvd., Ste. 11A, Torrance, CA 90503 WORK LOCATION(S): LAX Airport

CONTACT PERSON: T. Guy TELEPHONE: (213) 974-1393 PAYROLL PERIOD (Beginning and end dates): 08 / 08 / 00 - 08 / 21 / 00

(10) NAME / ADDRESS	(11) SS #	(12) Position Title	(13) DAY AND DATE																															(14) Gross Pay	(15) Gross Rate	(16) Total Hours	(17) Pay Rate	(18) Pay	(19) DEDUCTIONS				(20) Total Deduct	(21) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						FICA	Fed Tax	State Tax	Hlth. Ins.		
Del Real, Rafael 14821 Larch Ave. Lawndale, CA 90260	111-11-1111 <input type="checkbox"/> Full <input type="checkbox"/> Part	County OT Other Job OT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	67.59	13.50	80	14.19	1130.00	146.02	62.89	4.25	280.74	793.57	

CAUTION

(10) NAME / ADDRESS	(11) SS #	(12) Position Title	(13) DAY AND DATE																															(14) Gross Pay	(15) Gross Rate	(16) Total Hours	(17) Pay Rate	(18) Pay	(19) DEDUCTIONS				(20) Total Deduct	(21) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						FICA	Fed Tax	State Tax	Hlth. Ins.		
Masterson, Philip 15567 Reeves Avenue Culver City, CA 90230	222-22-2222 <input type="checkbox"/> Full <input type="checkbox"/> Part	County OT Other Job OT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	49.56	9.46	80	14.19	756.80	67.41	26.97	25.00	168.94	618.84	

CAUTION

(10) NAME / ADDRESS	(11) SS #	(12) Position Title	(13) DAY AND DATE																															(14) Gross Pay	(15) Gross Rate	(16) Total Hours	(17) Pay Rate	(18) Pay	(19) DEDUCTIONS				(20) Total Deduct	(21) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						FICA	Fed Tax	State Tax	Hlth. Ins.		
Palmeri, Thomas 1711 Masontown Road Long Beach, CA 90802	333-33-3333 <input type="checkbox"/> Full <input type="checkbox"/> Part	County OT Other Job OT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	49.59	9.46	44	14.19	416.24	84.96	43.01	25.00	227.56	560.61	

(10) NAME / ADDRESS	(11) SS #	(12) Position Title	(13) DAY AND DATE																															(14) Gross Pay	(15) Gross Rate	(16) Total Hours	(17) Pay Rate	(18) Pay	(19) DEDUCTIONS				(20) Total Deduct	(21) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						FICA	Fed Tax	State Tax	Hlth. Ins.		
Figueroa, Arturo 5569 Via Marisol Los Angeles, CA 90042	444-44-4444 <input type="checkbox"/> Full <input type="checkbox"/> Part	County OT Other Job OT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	48.39	9.46	66	14.19	624.36	99.57	44.31	18.75	295.18	473.95	

CAUTION

EXHIBIT M

INTENTIONALLY OMITTED

AGREEMENT CONTRACTOR'S OBLIGATIONS UNDER HIPAA

Under this Agreement, Contractor provides services to County and Contractor receives, has access to, and/or creates Protected Health Information, as defined below, in order to provide those services. County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated under HIPAA, including the "Standards for Privacy of Individually Identifiable Health Information" which are located in Title 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations mandate certain protections for the privacy and security of Protected Health Information. The Privacy Regulations also require County to enter into an agreement with Contractor in order to obtain satisfactory assurance from Contractor that Contractor will appropriately safeguard the Protected Health Information. Disclosure to or use of Protected Health Information by Contractor is prohibited if such an agreement is not in place. Therefore, the parties agree to the terms of this Exhibit N.

1.0 DEFINITIONS

- 1.1 "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 Contractor's internal operations, or to other than its employees.
- 1.2 "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).
- 1.3 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of County. 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 received by Contractor from or on behalf of County, or is created by Contractor, or is made accessible to Contractor by County.
- 1.4 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the

production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

- 1.5 "Services" has the same meaning as in this Agreement.
- 1.6 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor's internal operations.
- 1.7 Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Regulations.

2.0 OBLIGATIONS OF CONTRACTOR

2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sub-sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Exhibit N;
- (b) shall Disclose Protected Health Information to County upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
- (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Contractor warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Agreement. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

2.3 Reporting Non-Permitted Use or Disclosure. Contractor shall report to County each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement. The initial report shall be made by telephone call to the appropriate Department, within forty-eight (48) hours from the time the Contractor first becomes aware of the non-permitted Use or Disclosure, as follows:

Chief Information Office Privacy Officer
213-974-2166

The initial telephone report shall be followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure, and shall be sent to County's Chief Information Privacy Officer at:

Chief Information Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 493
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- 2.5. Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining County's compliance with the Privacy Regulations. Contractor shall immediately notify County of any requests made by the Secretary and provide County with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by County available to the Individual(s) identified by County as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from County. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from County.
- 2.7 Amendment of Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by County. Contractor shall make such amendment within ten (10) business days after receipt of request from County in order for County to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon County's request, Contractor shall provide to County an accounting of each Disclosure of Protected Health Information made

by Contractor or its employees, agents, representatives or subcontractors. However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services if such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Contractor under this Sub-section 2.8 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. For each Disclosure that could require an accounting under this Sub-section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to County, within ten (10) business days after receipt of request from County, information collected in accordance with this Sub-section 2.8 to permit County 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.

3.0 OBLIGATION OF COUNTY

3.1 Obligation of County. County shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

4.1 Term. Contractor's obligations under Sub-sections 2.1 (as modified by Sub-section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon County's knowledge of a material breach by Contractor, County shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation, and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by County; or
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination or cure are feasible, County shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- (b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make it infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

5.0 **MISCELLANEOUS**

- 5.1 No Third Party Beneficiaries. Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors receiving Protected Health Information from Contractor, or creating Protected Health Information for Contractor, on behalf of County, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Exhibit N.
- 5.3 Relationship to Agreement Provisions. In the event that a provision of this Exhibit N is contrary to any other provision of this Agreement, the provision of this Exhibit N shall control.
- 5.4 Regulatory References. A reference in this Agreement to a section in the Privacy Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits County to comply with the Privacy Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for County to comply with the requirements of the Privacy Regulations.

CHARITABLE CONTRIBUTIONS CERTIFICATION

TRISTAR Risk Management No.2, Inc.

Company Name

100 Oceangate, Suite 700, Long Beach, CA 90802

Address

68-0165539

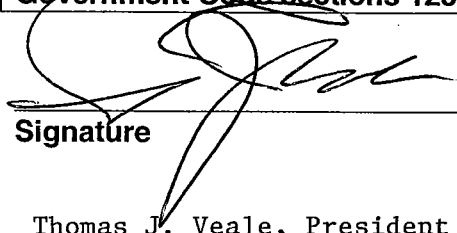
Internal Revenue Service Employer Identification Number

N/A

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

CERTIFICATION	YES	NO
Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	(x)	()
OR		
Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.	()	()



Signature

8/4/05

Date

Thomas J. Veale, President

Name and Title (please type or print)

TECHNICAL EXHIBITS ARE THE SAME FOR UNITS 1, 2, AND 4

TECHNICAL EXHIBITS

TECHNICAL EXHIBITS

Technical Exhibit

I	CAO, Risk Management Branch Description
II	Other County Departments
III	Open Claims By Department – Unit 1, Unit 2, and Unit 4
IV	New Claims by Year and Month – Unit 1, Unit 2, and Unit 4
V	Workload Statistics – Historical and Annual Self-Insurance Plans Reports
VI	Claims Administration Checklist
VII	Equipment List to Connect to GENCOMP
VIII	Quality of Work Performance Requirements Summary
IX	Performance Requirements Summary
X	Contract Discrepancy Report
XI	Workers' Compensation Manual
XII	Payment Provisions
XIII	Anatomy of a Payment
XIV	Examples of Overpayments and Excess Costs
XV	Sample Balance Sheet
XVI	Intentionally Omitted
XVII	Claim Status Reports Form & Guidelines
XVIII	Los Angeles County Code 5.31.050
XIX	Population Count and Operating Expenses 1998-2004

CHIEF ADMINISTRATIVE OFFICE

RISK MANAGEMENT BRANCH

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

WORKERS' COMPENSATION CLAIMS PROGRAM

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

Major activities include: determining the County's workers' compensation liability for approximately 12,000 alleged job-related injuries and illnesses each year; providing statutory workers' compensation benefits which totaled approximately \$260,806,287 in FY 2001/2002, approximately \$292,780,822 in 2002/2003 and approximately \$339,465,823 in 2003/2004 for all injury claims determined to be work related; investigating all disability; monitoring medical care of injured employees to ensure that necessary and appropriate treatment is offered and arranged; coordinating the preparation of all litigated cases with the County Counsel; referring appropriate claims to departmental return-to-work coordinators and rehabilitation staff; and, identifying possible safety problems and providing this information to appropriate staff.

EARLY RETURN TO WORK PROGRAM

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

LONG TERM DISABILITY AND SURVIVOR PLAN

The Long-Term Disability Plan provides income benefits to employees who are expected to be disabled from the job for six months or more. The Plan also provides survivor benefits to the spouse or eligible children of any deceased employee who would otherwise have qualified for disability benefits. The staff of the Long-Term Disability third party administrator receives, evaluates and determines eligibility of disability and survivor claimants. The plan covers approximately 77,060 Active General Members of Retirement Plans A - E.

MEGA-FLEX SHORT TERM DISABILITY

The Short Term Disability (STD) Plan covers approximately 8,000 employees who are enrolled in the County's Mega-Flex benefit program. The STD Plan provides disability benefits for periods of disability of less than six months for either work-related or non-work-related illness or injury. The STD benefits are coordinated with workers' compensation temporary disability benefits.

OTHER COUNTY DEPARTMENTS PROVIDING WORKERS'
COMPENSATION PROGRAM SERVICES

COUNTY COUNSEL: Workers' Compensation Division

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

COUNTY AUDITOR-CONTROLLER: Disbursement Division

The Risk Management Branch and the TPAs authorize the payments to be made on workers' compensation claims. The General Claims Section of the Disbursements Division of the Auditor-Controller receives the authorizations and issues the warrants. The Workers' Compensation and Disability Benefit Fiscal Unit of the Chief Administrative Office provides fiscal, clerical and data processing support services relating to all payment activity.

INTERNAL SERVICES DEPARTMENT

The Internal Services Department provides Risk Management Branch staff with technical advice relating to computer operations. Staff within the Risk Management Branch are responsible for the day-to-day management of the IBM RISC System/6000 Computer operations and also provide technical advice.

OPEN CLAIMS BY DEPARTMENT UNIT 1 (10/31/04)				
Dept. No.	Department	Medical Only Claims	Indemnity Claims	Total
770	Sheriff	704	6665	7369
775	Sheriff – Prisoners	1	13	14
Total		705	6678	7383

OPEN CLAIMS BY DEPARTMENT UNIT 2 (10/31/04)				
Dept. No.	Department	Medical Only Claims	Indemnity Claims	Total
	(MISSING)		2	2
001	Polio Cases/Pre-1939		7	7
002	County Employment Not Confirmed		22	22
110	Health Services Administration	10	123	133
120	Health Plan Administration	1	6	7
130	High Desert Hospital	8	148	156
160	LAC+USC: General Hospital	88	1259	1347
161	Northeast CHC/Health Centers	4	142	146
175	LAC+USC: Women's Hospital		3	3
185	LAC+USC: Plant Management		4	4
197	PHP: Health Services Admin./Medical Supp.		1	1
199	Substance Abuse	2	18	20
200	Harbor Hospital	27	364	391
201	Long Beach CHC/Coastal Health Centers	1	26	27
218	LAC+USC: Med Center Admin.		4	4
220	PHP: Long Beach General		4	4
225	Martin Luther King Hospital	39	600	639
226	Metro South CHC/Health Centers	2	85	87
240	Olive View Hospital	24	251	275
241	Mid-Valley CHC/Health Centers	3	38	41
250	California Children's Services	3	95	98
260	Rancho Los Amigos	16	231	247
280	Antelope Valley Rehab. Center	1	29	30
290	Probation Health	1	32	33
295	Public Health Programs	16	330	346
296	Aids Programs		25	25
430	PHP: Community Health Serv. Div.		1	1
435	Mental Health	17	327	344
Total		263	4177	4440

OPEN CLAIMS BY DEPARTMENT UNIT 4 (10/31/04)				
Dept. No.	Department	Medical Only Claims	Indemnity Claims	Total
002	County Employment Not Confirmed		1	1
010 (760)	Agricultural Commissioner/ Weights and Measures	4	53	57
040	Assessor	1	97	98
140	DPSS	77	1981	2058
145	General Relief Workers		18	18
325 (326/ 765)	Comm. Senior Citizen (Community and Senior Services)	1	49	50
350 (120)	Children Services	7	914	921
620	Animal Control	4	84	88
640	Probation	49	1335	1384
690 (381- 387/ 400/ 740)	Public Works	23	558	581
710	Registrar-Recorder	8	113	121
720	Regional Planning		9	9
762	Consumer Affairs		6	6
767	Military and Veterans Affairs		6	6
790 (053)	Treasurer/Tax Collector	2	62	64
792	Retirement Division		22	22
Totals		176	5308	5484

NEW CLAIMS BY YEAR AND MONTH -- UNIT 1			
Month and Year	Medical Only	Indemnity	TOTAL
March, 1998	97	243	340
April, 1998	96	260	356
May, 1998	100	215	315
June, 1998	101	235	336
July, 1998	135	242	377
August, 1998	105	234	339
September, 1998	124	213	337
October, 1998	116	249	365
November, 1998	88	145	233
December, 1998	113	205	318
January, 1999	99	205	304
February, 1999	109	257	366
March, 1999	104	244	348
April, 1999	120	202	322
May, 1999	81	223	304
June, 1999	115	266	381
July, 1999	96	284	380
August, 1999	107	255	362
September, 1999	105	226	331
October, 1999	101	242	343
November, 1999	124	267	391
December, 1999	90	214	304

Unit 1

	Medical Only	Indemnity	TOTAL
January, 2000	89	223	312
February, 2000	138	276	414
March, 2000	104	265	369
April, 2000	99	252	351
May, 2000	132	239	371
June, 2000	116	243	359
July, 2000	104	231	335
August, 2000	113	218	331
September, 2000	94	213	307
October, 2000	98	267	365
November, 2000	117	223	340
December, 2000	92	199	291
January, 2001	110	231	341
February, 2001	113	232	345
March, 2001	138	244	382
April, 2001	117	286	403
May, 2001	132	214	346
June, 2001	126	206	332
July, 2001	146	230	376

Unit 1

	Medical Only	Indemnity	TOTAL
August, 2001	149	252	401
September, 2001	110	206	316
October, 2001	125	215	340
November, 2001	118	213	331
December, 2001	86	188	274
January, 2002	151	257	408
February, 2002	106	229	335
March, 2002	139	243	382
April, 2002	127	222	349
May, 2002	116	230	346
June, 2002	111	220	331
July, 2002	127	283	410
August, 2002	136	241	377
September, 2002	136	210	346
October, 2002	121	230	351
November, 2002	101	168	269
December, 2002	95	167	262
January, 2003	133	225	358
February, 2003	120	163	283
March, 2003	125	283	408
April, 2003	113	205	318
May, 2003	104	229	333
June, 2003	140	200	340

Unit 1

	Medical Only	Indemnity	TOTAL
July, 2003	130	240	370
August, 2003	124	209	333
September, 2003	113	212	325
October, 2003	122	299	421
November, 2003	94	183	277
December, 2003	124	206	330
January, 2004	138	195	333
February, 2004	129	203	332
March, 2004	171	255	426
April, 2004	179	192	371
May, 2004	155	181	336
June, 2004	198	187	385
July, 2004	177	172	349
August, 2004	182	151	333
September, 2004	195	140	335
October, 2004	187	101	288

Technical Exhibit IV

NEW CLAIMS BY YEAR AND MONTH -- UNIT 2			
Month and Year	Medical Only	Indemnity	TOTAL
March, 1998	43	125	168
April, 1998	57	157	214
May, 1998	38	123	161
June, 1998	49	159	208
July, 1998	29	171	200
August, 1998	35	131	166
September, 1998	32	151	183
October, 1998	48	117	165
November, 1998	58	110	168
December, 1998	62	137	199
January, 1999	64	111	175
February, 1999	71	144	215
March, 1999	60	152	212
April, 1999	73	153	226
May, 1999	63	131	194
June, 1999	62	141	203
July, 1999	52	163	215
August, 1999	52	149	201
September, 1999	60	139	199
October, 1999	60	122	182
November, 1999	59	119	178
December, 1999	52	109	161

Unit 2

	Medical Only	Indemnity	TOTAL
January, 2000	56	172	228
February, 2000	73	125	198
March, 2000	65	147	212
April, 2000	38	114	152
May, 2000	59	171	230
June, 2000	51	131	182
July, 2000	47	130	177
August, 2000	55	152	207
September, 2000	34	150	184
October, 2000	36	156	192
November, 2000	32	114	146
December, 2000	32	92	124
January, 2001	48	95	143
February, 2001	19	70	89
March, 2001	101	236	337
April, 2001	66	116	182
May, 2001	59	179	238
June, 2001	44	140	184
July, 2001	71	117	188

Unit 2

	Medical Only	Indemnity	TOTAL
August, 2001	82	161	243
September, 2001	38	107	145
October, 2001	66	117	183
November, 2001	50	88	138
December, 2001	37	101	138
January, 2002	63	110	173
February, 2002	72	151	223
March, 2002	43	130	173
April, 2002	61	174	235
May, 2002	53	131	184
June, 2002	42	134	176
July, 2002	47	146	193
August, 2002	67	133	200
September, 2002	56	134	190
October, 2002	42	127	169
November, 2002	38	111	149
December, 2002	33	101	134
January, 2003	61	122	183
February, 2003	47	114	161
March, 2003	45	140	185
April, 2003	49	124	173
May, 2003	45	125	170
June, 2003	55	133	188

Unit 2

	Medical Only	Indemnity	TOTAL
July, 2003	43	149	192
August, 2003	41	99	140
September, 2003	52	124	176
October, 2003	45	110	155
November, 2003	34	106	140
December, 2003	46	89	135
January, 2004	50	107	157
February, 2004	47	93	140
March, 2004	53	126	179
April, 2004	55	107	162
May, 2004	62	108	170
June, 2004	71	104	175
July, 2004	64	85	149
August, 2004	54	87	141
September, 2004	82	80	162
October, 2004	78	72	150

NEW CLAIMS BY YEAR AND MONTH -- UNIT 4			
Month and Year	Medical Only	Indemnity	TOTAL
March, 1998	75	156	231
April, 1998	75	166	241
May, 1998	64	159	223
June, 1998	91	146	237
July, 1998	73	144	217
August, 1998	86	146	232
September, 1998	73	151	224
October, 1998	71	135	206
November, 1998	63	122	185
December, 1998	76	140	216
January, 1999	55	114	169
February, 1999	58	133	191
March, 1999	90	160	250
April, 1999	80	155	235
May, 1999	97	162	259
June, 1999	69	160	229
July, 1999	79	140	219
August, 1999	65	175	240
September, 1999	75	181	256
October, 1999	55	150	205
November, 1999	52	132	184
December, 1999	57	158	215

Unit 4

	Medical Only	Indemnity	TOTAL
January, 2000	70	160	230
February, 2000	65	177	242
March, 2000	66	175	241
April, 2000	44	148	192
May, 2000	74	230	304
June, 2000	66	204	270
July, 2000	46	179	225
August, 2000	68	211	279
September, 2000	79	195	274
October, 2000	68	218	286
November, 2000	47	153	200
December, 2000	74	144	218
January, 2001	58	166	224
February, 2001	72	149	221
March, 2001	62	216	278
April, 2001	63	198	261
May, 2001	69	191	260
June, 2001	71	188	259
July, 2001	54	190	244

Unit 4

	Medical Only	Indemnity	TOTAL
August, 2001	70	245	315
September, 2001	45	197	242
October, 2001	64	190	254
November, 2001	63	181	244
December, 2001	40	152	192
January, 2002	72	173	245
February, 2002	66	203	269
March, 2002	68	210	278
April, 2002	76	245	321
May, 2002	74	229	303
June, 2002	51	219	270
July, 2002	59	196	255
August, 2002	51	233	284
September, 2002	60	220	280
October, 2002	57	238	295
November, 2002	55	177	232
December, 2002	39	184	223
January, 2003	42	208	250
February, 2003	35	164	199
March, 2003	41	216	257
April, 2003	44	211	255
May, 2003	72	228	300
June, 2003	42	180	222

Unit 4

	Medical Only	Indemnity	TOTAL
July, 2003	54	215	269
August, 2003	49	215	264
September, 2003	46	218	264
October, 2003	49	181	230
November, 2003	38	162	200
December, 2003	30	182	212
January, 2004	49	194	243
February, 2004	42	154	196
March, 2004	58	218	276
April, 2004	51	184	235
May, 2004	43	146	189
June, 2004	18	244	262
July, 2004	27	239	266
August, 2004	39	171	210
September, 2004	49	217	266
October, 2004	64	157	221

ADDENDUM TO
TECHNICAL EXHIBIT IV
UNIT NEW CLAIMS BY YEAR AND MONTH
DOES NOT INCLUDE VOIDED CLAIMS

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
 (DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT			
		1 N	2 N	4 N	A N
1998	1	271	158	169	
	2	244	194	175	
	3	312	158	229	
	4	331	207	235	
	5	299	152	221	
	6	306	202	233	
	7	350	190	214	
	8	301	157	229	
	9	320	174	222	
	10	321	157	205	
	11	216	157	181	
	12	292	185	213	
1999	1	271	163	165	
	2	327	203	188	
	3	320	206	246	
	4	294	216	230	
	5	283	185	257	
	6	348	199	221	
	7	351	209	218	
	8	325	200	237	
	9	300	194	251	
	10	306	181	203	
	11	355	177	183	

(Continued)

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
 (DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT				ALL
		1	2	3	4	
1999	12	276	158	212	212	
	1	282	225	227	227	
	2	377	193	241	241	
	3	345	204	240	240	
	4	322	150	188	188	
	5	339	223	301	301	
	6	335	178	267	267	
	7	300	172	218	218	
	8	303	207	277	277	
	9	283	179	270	270	
	10	331	190	285	285	
	11	312	142	200	200	
2000	12	276	124	217	217	
	1	337	135	221	221	
	2	334	84	217	217	
	3	374	324	274	274	
	4	393	179	258	258	
	5	341	235	254	254	
	6	330	180	257	257	
	7	374	183	239	239	
	8	391	231	314	314	
	9	311	138	235	235	
	10	334	174	248	248	

(Continued)

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
 (DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT									
		1	2	3	4	5	6	7	8	All	
		N	N	N	N	N	N	N	N	N	
2001	11	318	132						241		
	12	268	136						187		
	2002	1	397	170						239	
		2	322	215						267	
		3	376	165						275	
		4	337	230						320	
		5	337	179						296	
		6	328	169						262	
		7	397	189						251	
		8	369	198						278	
		9	341	185						273	
	2003	10	344	166						284	
11		261	147						228		
12		255	131						219		
1		353	178						245		
2		279	158						193		
3		402	181						254		
4		315	167						251		
5		327	167						296		
6		337	185						221		
7		363	185						265		
8		327	132						263		
9		323	172						257		

(Continued)

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
 (DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT					
		1 N	2 N	A N	A N	A N	A N
2003	10	414	153		225		
	11	275	135		195		
	12	325	135		207		
2004	1	332	152		241		
	2	330	134		190		
	3	419	176		274		
	4	363	156		233		
	5	333	168		188		
	6	382	174		254		
	7	345	146		265		
	8	327	140		210		
	9	331	158		261		
	10	284	149		221		
	11	285	106		198		
	12	325	126		193		

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT												TOTAL		
		1			2			3			5					
		INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All			
1998	1	184	87	271	118	40	158	131	38	169	111	58	169	544	223	767
	2	161	83	244	138	56	194	140	54	194	116	59	175	555	252	807
	3	222	90	312	115	43	158	178	60	238	156	73	229	671	266	937
	4	240	91	331	152	55	207	148	46	194	164	71	235	704	263	967
	5	201	98	299	117	35	152	159	48	207	157	64	221	634	245	879
	6	215	91	306	154	48	202	215	62	277	142	91	233	726	292	1,018
	7	222	128	350	164	26	190	202	68	270	141	73	214	729	295	1,024
	8	203	98	301	123	34	157	180	60	240	143	86	229	649	278	927
	9	199	121	320	142	32	174	188	68	256	149	73	222	678	294	972
	10	215	106	321	112	45	157	211	46	257	135	70	205	673	267	940
	11	134	82	216	103	54	157	144	45	189	118	63	181	499	244	743
	12	187	105	292	127	58	185	161	37	198	137	76	213	612	276	888
1999	1	178	93	271	101	62	163	134	32	166	110	55	165	523	242	765
	2	232	95	327	135	68	203	189	62	251	130	58	188	686	283	969
	3	225	95	320	146	60	206	214	65	279	156	90	246	741	310	1,051
	4	183	111	294	143	73	216	178	60	238	151	79	230	655	323	978
	5	209	74	283	124	61	185	126	53	179	160	97	257	619	285	904
	6	243	105	348	137	62	199	176	86	262	152	69	221	708	322	1,030
	7	263	88	351	157	52	209	181	62	243	139	79	218	740	281	1,021
	8	229	96	325	148	52	200	207	72	279	173	64	237	757	284	1,041
	9	204	96	300	134	60	194	181	47	228	177	74	251	696	277	973

(Continued)

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT												TOTAL	
		1			2			3			5				
		INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All		
1999	10	220	86	306	121	166	181	232	148	55	203	655	267	922	
	11	245	110	355	118	162	177	229	131	52	183	656	288	944	
	12	193	83	276	106	139	158	203	155	57	212	593	256	849	
	2000	1	202	80	282	169	147	225	204	158	69	227	676	262	938
		2	252	125	377	121	170	193	234	176	65	241	719	326	1,045
		3	248	97	345	139	158	204	218	175	65	240	720	287	1,007
		4	229	93	322	112	150	150	196	145	43	188	636	220	856
		5	214	125	339	165	186	223	249	227	74	301	792	320	1,112
		6	226	109	335	127	188	178	260	204	63	267	745	295	1,040
	2001	7	208	92	300	126	192	172	263	173	45	218	699	254	953
		8	204	99	303	152	221	207	303	209	68	277	786	304	1,090
		9	196	87	283	145	168	179	212	192	78	270	701	243	944
10		239	92	331	154	200	190	253	217	68	285	810	249	1,059	
11		200	112	312	111	166	142	208	153	47	200	630	232	862	
12		187	89	276	92	153	124	194	143	74	217	575	236	811	
1		229	108	337	87	145	135	162	163	58	221	624	231	855	
2		223	111	334	66	193	84	238	146	71	217	628	245	873	
3		239	135	374	226	182	324	232	213	61	274	860	344	1,204	
4		277	116	393	114	202	179	252	195	63	258	788	294	1,082	
5		211	130	341	177	199	235	262	185	69	254	772	320	1,092	
6		205	125	330	136	219	180	266	186	71	257	746	287	1,033	

(Continued)

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT																	
		1			2			3			4			5			TOTAL		
		INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE
2001	7	229	145	374	112	71	183	176	46	222	185	54	239	702	316	1,018			
	8	246	145	391	150	81	231	199	70	269	244	70	314	839	366	1,205			
	9	202	109	311	100	38	138	157	69	226	190	45	235	649	261	910			
	10	212	122	334	112	62	174	212	78	290	185	63	248	721	325	1,046			
	11	200	118	318	83	49	132	131	45	176	178	63	241	592	275	867			
	12	184	84	268	100	36	136	137	61	198	148	39	187	569	220	789			
	1	251	146	397	107	63	170	165	42	207	167	72	239	690	323	1,013			
	2	219	103	322	144	71	215	169	48	217	201	66	267	733	288	1,021			
	3	240	136	376	122	43	165	168	64	232	207	68	275	737	311	1,048			
	4	215	122	337	171	59	230	193	61	254	244	76	320	823	318	1,141			
	5	225	112	337	128	51	179	176	53	229	222	74	296	751	290	1,041			
	6	218	110	328	128	41	169	189	54	243	211	51	262	746	256	1,002			
7	273	124	397	143	46	189	247	66	313	192	59	251	855	295	1,150				
8	236	133	369	131	67	198	231	53	284	227	51	278	825	304	1,129				
9	205	136	341	129	56	185	200	64	264	214	59	273	748	315	1,063				
10	224	120	344	124	42	166	203	42	245	228	56	284	779	260	1,039				
11	164	97	261	109	38	147	138	35	173	174	54	228	585	224	809				
12	163	92	255	98	33	131	168	33	201	181	38	219	610	196	806				
1	224	129	353	118	60	178	198	37	235	203	42	245	743	268	1,011				
2	163	116	279	111	47	158	212	42	254	159	34	193	645	239	884				
3	280	122	402	136	45	181	213	41	254	213	41	254	842	249	1,091				

(Continued)

NEWLY OPENED CLAIMS (OPEN DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT															
		1			2			3			5			TOTAL			
		INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	
2003	4	204	111	315	118	49	167	221	48	269	207	44	251	750	252	1,002	
	5	225	102	327	123	44	167	181	31	212	225	71	296	754	248	1,002	
	6	198	139	337	131	54	185	175	50	225	179	42	221	683	285	968	
	7	237	126	363	142	43	185	194	75	269	213	52	265	786	296	1,082	
	8	209	118	327	91	41	132	179	51	230	215	48	263	694	258	952	
	9	214	109	323	120	52	172	173	41	214	213	44	257	720	246	966	
	10	294	120	414	109	44	153	177	44	221	177	48	225	757	256	1,013	
	11	183	92	275	101	34	135	146	45	191	157	38	195	587	209	796	
	12	205	120	325	89	46	135	151	44	195	177	30	207	622	240	862	
	2004	1	199	133	332	104	48	152	157	45	202	196	45	241	656	271	927
		2	204	126	330	88	46	134	135	51	186	149	41	190	576	264	840
		3	253	166	419	125	51	176	195	77	272	218	56	274	791	350	1,141
4		187	176	363	105	51	156	175	80	255	183	50	233	650	357	1,007	
5		179	154	333	109	59	168	169	37	206	147	41	188	604	291	895	
6		191	191	382	103	71	174	171	54	225	241	13	254	706	329	1,035	
7		175	170	345	85	61	146	153	71	224	241	24	265	654	326	980	
8		155	172	327	86	54	140	160	73	233	178	32	210	579	331	910	
9		157	174	331	81	77	158	162	55	217	227	34	261	627	340	967	
10		118	166	284	80	69	149	164	45	209	173	48	221	535	328	863	
11		118	167	285	58	48	106	142	38	180	138	60	198	456	313	769	
12		110	215	325	69	57	126	165	31	196	133	60	193	477	363	840	

NEWLY OPENED CLAIMS (INJURY DATE) BY UNIT BY MONTH
 (DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT															TOTAL
		1			2			3			4			5			
		INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE	INDEM	ALL	TYPE	
1998	1	195	288	135	55	190	147	40	187	141	58	199	618	246	864		
	2	166	235	129	40	169	139	49	188	129	76	205	563	234	797		
	3	209	300	134	55	189	180	48	228	164	73	237	687	267	954		
	4	245	336	136	41	177	169	57	226	154	70	224	704	259	963		
	5	204	311	132	36	168	181	49	230	160	71	231	677	263	940		
	6	211	313	145	36	181	182	64	246	144	85	229	682	287	969		
	7	228	333	143	33	176	216	60	276	144	83	227	731	281	1,012		
	8	194	315	131	27	158	200	68	268	150	71	221	675	287	962		
	9	208	322	120	32	152	206	54	260	147	80	227	681	280	961		
	10	182	276	111	50	161	171	45	216	110	68	178	574	257	831		
	11	164	246	96	52	148	137	37	174	113	60	173	510	231	741		
	12	161	266	125	63	188	139	40	179	118	69	187	543	277	820		
1999	1	229	322	115	54	169	183	54	237	137	47	184	664	248	912		
	2	238	344	132	62	194	190	64	254	125	63	188	685	295	980		
	3	243	329	132	63	195	197	57	254	156	87	243	728	293	1,021		
	4	205	309	145	74	219	161	61	222	149	96	245	660	335	995		
	5	225	317	134	67	201	150	69	219	161	83	244	670	311	981		
	6	233	339	147	59	206	178	80	258	175	67	242	733	312	1,045		
	7	242	324	148	52	200	194	58	252	165	83	248	749	275	1,024		
	8	223	311	148	63	211	182	60	242	151	64	215	704	275	979		
	9	196	301	124	55	179	170	64	234	173	76	249	663	300	963		

(Continued)

NEWLY OPENED CLAIMS (INJURY DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT																	
		1			2			3			4			5			TOTAL		
		INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All
1999	10	219	91	310	145	66	211	152	50	202	191	59	250	707	266	973			
	11	239	97	336	103	50	153	151	65	216	143	61	204	636	273	909			
	12	199	89	288	124	55	179	131	63	194	136	42	178	590	249	839			
2000	1	225	94	319	143	63	206	169	64	233	166	81	247	703	302	1,005			
	2	226	95	321	123	60	183	165	48	213	180	46	226	694	249	943			
	3	225	108	333	153	59	212	166	50	216	178	68	246	722	285	1,007			
	4	214	96	310	142	57	199	169	60	229	205	55	260	730	268	998			
	5	225	128	353	123	48	171	191	62	253	176	64	240	715	302	1,017			
	6	223	107	330	126	47	173	185	67	252	183	58	241	717	279	996			
	7	180	89	269	148	50	198	186	77	263	176	58	234	690	274	964			
	8	229	97	326	139	41	180	227	72	299	201	70	271	796	280	1,076			
	9	227	103	330	131	35	166	201	51	252	183	67	250	742	256	998			
	10	200	86	286	170	35	205	200	43	243	182	73	255	752	237	989			
	11	203	99	302	89	36	125	142	38	180	147	57	204	581	230	811			
	12	184	95	279	101	38	139	141	32	173	136	58	194	562	223	785			
2001	1	248	116	364	131	51	182	195	45	240	175	68	243	749	280	1,029			
	2	227	122	349	126	49	175	142	37	179	162	63	225	657	271	928			
	3	265	124	389	147	75	222	195	58	253	218	54	272	825	311	1,136			
	4	227	125	352	140	60	200	162	54	216	168	70	238	697	309	1,006			
	5	215	132	347	138	56	194	188	56	244	183	69	252	724	313	1,037			
	6	238	130	368	114	43	157	201	40	241	203	61	264	756	274	1,030			

(Continued)

NEWLY OPENED CLAIMS (INJURY DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT																	
		1			2			3			4			5			TOTAL		
		INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All
2001	7	204	140	344	133	74	207	211	75	286	185	56	241	733	345	1,078			
	8	213	130	343	122	66	188	187	79	266	235	66	301	757	341	1,098			
	9	223	114	337	112	46	158	150	59	209	172	52	224	657	271	928			
	10	188	125	313	103	65	168	182	58	240	194	65	259	667	313	980			
	11	191	109	300	100	47	147	147	51	198	157	65	222	595	272	867			
	12	167	101	268	110	45	155	126	47	173	133	48	181	536	241	777			
2002	1	239	129	368	123	46	169	179	54	233	200	63	263	741	292	1,033			
	2	228	107	335	128	63	191	172	56	228	207	66	273	735	292	1,027			
	3	230	129	359	127	52	179	178	58	236	185	68	253	720	307	1,027			
	4	208	121	329	151	55	206	165	49	214	237	70	307	761	295	1,056			
	5	230	123	353	135	58	193	220	48	268	200	66	266	785	295	1,080			
	6	234	114	348	124	42	166	188	59	247	188	51	239	734	266	1,000			
	7	235	119	354	131	48	179	232	71	303	221	69	290	819	307	1,126			
	8	220	132	352	126	65	191	193	46	239	237	49	286	776	292	1,068			
	9	201	128	329	105	42	147	202	62	264	215	55	270	723	287	1,010			
	10	204	111	315	113	47	160	189	37	226	205	52	257	711	247	958			
	11	161	101	262	91	34	125	144	30	174	151	50	201	547	215	762			
	12	173	100	273	113	44	157	145	33	178	185	34	219	616	211	827			
2003	1	207	132	339	117	62	179	242	40	282	196	43	239	762	277	1,039			
	2	202	98	300	133	39	172	195	38	233	186	37	223	716	212	928			
	3	239	130	369	123	46	169	201	39	240	189	39	228	752	254	1,006			

(Continued)

NEWLY OPENED CLAIMS (INJURY DATE) BY UNIT BY MONTH
(DATA AS OF DEC 2004 - NO VOIDS)

YEAR	MONTH	UNIT																		
		1			2			3			4			5			TOTAL			
		INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	INDEM	MED ONLY	All	
2003	4	189	108	297	130	53	183	183	41	224	221	48	269	723	250	973				
	5	214	99	313	124	45	169	197	47	244	199	66	265	734	257	991				
	6	194	147	341	119	59	178	160	58	218	186	45	231	659	309	968				
	7	217	120	337	116	42	158	183	66	249	201	50	251	717	278	995				
	8	220	122	342	93	43	136	172	46	218	209	52	261	694	263	957				
	9	226	104	330	116	56	172	162	47	209	183	40	223	687	247	934				
	10	259	117	376	101	48	149	171	45	216	182	55	237	713	265	978				
	11	184	102	286	70	31	101	155	39	194	150	34	184	559	206	765				
	12	155	109	264	109	49	158	160	45	205	175	36	211	599	239	838				
	2004	1	219	140	359	82	60	142	147	56	203	193	38	231	641	294	935			
		2	193	128	321	72	36	108	151	47	198	171	45	216	587	256	843			
		3	235	175	410	123	54	177	151	72	223	196	60	256	705	361	1,066			
4		170	174	344	92	54	146	171	60	231	166	40	206	599	328	927				
5		165	183	348	83	65	148	139	49	188	186	34	220	573	331	904				
6		182	168	350	84	59	143	135	61	196	215	17	232	616	305	921				
7		158	171	329	66	63	129	134	65	199	194	27	221	552	326	878				
8		129	172	301	86	60	146	177	69	246	198	35	233	590	336	926				
9		133	169	302	55	66	121	144	50	194	187	40	227	519	325	844				
10		110	157	267	54	65	119	142	47	189	132	53	185	438	322	760				
11		100	164	264	48	50	98	115	31	146	89	52	141	352	297	649				
12		73	176	249	36	31	67	92	20	112	67	38	105	268	265	533				

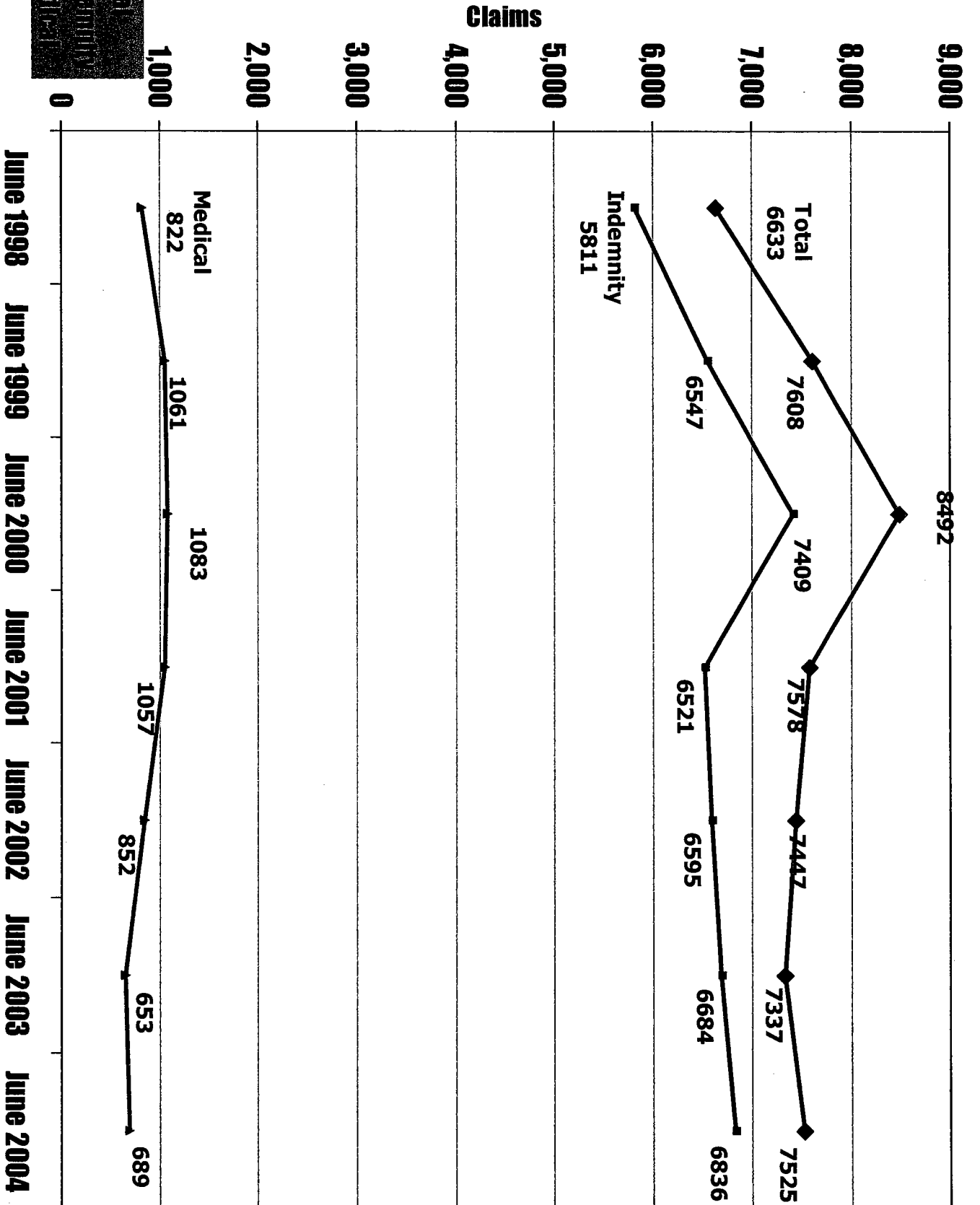
Workload Statistics

Historical and
Annual Self-Insurance Plans Reports for

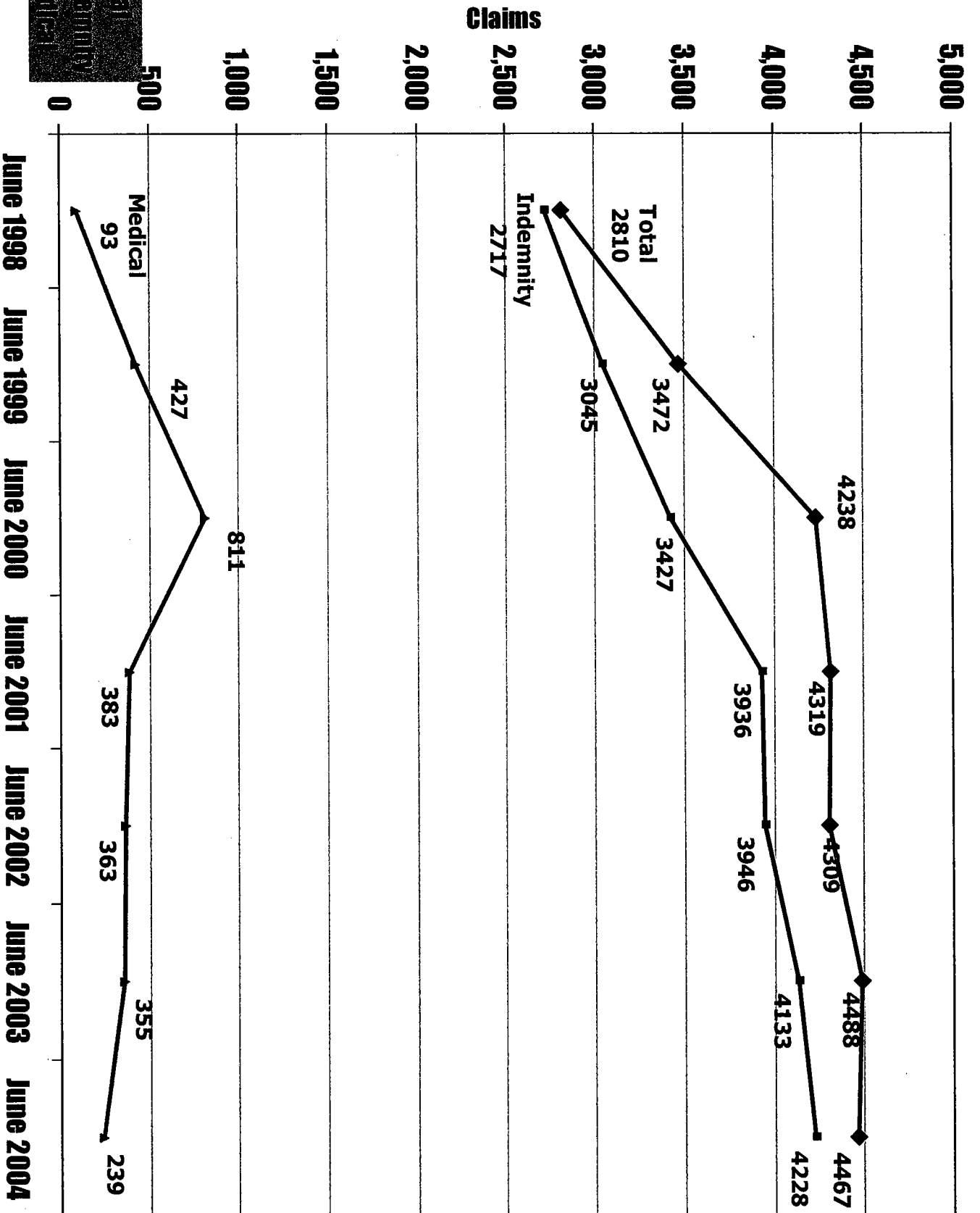
Fiscal Years

2000-2001, 2001-2002, 2002-03 and 2003-04

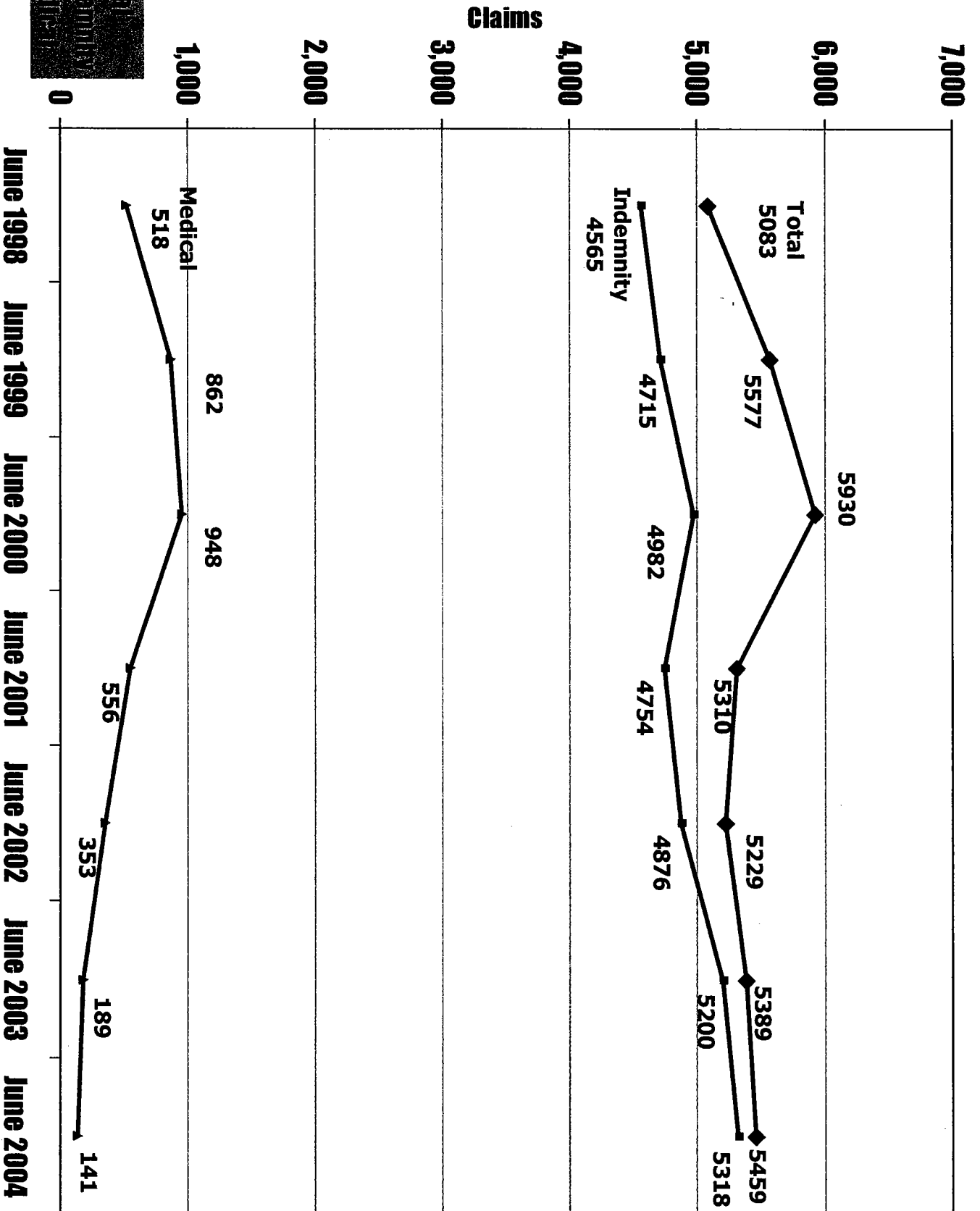
Unit 1 Open Claims at the End of Fiscal Years 1998 to Present



Unit 2 Open Claims at the End of Fiscal Years 1998 to Present



Unit 4 Open Claims at the End of Fiscal Years 1998 to Present



OCTOBER 2004 WORKERS' COMPENSATION FREQUENCY AND SEVERITY REPORT

UNIT REPORT
* * *

UNIT UNIT 1 - TRISTAR/SHERIFF

FISCAL YEAR	TOTAL CLAIMS	TOTAL INDEMN	TOTAL LITGTD	CLAIM /100 EMPL	COST/\$/ \$100 PAY	COST(\$)/ CLAIM	COST(\$)/ INDEMNITY CLAIM	COST(\$)/ LITIGATED CLAIM	TOTAL \$ INCURRED	TOTAL \$ PAID	TOTAL EMPLOYEE	TOTAL \$ PAYROLL
1991-92	4,102	2,471	716	35.45	9.59	14,195.49	23,341.97	73,351.34	58,229,886.54	52,869,348.39	11,571	606,934,026.00
1992-93	3,941	2,491	809	34.97	10.72	16,227.48	25,471.43	71,197.47	63,952,506.50	55,284,202.10	11,271	596,367,287.31
1993-94	3,474	2,250	784	32.28	10.27	17,451.73	26,757.93	70,016.42	60,627,322.17	51,678,554.15	10,762	590,087,293.17
1994-95	3,371	2,150	768	29.12	9.67	20,030.58	31,206.72	76,538.92	67,523,097.56	54,038,089.55	11,575	698,434,666.81
1995-96	3,463	2,364	883	29.27	11.26	21,913.61	31,958.72	78,936.62	75,886,842.17	60,423,723.03	11,832	674,195,548.81
1996-97	3,357	2,340	860	27.76	11.25	22,054.00	31,523.17	78,674.70	74,035,262.94	58,671,304.46	12,093	658,041,632.41
1997-98	3,448	2,340	963	27.40	12.24	25,565.28	37,549.22	83,490.72	88,149,081.67	65,748,625.34	12,582	720,000,417.17
1998-99	3,717	2,509	1,047	28.41	11.98	25,179.51	37,161.59	80,542.61	93,592,244.94	68,067,900.79	13,082	781,149,419.19
1999-00	3,835	2,655	1,024	28.37	11.09	24,085.88	34,635.34	79,891.50	92,369,363.76	65,956,011.89	13,517	832,845,944.62
2000-01	3,959	2,638	1,034	27.77	9.76	22,131.71	33,045.54	74,173.52	87,619,451.07	59,349,072.95	14,258	897,638,845.18
2001-02	3,996	2,552	1,023	27.37	8.75	20,305.17	31,570.30	65,994.22	81,139,448.25	53,891,089.13	14,601	927,566,860.82
2002-03	3,837	2,428	899	26.70	7.61	17,800.51	27,893.39	58,376.73	68,300,555.31	39,719,766.20	14,369	897,239,422.43
2003-04	4,052	2,383	680	29.50	4.66	10,320.13	17,153.31	33,046.37	41,817,162.61	16,022,767.09	13,738	897,598,844.43

(DATA AS OF 10/31/04)

LACO CHIEF ADMINISTRATIVE OFFICE/EPIDEMIOLOGY SECTION - NOVEMBER 2004

***** SAS V8.2 *****

(2076 06)TSCPGA.CLAIMTP4.CNTL(N8OPCLMS) - V1.40

PGR: C YUAN

OCTOBER 2004 WORKERS' COMPENSATION FREQUENCY AND SEVERITY REPORT

UNIT REPORT
* * *

UNIT UNIT 2 - TRISTAR

FISCAL YEAR	TOTAL CLAIMS	TOTAL INDEMN	TOTAL LITGTD	CLAIM /100 EMPL	COST/\$100 PAY	COST(\$)/CLAIM	COST(\$)/INDEMNITY CLAIM	COST(\$)/LITIGATED CLAIM	TOTAL \$ INCURRED	TOTAL \$ PAID	TOTAL EMPLOYEE	TOTAL \$ PAYROLL
1991-92	4,666	1,602	534	12.40	2.04	5,547.55	15,963.73	42,368.26	25,884,875.49	23,334,569.87	37,632	1270352546.00
1992-93	4,483	1,617	485	11.80	2.21	6,659.43	18,267.69	52,207.54	29,854,205.44	25,332,332.77	37,983	1352265964.34
1993-94	3,802	1,855	503	10.06	2.42	8,738.35	17,787.84	57,359.76	33,223,200.40	25,019,852.72	37,791	1371770622.16
1994-95	2,919	1,944	551	7.64	2.69	13,198.62	19,737.77	59,162.60	38,526,775.46	28,970,603.48	38,216	1430610195.77
1995-96	2,523	1,764	598	7.23	3.67	19,203.78	27,390.22	71,726.57	48,451,129.56	36,421,497.02	34,874	1320419488.69
1996-97	2,335	1,665	570	7.07	4.24	22,104.20	30,920.05	82,286.91	51,613,297.82	39,313,848.94	33,024	1217962766.17
1997-98	2,195	1,598	557	6.65	4.43	24,808.41	34,011.96	89,407.19	54,454,468.84	36,890,578.64	32,991	1227963423.38
1998-99	2,167	1,531	565	6.42	4.39	26,889.91	37,986.24	92,749.74	58,270,441.10	39,475,031.50	33,752	1327949943.23
1999-00	2,276	1,601	598	6.43	4.16	26,702.76	37,873.92	93,190.04	60,775,483.39	38,971,269.83	35,384	1462267434.27
2000-01	2,143	1,574	546	5.85	3.00	21,992.95	29,860.86	74,481.47	47,130,902.09	29,238,294.07	36,636	1572796304.55
2001-02	2,125	1,464	557	5.56	2.82	22,439.08	32,436.49	72,873.20	47,683,045.69	25,247,137.96	38,230	1693549692.14
2002-03	2,006	1,422	545	5.37	2.23	19,127.53	26,870.53	53,891.45	38,369,821.40	15,777,819.00	37,351	1724110059.34
2003-04	1,719	1,119	307	4.79	1.32	13,175.53	19,931.03	36,844.94	22,648,729.61	4,465,139.85	35,897	1716689804.97

***** SAS V8.2 *****

OCTOBER 2004 WORKERS' COMPENSATION FREQUENCY AND SEVERITY REPORT

UNIT REPORT
* * *

UNIT UNIT 5 - CAMBRIDGE

FISCAL YEAR	TOTAL CLAIMS	TOTAL INDEMN	TOTAL LITGTD	CLAIM /100 EMPL	COST/\$100 PAY	COST(\$)/CLAIM	COST(\$)/INDEMNITY CLAIM	COST(\$)/LITIGATED CLAIM	TOTAL \$ INCURRED	TOTAL \$ PAID	TOTAL EMPLOYEE	TOTAL \$ PAYROLL
1991-92	3,141	1,588	606			7,487.92	14,626.44	33,281.70	23,519,571.00	22,184,589.43		
1992-93	3,020	1,610	563			10,372.72	19,268.74	50,045.09	31,325,625.29	28,203,157.94		
1993-94	2,871	1,682	558			10,302.06	17,443.84	44,750.58	29,577,213.91	25,992,115.20		
1994-95	2,794	1,773	590			11,342.91	17,742.67	47,541.10	31,692,101.36	27,719,464.25		
1995-96	2,736	1,748	657			16,396.28	25,539.68	60,305.49	44,860,222.30	35,479,793.53		
1996-97	2,776	1,798	742			19,509.41	30,000.37	66,062.93	54,158,126.49	40,609,728.44		
1997-98	2,586	1,773	826			24,368.74	35,422.70	71,794.07	63,017,569.58	47,446,357.22		
1998-99	2,559	1,684	762			24,462.23	37,036.28	74,827.00	62,598,849.85	45,821,020.04		
1999-00	2,804	2,044	788			22,466.01	30,732.98	72,163.31	62,994,689.87	46,170,210.43		
2000-01	2,901	2,133	834			24,564.24	33,339.60	74,950.34	71,260,852.72	49,140,470.08		
2001-02	3,029	2,292	832			24,644.40	32,503.35	74,046.37	74,647,894.91	46,092,226.08		
2002-03	2,974	2,385	837			23,232.53	28,913.15	62,885.45	69,093,532.08	36,032,465.34		
2003-04	2,702	2,187	566			15,631.87	19,192.60	42,698.11	42,237,314.11	12,667,233.00		

***** SAS V8.2 *****

(DATA AS OF 10/31/04)
LACO CHIEF ADMINISTRATIVE OFFICE/EPIDEMIOLOGY SECTION - NOVEMBER 2004

(2076 06) TSCPGA.CLAIMTP4.CNTL(N8OPCLMS) - VI.40
PGR: C YUAN

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
SELF INSURANCE PLANS
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail:sip@dir.ca.gov

**PUBLIC SELF INSURER'S ANNUAL REPORT
(Non-JPA Member)**

I. GENERAL

1. CERTIFICATE NUMBER: <u>6-7002-00-000</u>	2. PERIOD OF REPORT: <input checked="" type="checkbox"/> Full Year <input type="checkbox"/> Interim Report For The Period of: <u>07 / 01 / 2000</u> to <u>06 / 30 / 2001</u> Mo Day Yr Mo Day Yr
Status <u>Active</u>	

3. NAME OF MASTER CERTIFICATE HOLDER:

County of Los Angeles
NAME 3333 Wilshire Blvd # 1000 Federal Tax Identification No: 95-3893470

ADDRESS OF MAIN HEADQUARTERS
Los Angeles, CA 90010-4101

CITY, STATE ZIP+4

4. TYPE OF PUBLIC AGENCY: COUNTY

<input checked="" type="checkbox"/> CITY/COUNTY	<input type="checkbox"/> HOSPITAL
<input type="checkbox"/> SCHOOL	<input type="checkbox"/> TRANSIT
<input type="checkbox"/> POLICE/FIRE	<input type="checkbox"/> OTHER

5. DURING THE PERIOD OF THIS REPORT, HAS THERE BEEN ANY OF THE FOLLOWING WITH RESPECT TO THE MASTER CERTIFICATE HOLDER, SUBSIDIARY OR AFFILIATE CERTIFICATE HOLDER? (IF YES, EXPLAIN ON REVERSE SIDE OF THIS PAGE.)

A MERGER OR UNIFICATION?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
CHANGE IN NAME OR IDENTITY?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
ANY ADDITION TO SELF INSURANCE PROGRAM?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

6. ARE THERE ANY AGENCY EMPLOYEES **NOT** INCLUDED IN YOUR WORKERS' COMPENSATION SELF INSURANCE PROGRAM?

Yes No

IF YES, WHAT EMPLOYEES ARE NOT INCLUDED? _____

ARE THESE EMPLOYEES COVERED BY AN INSURANCE POLICY? Yes No

ARE THESE EMPLOYEES COVERED BY ANOTHER SELF INSURANCE CERT. OR JPA? Yes No

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

NAME Constance Sullivan, Dr. PH

TITLE Chief

COMPANY NAME County of Los Angeles

ADDRESS 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010

TELEPHONE (213)738-2233 FASCIMILE (FAX) NUMBER (213)637-0822

8. CERTIFICATION BY AGENCY OFFICIAL:

I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and belief it is true, correct and complete.

Signature: *Constance Sullivan* Date: 9/20/01
Original Signature Only

Typed Name: Constance Sullivan, Dr. PH

Agency Name: County of Los Angeles

Street Address: 3333 Wilshire Blvd. # 1000

City: Los Angeles State: CA ZIP+4: 90010-4101

Telephone: (213) 738 - 2233 Fax: (213) 637 - 0822

Annual Report is Due October 1, 2001

NOTE: Claims Administrator
 Complete this page for ALL reports except
 Item B Employment/Wages, which is
 completed by Self insured employer.

II. CONSOLIDATED LIABILITIES

Certificate Number: 6-7002-00-000

Name of Master Certificate Holder: COUNTY OF LOS ANGELES

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
 ___/___/___ to ___/___/___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2001 reported prior to FY 1996-1997	5154	434031893	425965700	281910228	286877072	152121665	139088628
2a. FY 1996-1997 Total cases reported	11412	123089554	80523482	75890409	43079666	/////////	/////////
FY 1996-1997 Cases Open	1430	101787423	65828786	54588278	28384970	47199145	37443816
b. FY 1997-1998 Total cases reported	11170	133297528	68257457	70231590	43715152	/////////	/////////
FY 1997-1998 Cases Open	2005	118405831	55811717	55339893	31269412	63065938	24542305
c. FY 1998-1999 Total cases reported	11472	125445401	70553164	59613593	39819704	/////////	/////////
FY 1998-1999 Cases Open	2817	115754767	62229536	49922959	31496076	65831808	30733460
d. FY 1999-2000 Total cases reported	11922	99257646	66922087	33259517	30640200	/////////	/////////
FY 1999-2000 Cases Open	4072	95300482	61938085	29302353	25656198	65998129	36281887
e. FY 2000-2001 Total cases reported	12044	57939793	59974515	6160247	9541737	/////////	/////////
FY 2000-2001 Cases Open	8250	57222166	58733638	5442620	8300860	51779546	50432778
					SUB TOTAL	445996231	318522874
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):					TOTAL		764519105
4. Total Benefits paid during FY 2000-2001 (include all case expenditures):						\$Indemnity 121290678	\$Medical 88692896
5. Number of MEDICAL-ONLY cases reported in FY 2000-2001:							4276
6. Number of INDEMNITY cases reported in FY 2000-2001:							7768
7. TOTAL of 5 and 6 (also enter in 2e above):							12044
8. TOTAL number of open indemnity cases (all years):							21105
9. Number of Fatality cases reported in FY 2000-2001:							6
10. (a) Number of FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:							1787
(b) Number of non-FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:							1592

B. TOTAL EMPLOYMENT & WAGES PAID IN FISCAL YEAR 2000-2001 FOR THIS SELF INSURER:

(a) NUMBER OF EMPLOYEES	97906
(Number of individual employees listed on Form DE-6 for year ending June 30, 2001)	
(b) TOTAL WAGES AND SALARIES PAID	4816951518
(As reported on EDD Form DE-6 Line W for all four quarters)	

IIA. ADMINISTRATOR

NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Curt Crockett Administrative Agency's
EOS Claims Services Certificate No.: 1111
 Agency Name _____ or Self Administered
 Address P.O. Box 19775
 City Irvine State CA Zip+4 92713-9775
2. Name (Person) Cheryl Agee Administrative Agency's
Cambridge Integrated Services Certificate No.: 0310
 Agency Name _____ or Self Administered
 Address P.O. Box 7016
 City Pasadena State CA Zip+4 91106-7016
3. Name (Person) Patricia Stratford Administrative Agency's
Tristar Risk Management Certificate No.: 1919
 Agency Name _____ or Self Administered
 Address P.O. Box 11967
 City Santa Ana State CA Zip+4 92711-1967
4. Name (Person) C. T. Kelley Administrative Agency's
Crawford & Company Services Certificate No.: 0044
 Agency Name _____ or Self Administered
 Address P.O. Box 14243
 City Orange State CA Zip+4 92863-4243

3. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THIS REPORTING PERIOD? YES NO IF YES, DATE OF CHANGE:

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory attends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas
 Original Signature of Administrator (Person)
 Alfonso A. Vargas

9/18/01
 Date
 county of Los Angeles

Typed Name of Administrator
Workers' Compensation Specialist
 Title

Name of Administrative Agency or Employer
3333 Wilshire Blvd # 1000
 Street Address
Los Angeles, CA 90010-4101
 City State Zip+4

Phone No. of Administrator (213) 738-2151
 area code

FAX No. (213) 637-0822
 area code

E-mail Address of Administrator avargas@chc.co.la.ca.us

III. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

I. Name (Person) Curt Crockett **Administrative Agency's**
Agency Name EOS Claims Services **Certificate No.:** 111
Address P.O. Box 19775 **or** **Self Administered**
City Irvine **State** CA **Zip+4** 92713-9775

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:

Month Day Year

TYPE OF CHANGE: **Change in Administrative Agency**
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
Agency Name _____
Address _____
City _____ **State** _____ **Zip+4** _____

CERTIFICATION

I declare, under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.


 Original Signature of Administrator (Person)

Alfonso A. Vargas
 Typed Name of Administrator
Workers' Compensation Specialist
 Title

Phone No. of Administrator (213) 738-2151
 area code

E-mail Address of Administrator avargas @ dhr.co.la.ca.us

9/18/01
 Date
County of Los Angeles
 Name of Administrative Agency or Employer
3333 Wilshire Blvd. Suite 1000
 Street Address
Los Angeles, CA 90010-4101
 City State Zip+4

FAX No. (213) 637-0822
 area code

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-06-195

Name/Identification of Location: TRISTAR RISK MANAGEMENT
 OR

Name of Affiliate/Subsidiary Certificate Holder: TRISTAR RISK MANAGEMENT

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
 ___/___/___ to ___/___/___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2001 reported prior to FY 1996-1997	866	73198908	91948887	47388233	64059137	25810675	27889750
2a. FY 1996-1997 Total cases reported	2409	22728910	25999790	15472213	9338674		
FY 1996-1997 Cases Open	282	17867339	22930116	10610642	6269000	7256697	16661116
b. FY 1997-1998 Total cases reported	2341	25791252	13301282	13142331	8788864		
FY 1997-1998 Cases Open	366	23242846	11018027	10593925	6505609	12648921	4512418
c. FY 1998-1999 Total cases reported	2290	24610803	13403823	11429986	7469956		
FY 1998-1999 Cases Open	542	23121337	12024773	9940520	6090906	13180817	5933867
d. FY 1999-2000 Total cases reported	2328	18494171	14378470	6278006	5984863		
FY 1999-2000 Cases Open	825	17940789	13568347	5724624	5174740	12216165	83930
e. FY 2000-2001 Total cases reported	2186	9142540	9045958	905718	1147619		
FY 2000-2001 Cases Open	1443	9088071	8850893	851249	952554	8216822	7898339
						SUB TOTAL	79350097 71289097
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	150639194
4. Total Benefits paid during FY 2000-2001 (include all case expenditures):						\$Indemnity	\$Medical
						20572923	18110437
5. Number of MEDICAL-ONLY cases reported in FY 2000-2001:							727
6. Number of INDEMNITY cases reported in FY 2000-2001:							1459
7. TOTAL of 5 and 6 (also enter in 2a above):							2186
8. TOTAL number of open indemnity cases (all years):							3934
9. Number of Fatality cases reported in FY 2000-2001:							
10. (a) Number of FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:							317
(b) Number of non-FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:							313

III. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Patricia Stratford Administrative Agency's
Tristar Risk Management
 Agency Name _____ Certificate No.: 195
 Address P.O. Box 11967 or Self Administered
 City Santa Ana State CA Zip+4 92711-1967

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:
Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare, under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas
 Original Signature of Administrator (Person)

9/18/01
 Date

Alfonso A. Vargas
 Typed Name of Administrator

County of Los Angeles
 Name of Administrative Agency or Employer

Workers' Compensation Specialist
 Title

3333 Wilshire Blvd. Suite 1000
 Street Address

Los Angeles, CA 90010-4101
 City State Zip+4

Phone No. of Administrator (213) 738-2151
area code

Los Angeles, CA 90010-4101
 City State Zip+4

FAX No. (213) 637-0822
area code

E-mail Address of Administrator avargas @ dhr.co.ls.ca.us

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-01-030

Name/Identification of Location: CAMBRIDGE INTEGRATED SERVICE
 OR

Name of Affiliate/Subsidiary Certificate Holder: CAMBRIDGE INTEGRATED SERVICE

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
 ___/___/___ to ___/___/___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2001 reported prior to FY 1996-1997	1097	81501293	99606361	53747538	64801574	27753755	34804787
2a. FY 1996-1997 Total cases reported	2818	24837713	18578858	16818868	10595087		
FY 1996-1997 Cases Open	334	19286423	14876147	11267578	6892376	8018845	7982771
b. FY 1997-1998 Total cases reported	2633	25857217	16718906	15848432	11030801		
FY 1997-1998 Cases Open	465	21771799	13328141	11763014	7640036	10008785	5688105
c. FY 1998-1999 Total cases reported	2605	24080322	17099869	12266682	10354446		
FY 1998-1999 Cases Open	618	22273123	15020759	10459483	8275336	11813640	6745000
d. FY 1999-2000 Total cases reported	2784	22901243	14293950	8717880	6904060		
FY 1999-2000 Cases Open	883	22101640	13137929	7918277	5748039	14183363	7389890
e. FY 2000-2001 Total cases reported	2970	19602216	15487379	2868566	2384332		
FY 2000-2001 Cases Open	1920	19433457	15203556	2699807	2100509	16733650	13103047
						SUB TOTAL	88512038 75715023
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	164227061
4. Total Benefits paid during FY 2000-2001 (include all case expenditures):						\$Indemnity	\$Medical
						27374500	24349346
5. Number of MEDICAL-ONLY cases reported in FY 2000-2001:							997
6. Number of INDEMNITY cases reported in FY 2000-2001:							1973
7. TOTAL of 5 and 6 (also enter in 2a above):							2970
8. TOTAL number of open indemnity cases (all years):							4757
9. Number of Fatality cases reported in FY 2000-2001:							1
10. (a) Number of FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:							544
(b) Number of non-FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:							400

III. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

I. Name (Person) Cheryl Agee Administrative Agency's
 Agency Name Cambridge Integrated Services Certificate No.: 030
 Address P.O. Box 7016 or Self Administered
 City Pasadena State CA Zip+4 91106-7016

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare, under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas 9/18/01
 Original Signature of Administrator (Person) Date
 Alfonso A. Vargas County of Los Angeles
 Typed Name of Administrator Name of Administrative Agency or Employer
 Workers' Compensation Specialist 3333 Wilshire Blvd Suite 1000
 Title Street Address
 Los Angeles CA 90010-4101
 City State Zip+4
 Phone No. of Administrator (213) 738-2151 FAX No. (213) 637-0822
 area code area code
 E-mail Address of Administrator avargas @ dhr.co.la.ca.us

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
SELF INSURANCE PLANS
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail:sip@dir.ca.gov

**PUBLIC SELF INSURER'S ANNUAL REPORT
(Non-JPA Member)**

I. GENERAL

1. CERTIFICATE NUMBER: 6-7002-00-000 2. PERIOD OF REPORT: Full Year
 Interim Report For The Period of:
07 / 01 / 2001 to 06 / 30 / 2002
Mo Day Yr Mo Day Yr

Status Active

3. NAME OF MASTER CERTIFICATE HOLDER:

County of Los Angeles Federal Tax Identification
NAME No: 95-3893470

3333 Wilshire Blvd., Suite 1000
ADDRESS OF MAIN HEADQUARTERS

Los Angeles CA 90010
CITY, STATE ZIP+4

4. TYPE OF PUBLIC AGENCY: COUNTY

<input checked="" type="checkbox"/> CITY/COUNTY	<input type="checkbox"/> HOSPITAL
<input type="checkbox"/> SCHOOL	<input type="checkbox"/> TRANSIT
<input type="checkbox"/> POLICE/FIRE	<input type="checkbox"/> OTHER

5. DURING THE PERIOD OF THIS REPORT, HAS THERE BEEN ANY OF THE FOLLOWING WITH RESPECT TO THE MASTER CERTIFICATE HOLDER, SUBSIDIARY OR AFFILIATE CERTIFICATE HOLDER? (IF YES, EXPLAIN ON REVERSE SIDE OF THIS PAGE.)

A MERGER OR UNIFICATION? Yes No

CHANGE IN NAME OR IDENTITY? Yes No

ANY ADDITION TO SELF INSURANCE PROGRAM? Yes No

6. ARE THERE ANY AGENCY EMPLOYEES **NOT** INCLUDED IN YOUR WORKERS' COMPENSATION SELF INSURANCE PROGRAM?

Yes No

IF YES, WHAT EMPLOYEES ARE NOT INCLUDED? _____

ARE THESE EMPLOYEES COVERED BY AN INSURANCE POLICY? Yes No

ARE THESE EMPLOYEES COVERED BY ANOTHER SELF INSURANCE CERT. OR JPA? Yes No

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

NAME Constance Sullivan

TITLE Chief

COMPANY NAME County of Los Angeles

ADDRESS 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010

TELEPHONE (213) 738-2233 FACSIMILE (FAX) NUMBER (213) 637-0822

8. CERTIFICATION BY AGENCY OFFICIAL:
 I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and belief it is true, correct and complete.

Signature: Constance Sullivan Date: 9/20/02
Original Signature Only

Typed Name: Constance Sullivan, Dr. PH

Agency Name: County of Los Angeles

Street Address: 3333 Wilshire Blvd., Suite 1000

City: Los Angeles State: CA ZIP+4: 90010-4101

Telephone: (213) 738-2233 Fax: (213) 637-0822

Fiscal Year
01/02

NOTE: Claims Administrator
 Complete this page for ALL reports except item B
 Employment/Wages, which is completed by
 Self-insured employer.

II. CONSOLIDATED LIABILITIES

Certificate Number: 6-7002-00-000
 Name of Master Certificate Holder: COUNTY OF LOS ANGELES
 Type of Report: _____ Interim/Amended Report for the Period of:
 ___/___/___ to ___/___/___
 Original Report (Due October 1 each year)

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2002 reported prior to FY 1997-1998	5543	520107480	494242209	327124709	325300078	192982771	168942131
2a. FY 1997-1998 Total cases reported	11468	144267589	81233395	87329443	52546100		
FY 1997-1998 Cases open	1599	121511891	64544270	64573745	35856975	56938146	28687295
b. FY 1998-1999 Total cases reported	11746	147431488	79806926	83451377	51059263		
FY 1998-1999 Cases open	2110	129592311	66757661	65612200	38009998	63980111	28747663
c. FY 1999-2000 Total cases reported	12226	146028174	81032530	67589597	47504763		
FY 1999-2000 Cases open	2774	134509327	71192768	56070750	37665001	78438577	33527767
d. FY 2000-2001 Total cases reported	12184	104421454	72162583	36205481	34403128		
FY 2000-2001 Cases open	3821	99727910	66699444	31511937	28939989	68215973	37759455
e. FY 2001-2002 Total cases reported	12370	70013523	66324182	8786708	12547123		
FY 2001-2002 Cases open	7837	68289571	64679573	7062756	10902514	61226815	53777059
						SUB TOTAL	521782393 351441370
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	873223763
4. Total Benefits paid during FY 2001-2002 (include all case expenditures):						\$Indemnity	\$Medical
5. Number of MEDICAL-ONLY cases reported in FY 2001-2002:						145084851	115721436
6. Number of INDEMNITY cases reported in FY 2001-2002:							4591
7. TOTAL of 5 and 6 (also enter in 2e above):							7779
8. TOTAL number of open indemnity cases (all years):							12370
9. Number of Fatality cases reported in FY 2001-2002:							21433
10. (a) Number of FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							24
(b) Number of non-FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							1594
							681

B. TOTAL EMPLOYMENT AND WAGES PAID IN FISCAL YEAR 2001-2002 FOR THIS SELF INSURER:

(a) NUMBER OF EMPLOYEES 99994
 (Number of individual employees listed on Form DE-6 for year ending June 30, 2002)
 (b) TOTAL WAGES AND SALARIES PAID 5166184963
 (As reported on EDD Form DE-6 Line M for all four quarters)

Fiscal Year
 01/02

IIA. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT

1. Name (Person)	<u>Curt Crockett</u>	Administrative Agency's
Agency Name	<u>EOS Claim Services</u>	Certificate No.: <u>1111</u>
Address	<u>P.O. Box 19775</u>	or <input type="checkbox"/> Self Administered
City	<u>Irvine</u> State <u>CA</u> Zip+4 <u>92713-9775</u>	
2. Name (Person)	<u>Cheryl Agee</u>	Administrative Agency's
Agency Name	<u>Cambridge Integrated Services</u>	Certificate No.: <u>030</u>
Address	<u>P.O. Box 7016</u>	or <input type="checkbox"/> Self Administered
City	<u>Pasadena</u> State <u>CA</u> Zip+4 <u>91106-7016</u>	
3. Name (Person)	<u>Patricia Stratford</u>	Administrative Agency's
Agency Name	<u>Tristar Risk Management</u>	Certificate No.: <u>195</u>
Address	<u>P.O. Box 11967</u>	or <input type="checkbox"/> Self Administered
City	<u>Santa Ana</u> State <u>CA</u> Zip+4 <u>92711-1967</u>	
4. Name (Person)	<u>C.T. Kelley</u>	Administrative Agency's
Agency Name	<u>Crawford & Company Services</u>	Certificate No.: <u>004</u>
Address	<u>P.O. Box 14243</u>	or <input type="checkbox"/> Self Administered
City	<u>Orange</u> State <u>CA</u> Zip+4 <u>92863-4243</u>	

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THIS REPORTING PERIOD? YES NO IF YES, DATE OF CHANGE:

Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas 9/20/02
 Original Signature of Administrator (Person) Date

Alfonso A. Vargas (213) 738-2208
 Typed Name of Administrator Phone No. of Administrator
Workers' Compensation Specialist (213) 637-0822
 Title Fax No. of Administrator
County of Los Angeles avargas@cao.co.la.ca.us
 Name of Administrative Agency or Employer E-mail Address of Administrator
Street Address 3333 Wilshire Blvd., Suite 1000
City Los Angeles State CA Zip+4 90010-4101

Fiscal Year
01/02

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-12-111

Name/Identification of Location: EOS CLAIMS SERVICES INC
 OR

Name of Affiliate/Subsidiary Certificate Holder: EOS CLAIMS SERVICES INC

Type of Report:

Interim/Amended Report for the Period of:

XI Original Report (Due October 1 each year)

___ to ___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2002 reported prior to FY 1997-1998	1929	177762464	160304366	122234129	105534558	55528335	54769808
2a. FY 1997-1998 Total cases reported	3788	47107771	28027438	30743940	15951252	/////////	/////////
FY 1997-1998 Cases open	495	39794484	22714294	23430653	10638108	16363831	12076186
b. FY 1998-1999 Total cases reported	3993	49950085	25580434	29756252	15849884	/////////	/////////
FY 1998-1999 Cases open	647	43683581	21293758	23489748	11563208	20193833	9730550
c. FY 1999-2000 Total cases reported	4286	45070784	25601406	24909931	15179163	/////////	/////////
FY 1999-2000 Cases open	833	40582815	21800793	20421962	11378550	20160853	10422243
d. FY 2000-2001 Total cases reported	4113	31405031	21603578	11474790	10802791	/////////	/////////
FY 2000-2001 Cases open	1083	29849157	19717872	9918916	8937085	19930241	10800787
e. FY 2001-2002 Total cases reported	4186	14951044	20017054	1770688	4585782	/////////	/////////
FY 2001-2002 Cases open	2460	14588901	19326383	1408545	3895111	13180356	15431272
					SUB TOTAL	145357449	113230846
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):					TOTAL		258588295
4. Total Benefits paid during FY 2001-2002 (include all case expenditures):					\$Indemnity	\$Medical	
5. Number of MEDICAL-ONLY cases reported in FY 2001-2002:					55446470	35088548	
6. Number of INDEMNITY cases reported in FY 2001-2002:							1857
7. TOTAL of 5 and 6 (also enter in 2e above):							2329
8. TOTAL number of open indemnity cases (all years):							4186
9. Number of Fatality cases reported in FY 2001-2002:							6596
10. (a) Number of FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							12
(b) Number of non-FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							544
							217

Fiscal Year
 01/02

III. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Curt Crockett Administrative Agency's
Agency Name EOS Claim Services Certificate No.: 111
Address P.O.Box 19775 or Self Administered
City Irvine State CA Zip+4 92713-9775

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE: Month Day Year

TYPE OF CHANGE: Change in Administrative Agency Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name
Agency Name
Address
City State Zip+4

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Original Signature of Administrator (Person) Alfonso A. Vargas Date 9/20/02
Typed Name of Administrator Alfonso A. Vargas County of Los Angeles
Name of Administrative Agency or Employer
Workers' Compensation Specialist Title 3333 Wilshire Blvd., Suite 1000
Street Address
Los Angeles CA 90010-4101
City State Zip+4
Phone No. of Administrator (213) 738-2208 area code Fax No. (213) 637-0822 area code
E-mail Address of Administrator a.vargas@cao.co.la.ca.us

Fiscal Year 01/02

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-06-195

Name/Identification of Location: TRISTAR RISK MANAGEMENT
 OR

Name of Affiliate/Subsidiary Certificate Holder: TRISTAR RISK MANAGEMENT

Type of Report:

Interim/Amended Report for the Period of:
 ___ to ___

Original Report (Due October 1 each year)

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2002 reported prior to FY 1997-1998	995	95572116	119505189	57989346	75503755	37582770	44001434
2a. FY 1997-1998 Total cases reported	2373	27711629	16438155	15472295	11204326	/////////	/////////
FY 1997-1998 Cases open	296	23816077	13445467	11576743	8211638	12239334	5233829
b. FY 1998-1999 Total cases reported	2297	29282028	16184955	15498029	10533355	/////////	/////////
FY 1998-1999 Cases open	417	26530495	13925040	12746496	8273440	13783999	5651600
c. FY 1999-2000 Total cases reported	2330	33196310	19049633	11772465	10896217	/////////	/////////
FY 1999-2000 Cases open	581	31919539	17515235	10495694	9361819	21423845	8153416
d. FY 2000-2001 Total cases reported	2194	15311752	11724615	4687605	5687611	/////////	/////////
FY 2000-2001 Cases open	656	14992503	10903317	4368356	4866313	10624147	6037004
e. FY 2001-2002 Total cases reported	2190	11766173	10554905	1775774	1771069	/////////	/////////
FY 2001-2002 Cases open	1364	11131717	10285012	1141318	1501176	9990399	8783826
						SUB TOTAL	105644494 77861119
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	183505613
4. Total Benefits paid during FY 2001-2002 (include all case expenditures):						\$Indemnity	\$Medical
5. Number of MEDICAL-ONLY cases reported in FY 2001-2002:						23705443	26870676
6. Number of INDEMNITY cases reported in FY 2001-2002:							844
7. TOTAL of 5 and 6 (also enter in 2a above):							1346
8. TOTAL number of open indemnity cases (all years):							2190
9. Number of Fatality cases reported in FY 2001-2002:							3946
10. (a) Number of FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							4
(b) Number of non-FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							299
							126

Fiscal Year
 01/02

III. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Patricia Stratford Administrative Agency's
 Agency Name Tristar Risk Management Certificate No.: 105
 Address P.O. Box 11967 or Self Administered
 City Santa Ana State CA Zip+4 92711-1967

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:
 Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas
 Original Signature of Administrator (Person)
Alfonso A. Vargas
 Typed Name of Administrator
Workers' Compensation Specialist
 Title

9/20/02
 Date
County of Los Angeles
 Name of Administrative Agency or Employer
3333 Wilshire Blvd., Suite 1000
 Street Address
Los Angeles CA 90010-4101
 City State Zip+4

Phone No. of Administrator (213) 738-2208
 area code

Fax No. (213) 637-0822
 area code

E-mail Address of Administrator avargas @ cao.co.la.ca.us

Fiscal Year
01/02

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-01-030

Name/Identification of Location: CAMBRIDGE INTEGRATED SERVICE
 OR

Name of Affiliate/Subsidiary Certificate Holder: CAMBRIDGE INTEGRATED SERVICE

Type of Report:

Interim/Amended Report for the Period of:

XI Original Report (Due October 1 each year)

___ to ___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2002 reported prior to FY 1997-1998	1168	94437709	111990143	62868096	73751122	31569613	38239021
2a. FY 1997-1998 Total cases reported	2633	28592629	19101908	19343865	13547352		
FY 1997-1998 Cases open	360	22260920	14150741	13012156	8596185	9248764	5554556
b. FY 1998-1999 Total cases reported	2607	27875993	20269014	17144985	13875615		
FY 1998-1999 Cases open	453	24118794	16770336	13387786	10376937	10731008	6393399
c. FY 1999-2000 Total cases reported	2787	28550644	18496907	15552673	11446891		
FY 1999-2000 Cases open	567	26141686	16206929	13143715	9156913	12997971	7050016
d. FY 2000-2001 Total cases reported	2976	33273501	19427765	13052868	9804265		
FY 2000-2001 Cases open	864	31973702	17928571	11753069	8305071	20220633	9623500
e. FY 2001-2002 Total cases reported	3162	26190650	18698043	3710426	3189210		
FY 2001-2002 Cases open	1818	25810119	18224084	3329895	2715251	22480224	15508833
						SUB TOTAL	107248213 82369325
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	189617538
4. Total Benefits paid during FY 2001-2002 (include all case expenditures):						\$Indemnity	\$Medical
5. Number of MEDICAL-ONLY cases reported in FY 2001-2002:						35339094	31397841
6. Number of INDEMNITY cases reported in FY 2001-2002:							915
7. TOTAL of 5 and 6 (also enter in 2e above):							2247
8. TOTAL number of open indemnity cases (all years):							3162
9. Number of Fatality cases reported in FY 2001-2002:							4877
10. (a) Number of FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							4
(b) Number of non-FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							478
							179

Fiscal Year
 01/02

III. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Cheryl Agee Administrative Agency's
 Agency Name Cambridge Integrated Services Certificate No.: 030
 Address P.O. Box 7016 or Self Administered
 City Pasadena State CA Zip+4 91106-7016

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:

Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas
 Original Signature of Administrator (Person)
Alfonso A. Vargas
 Typed Name of Administrator
Workers' Compensation Specialist
 Title

9/20/02
 Date
County of Los Angeles
 Name of Administrative Agency or Employer
3333 Wilshire Blvd., Suite 1000
 Street Address
Los Angeles CA 90010-4101
 City State Zip+4
 Phone No. of Administrator (213) 738-2208
 area code
 Fax No. (213) 637-0822
 area code

E-mail Address of Administrator a_vargas @ cao.co.la.ca.us

Fiscal Year
01/02

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
SELF INSURANCE PLANS
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site http://sip.dir.ca.gov
E-mail:sip@dir.ca.gov

**PUBLIC SELF INSURER'S ANNUAL REPORT
(Non-JPA Member)**

I. GENERAL

1. CERTIFICATE NUMBER: <u>6-7002-00-000</u> Status <u>Active</u>	2. PERIOD OF REPORT: <input checked="" type="checkbox"/> Full Year <input type="checkbox"/> Interim Report For The Period of: <u>07/01/2002</u> to <u>06/30/03</u> Mo Dav Yr Mo Dav Yr
--	--

3. NAME OF MASTER CERTIFICATE HOLDER:

County of Los Angeles
 NAME 3333 Wilshire Blvd., Suite 1000
 ADDRESS OF MAIN HEADQUARTERS
Los Angeles CA 90010
 CITY, STATE ZIP+4

Federal Tax Identification
 No: 95-3893470

4. TYPE OF PUBLIC AGENCY: COUNTY

<input checked="" type="checkbox"/> CITY/COUNTY	<input type="checkbox"/> HOSPITAL
<input type="checkbox"/> SCHOOL	<input type="checkbox"/> TRANSIT
<input type="checkbox"/> POLICE/FIRE	<input type="checkbox"/> OTHER

5. DURING THE PERIOD OF THIS REPORT, HAS THERE BEEN ANY OF THE FOLLOWING WITH RESPECT TO THE MASTER CERTIFICATE HOLDER, SUBSIDIARY OR AFFILIATE CERTIFICATE HOLDER? (IF YES, EXPLAIN ON REVERSE SIDE OF THIS PAGE.)

A MERGER OR UNIFICATION? Yes No

CHANGE IN NAME OR IDENTITY? Yes No

ANY ADDITION TO SELF INSURANCE PROGRAM? Yes No

6. ARE THERE ANY AGENCY EMPLOYEES NOT INCLUDED IN YOUR WORKERS' COMPENSATION SELF INSURANCE PROGRAM?

Yes No

IF YES, WHAT EMPLOYEES ARE NOT INCLUDED? _____

ARE THESE EMPLOYEES COVERED BY AN INSURANCE POLICY? Yes No

ARE THESE EMPLOYEES COVERED BY ANOTHER SELF INSURANCE CERT. OR JPA? Yes No

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

NAME Constance Sullivan
 TITLE Chief
 COMPANY NAME County of Los Angeles
 ADDRESS 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
 TELEPHONE (213)738-2233 FASCIMILE (FAX) NUMBER (213)637-0822

8. CERTIFICATION BY AGENCY OFFICIAL:
 I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and belief it is true, correct and complete.

Signature: Constance Sullivan Date: 9/24/03
Original Signature Only

Typed Name: Constance Sullivan, Dr.PH.
 Agency Name: County of Los Angeles
 Street Address: 3333 Wilshire Blvd., Suite 1000
 City: Los Angeles State: CA ZIP+4: 90010-4101
 Telephone: (213) 738-2233 Fax: (213) 637-0822

Fiscal Year

02/03

II. CONSOLIDATED LIABILITIES

Certificate Number: 6-7002-00-000

Name of Master Certificate Holder: COUNTY OF LOS ANGELES

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
 ___/___/___ to ___/___/___

CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2003 reported prior to FY 1998-1999	6153	614838331	576540727	390080407	381059403	224757924	195481324
a. FY 1998-1999 Total cases reported	11472	161624184	89822103	100663753	61090052		
FY 1998-1999 Cases Open	1657	133635925	71297338	72675494	42565287	60960431	28732051
b. FY 1999-2000 Total cases reported	11922	162803967	94851119	91833933	61657418		
FY 1999-2000 Cases Open	2196	142831589	80016057	71861555	46822356	70970034	33193701
c. FY 2000-2001 Total cases reported	12045	159241700	92370823	68976202	53476023		
FY 2000-2001 Cases Open	2799	147603783	82080464	57338285	43185664	90265498	38894800
d. FY 2001-2002 Total cases reported	12370	109117443	89908708	40067747	44168426		
FY 2001-2002 Cases Open	3977	102842428	83060980	33792732	37320698	69049696	45740282
e. FY 2002-2003 Total cases reported	12170	70716679	71270378	7860034	15788800		
FY 2002-2003 Cases Open	7472	69593421	69299079	6736776	13817501	62856645	55481578
						SUB TOTAL	578860228 397523736
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	976383964
4. Total Benefits paid during FY 2002-2003 (include all case expenditures):						\$Indemnity	\$Medical
						151019433	141761389
5. Number of MEDICAL-ONLY cases reported in FY 2002-2003:							3897
6. Number of INDEMNITY cases reported in FY 2002-2003:							8273
7. TOTAL of 5 and 6 (also enter in 2e above):							12170
8. TOTAL number of open indemnity cases (all years):							22566
9. Number of Fatality cases reported in FY 2002-2003:							17
10. (a) Number of FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							2197
(b) Number of non-FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							1449
TOTAL EMPLOYMENT & WAGES PAID IN FISCAL YEAR 2002-2003 FOR THIS SELF INSURER:							
(a) NUMBER OF EMPLOYEES							97220
(Number of individual employees listed on Form DE-6 for year ending June 30, 2003)							
(b) TOTAL WAGES AND SALARIES PAID							4768426094
(As reported on EDD Form DE-6 Line M for all four quarters)							

Fiscal Year
 02/03

IIA. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person)	<u>Curt Crockett</u>	Administrative Agency's
Agency Name	* <u>Tristar Risk Management</u>	Certificate No.: <u>7915</u>
Address	<u>P.O. Box 19775</u>	or <input type="checkbox"/> Self Administered
City	<u>Irvine</u> State <u>CA</u> Zip+4 <u>92713-9775</u>	
2. Name (Person)	<u>Cheryl Agee</u>	Administrative Agency's
Agency Name	<u>Cambridge Integrated Services</u>	Certificate No.: <u>030</u>
Address	<u>P. O. Box 7016</u>	or <input type="checkbox"/> Self Administered
City	<u>Pasadena</u> State <u>CA</u> Zip+4 <u>91106-7016</u>	
3. Name (Person)	<u>Patricia Stratford</u>	Administrative Agency's
Agency Name	<u>Tristar Risk Management</u>	Certificate No.: <u>195</u>
Address	<u>P.O. Box 11967</u>	or <input type="checkbox"/> Self Administered
City	<u>Santa Ana</u> State <u>CA</u> Zip+4 <u>92711-1967</u>	
4. Name (Person)	<u>C.T. Kelley</u>	Administrative Agency's
Agency Name	<u>Crawford & Company</u>	Certificate No.: <u>004</u>
Address	<u>P.O. Box 14243</u>	or <input type="checkbox"/> Self Administered
City	<u>Orange</u> State <u>CA</u> Zip+4 <u>92863-4243</u>	

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THIS REPORTING PERIOD? YES NO IF YES, DATE OF CHANGE: 07 24 02

Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name Curt Crockett
 Agency Name * EOS Claims purchased by Tristar
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas 9/24/03
 Original Signature of Administrator (Person) Date
Alfonso A. Vargas (213) 351-6405
 Typed Name of Administrator Phone No. of Administrator
Workers' Compensation Specialist (213) 637-0822
 Title Fax No. of Administrator
County of Los Angeles avargas@cao.co.la.ca.us
 Name of Administrative Agency or Employer E-mail Address of Administrator
3333 Wilshire Blvd. Suite 1000
 Street Address

Fiscal Year
02/03

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-08-195

Name/Identification of Location: TRISTAR RISK MANAGEMENT
 OR

Name of Affiliate/Subsidiary Certificate Holder: TRISTAR RISK MANAGEMENT

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
 ___/___/___ to ___/___/___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		SIndemnity	SMedical	SIndemnity	SMedical	SIndemnity	SMedical
1. Cases open as of 06/30/2003 reported prior to FY 1998-1999	2094	205692568	184662035	141346981	121783468	64345587	62878567
2a. FY 1998-1999 Total cases reported	3732	54157408	28379727	36088970	18626009	////////	////////
FY 1998-1999 Cases Open	508	43860657	22191222	25792219	12437504	18068438	9751718
b. FY 1999-2000 Total cases reported	3991	51846436	30279979	33519821	19217400	////////	////////
FY 1999-2000 Cases Open	653	44646002	25059249	26319387	13996670	18326615	11062579
c. FY 2000-2001 Total cases reported	3990	59307616	26786313	24057178	16168041	////////	////////
FY 2000-2001 Cases Open	799	54800279	23221316	19549841	12603044	35250438	10618272
d. FY 2001-2002 Total cases reported	4186	26901197	26206486	10770299	14247737	////////	////////
FY 2001-2002 Cases Open	1163	25285301	23682833	9154403	11724084	16130896	11958749
e. FY 2002-2003 Total cases reported	4034	11496349	21001566	1419551	5600125	////////	////////
FY 2002-2003 Cases Open	2139	11239209	20203749	1162411	4802308	10076798	15401441
					SUB TOTAL	162198774	121673326
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):					TOTAL		283872100
4. Total Benefits paid during FY 2002-2003 (include all case expenditures):						SIndemnity 50868586	SMedical 44298601
5. Number of MEDICAL-ONLY cases reported in FY 2002-2003:							1770
6. Number of INDEMNITY cases reported in FY 2002-2003:							2264
7. TOTAL of 5 and 6 (also enter in 2e above):							4034
8. TOTAL number of open indemnity cases (all years):							6709
9. Number of Fatality cases reported in FY 2002-2003:							7
10. (a) Number of FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							770
(b) Number of non-FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							457

Fiscal Year
 02/03

III.A. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Curt Crockett Administrative Agency's
 Agency Name * Tristar Risk Management Certificate No.: 195
 Address P.O. Box 19775 or Self Administered
 City Irvine State CA Zip+4 92713-9775

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE: 072402

Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name Curt Crockett
 Agency Name * EOS Claims purchased by Tristar
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas Curt Crockett 10/17/03
 Original Signature of Administrator (Person) 9/24/03 Date
Alfonso A. Vargas County of Los Angeles
 Typed Name of Administrator Name of Administrative Agency or Employer
Workers' Compensation Specialist 3333 Wilshire Blvd., Suite 1000
 Title Street Address
Los Angeles CA 90010-4101
 City State Zip+4
 Phone No. of Administrator (213) 351-6405 Fax No. (213) 637-0822
 area code area code
 E-mail Address of Administrator avargas@cao.co.la.ca.us

Fiscal Year
02/03

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-06-195

Name/Identification of Location: TRISTAR RISK MANAGEMENT
 OR

Name of Affiliate/Subsidiary Certificate Holder: TRISTAR RISK MANAGEMENT

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of: ___/___/___ to ___/___/___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2003 reported prior to FY 1998-1999	1134	115115335	140061950	70649559	86496253	44465776	53565697
2a. FY 1998-1999 Total cases reported	2284	32477763	18808205	18624293	12669685	////////	////////
FY 1998-1999 Cases Open	354	28375228	15571449	14521758	9432929	13853470	6138520
b. FY 1999-2000 Total cases reported	2321	31009341	22107645	16269690	14060266	////////	////////
FY 1999-2000 Cases Open	491	28657493	19831257	13917842	11783878	14739651	8047379
c. FY 2000-2001 Total cases reported	2185	21999887	15804502	9341002	9406294	////////	////////
FY 2000-2001 Cases Open	503	21227890	14577009	8569005	8178801	12658885	6398208
d. FY 2001-2002 Total cases reported	2186	19114332	15044607	6472626	7226059	////////	////////
FY 2001-2002 Cases Open	665	18016430	14064365	5374724	6245817	12641706	7818548
e. FY 2002-2003 Total cases reported	2091	12682242	10354476	1228209	1639890	////////	////////
FY 2002-2003 Cases Open	1340	12563783	10105743	1109750	1382157	11454033	8723586
					SUB TOTAL	109811521	90691938
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):					TOTAL		200505459
4. Total Benefits paid during FY 2002-2003 (include all case expenditures):						\$Indemnity	\$Medical
						25280189	26003456
5. Number of MEDICAL-ONLY cases reported in FY 2002-2003:							643
6. Number of INDEMNITY cases reported in FY 2002-2003:							1448
7. TOTAL of 5 and 6 (also enter in 2e above):							2091
8. TOTAL number of open indemnity cases (all years):							4130
9. Number of Fatality cases reported in FY 2002-2003:							3
10. (a) Number of FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							428
(b) Number of non-FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							218

Fiscal Year
 02/03

III.A. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Patricia Stratford Administrative Agency's
 Agency Name Tristar Risk Management Certificate No.: 1015
 Address P.O. Box 7016 or Self Administered
 City Santa Ana State CA Zip+4 92711-1967

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas 10/17/03
 Original Signature of Administrator (Person) Date
Alfonso A. Vargas 9/24/03
 Typed Name of Administrator
Workers' Compensation Specialist
 Title
County of Los Angeles
 Name of Administrative Agency or Employer
3333 Wilshire Blvd, Suite 1000
 Street Address
Los Angeles, CA 90010-4101
 City State Zip+4
 Phone No. of Administrator (213) 351-6405
 area code
 Fax No. (213) 637-0822
 area code
 E-mail Address of Administrator avargas@cao.co.la.ca.us

Fiscal Year
02/03

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-01-030

Name/Identification of Location: CAMBRIDGE INTEGRATED SERVICE
 OR

Name of Affiliate/Subsidiary Certificate Holder: CAMBRIDGE INTEGRATED SERVICE

Type of Report: XX Original Report (Due October 1 each year) Interim/Amended Report for the Period of: / / to / /

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		SIndemnity	SMedical	SIndemnity	SMedical	SIndemnity	SMedical
1. Cases open as of 06/30/2003 reported prior to FY 1998-1999	1279	119856071	129636081	75000000	87520546	44856071	42115538
2a. FY 1998-1999 Total cases reported	2605	32439357	23790206	20859191	16856240	////////	////////
FY 1998-1999 Cases Open	348	25996930	18701685	14416764	11767719	11580166	6913966
b. FY 1999-2000 Total cases reported	2788	32929894	21811678	20324662	14935302	////////	////////
FY 1999-2000 Cases Open	453	28221675	17942966	15616443	11066590	12605232	6876376
c. FY 2000-2001 Total cases reported	2973	37577126	25306105	20653571	15279337	////////	////////
FY 2000-2001 Cases Open	679	34491929	22492968	17568374	12466200	16923555	10026768
d. FY 2001-2002 Total cases reported	3168	36937134	25956572	15200781	12230882	////////	////////
FY 2001-2002 Cases Open	945	35442367	24075765	13706014	10350075	21736353	13725690
e. FY 2002-2003 Total cases reported	3035	31468037	21303399	3948646	3998897	////////	////////
FY 2002-2003 Cases Open	1785	31064085	20796256	3544694	3491754	27519391	17304502
						SUB TOTAL	135220768 96982837
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	232203605
4. Total Benefits paid during FY 2002-2003 (include all case expenditures):						SIndemnity	39360847 36822055
5. Number of MEDICAL-ONLY cases reported in FY 2002-2003:							727
6. Number of INDEMNITY cases reported in FY 2002-2003:							2308
7. TOTAL of 5 and 6 (also enter in 2e above):							3035
8. TOTAL number of open indemnity cases (all years):							5279
9. Number of Fatality cases reported in FY 2002-2003:							3
10. (a) Number of FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							593
(b) Number of non-FY 2002-2003 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2002-2003:							363

Fiscal Year
 02/03

III.A. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Cheryl Agee Administrative Agency's
 Agency Name Cambridge Integrated Services Certificate No.: 030
 Address P.O. Box 7016 or Self Administered
 City Pasadena State CA Zip+4 91106-7016

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:
Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas 9/24/03
 Original Signature of Administrator (Person) Date

Alfonso A. Vargas
 Typed Name of Administrator
Workers' Compensation Specialist
 Title

County of Los Angeles
 Name of Administrative Agency or Employer
3333 Wilshire Blvd., Suite 1000
 Street Address
Los Angeles, CA 90010-4101
 City State Zip+4

Phone No. of Administrator (213) 351-6405 Fax No. (213) 637-0822
area code area code

E-mail Address of Administrator avargas@cao.co.la.ca.us

Fiscal Year
02/03

State of California
Department of Industrial Relations
Self Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Web site <http://sip.dir.ca.gov>
E-mail: sip@dir.ca.gov

PUBLIC SELF INSURER'S ANNUAL REPORT FOR NON-JPA MEMBER

I. GENERAL

1. CERTIFICATE NUMBER:

6-7002-00-000

Active Revoked

2. PERIOD OF REPORT:

Full Year Interim/Amended Report for the Period of:

070103 to 063004
Month Day Year to Month Day Year

3. NAME OF MASTER CERTIFICATE HOLDER:

County of Los Angeles

3333 Wilshire Blvd., Suite 820

Address of Main Headquarters

Los Angeles CA 90010

CITY STATE ZIP + 4

Federal Tax Identification No.:

95-3893470

4. TYPE OF PUBLIC AGENCY:

CITY/COUNTY POLICE/FIRE TRANSIT
 SCHOOL HOSPITAL OTHER

5. During the period of this report, has there been any of the following with respect to the master certificate holder, subsidiary or affiliate certificate holder?

A merger or unification? Yes No
Change in name or identity? Yes No
Any addition to Self Insurance Program? Yes No

If yes, explain: _____

6. Are there any agency employees NOT included in your Workers' Compensation Self Insurance Program?

Yes No

If yes, what employees are not included? _____

Are these employees covered by an insurance policy? Yes No

Are these employees covered by another self insurance cert. or JPA? Yes No

7. TO WHOM DO YOU WANT CORRESPONDENCE ADDRESSED?

NAME/TITLE: Alex Rossi-Chief Program Specialist

AGENCY NAME: County of Los Angeles

ADDRESS: 3333 Wilshire Blvd. Suite 820

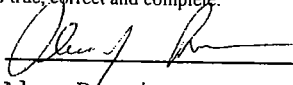
CITY: Los Angeles STATE: CA ZIP + 4: 90010

TELEPHONE: (213) 738-2154 FACSIMILE (FAX): (213) 252-0404

E-MAIL ADDRESS: arossi@cao.co.ca.la.us

8. CERTIFICATION BY AGENCY OFFICIAL:

I declare under the penalty of perjury that I have examined this Self Insurer's Annual Report and to the best of my knowledge and belief it is true, correct and complete.

Signature (Original Only):  Date: 9/21/04

Typed Name: Alex Rossi

Agency Name: County of Los Angeles

Street Address: 3333 Wilshire Blvd., Suite 820

City: Los Angeles State: CA Zip + 4: 90010

Phone: (213) 738-2154 Fax: (213) 252-0404

Fiscal Year
03/04

NOTE: Claims Administrator
 Complete this page for ALL reports except
 Item B Employment/Wages, which is
 completed by Self insured employer.

II. CONSOLIDATED LIABILITIES

Certificate Number: 6-7002-00-000

Name of Master Certificate Holder: COUNTY OF LOS ANGELES

Type of Report:

___ Interim/Amended Report for the Period of:
 ___/___ to ___/___

Original Report (Due October 1 each year)

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2004 reported prior to FY 1999-2000	6888	738294630	719486148	467217777	450152263	271076853	269333885
2a. FY 1999-2000 Total cases reported	11748	193663296	108040225	112975663	73393796		
FY 1999-2000 Cases Open	1859	164031861	87975223	83344228	53328794	80687633	34646429
b. FY 2000-2001 Total cases reported	11858	164745512	105136786	94806157	67541556		
FY 2000-2001 Cases Open	2283	143128576	88904652	73189221	51309422	69939355	37595230
c. FY 2001-2002 Total cases reported	12102	149220768	109882039	77101563	65220700		
FY 2001-2002 Cases Open	3087	135955085	97900449	63835880	53239110	72119205	44661339
d. FY 2002-2003 Total cases reported	11955	126122761	100505520	48123635	50781880		
FY 2002-2003 Cases Open	4275	121215401	93928239	43216275	44204599	77999126	49723640
e. FY 2003-2004 Total cases reported	11490	69166859	68468926	11405401	14041776		
FY 2003-2004 Cases Open	7070	67998240	66298427	10236782	11871277	57761458	54427150
						SUB TOTAL	629583630 490387673
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	1119971303
4. Total Benefits paid during FY 2003-2004 (include all case expenditures):						\$Indemnity	\$Medical
						181891156	157574667
5. Number of MEDICAL-ONLY cases reported in FY 2003-2004:							3668
6. Number of INDEMNITY cases reported in FY 2003-2004:							7822
7. TOTAL of 5 and 6 (also enter in 2e above):							11490
8. TOTAL number of open indemnity cases (all years):							23689
9. Number of Fatality cases reported in FY 2003-2004:							15
10. (a) Number of FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:							2064
(b) Number of non-FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:							1403

B. TOTAL EMPLOYMENT & WAGES PAID IN FISCAL YEAR 2003-2004 FOR THIS SELF INSURER:

(a) NUMBER OF EMPLOYEES	93120
(Number of individual employees listed on Form DE-6 for year ending June 30, 2004)	
(b) TOTAL WAGES AND SALARIES PAID	5310197369
(As reported on EDD Form DE-6 Line M for all four quarters)	

Fiscal Year
03/04

IIA. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Curt Crockett Administrative Agency's
 Agency Name Tristar Risk Management Certificate No.: 195
 Address P.O. Box 19775 or Self Administered
 City Irvine State CA Zip+4 92713-9775

2. Name (Person) Anne Buckband Weinberg Administrative Agency's
 Agency Name Cambridge Integrated Services Certificate No.: 030
 Address P.O. Box 7016 or Self Administered
 City Pasadena State CA Zip+4 91106-7016

3. Name (Person) Patricia Stratford Administrative Agency's
 Agency Name Tristar Risk Management Certificate No.: 195
 Address P.O. Box 11967 or Self Administered
 City Santa Ana State CA Zip+4 92711-1967

4. Name (Person) Lanai Phoung Phun Administrative Agency's
 Agency Name Intercare Insurance Services Certificate No.: 239
 Address P.O. Box 14243 or Self Administered
 City Orange State CA Zip+4 92863-4243

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THIS REPORTING PERIOD? YES NO IF YES, DATE OF CHANGE: 01/07/04
Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name C.T. Kelley
 Agency Name Crawford & Company-Cert No. 004
 Address P. O. Box 14243
 City Orange State CA Zip+4 92863-4243

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Alfonso A. Vargas 9/17/04
 Original Signature of Administrator (Person) Date
Alfonso A. Vargas
 Typed Name of Administrator
(213) 351-6405
 Phone No. of Administrator
Program Specialist, IV
 Title (213) 252-0404
 Fax No. of Administrator
County of Los Angeles
 Name of Administrative Agency or Employer avargas@cao.co.la.ca.us
 E-mail Address of Administrator
 Street Address 3333 Wilshire Blvd., Suite 820
 City Los Angeles, State CA Zip+4 90010

Fiscal Year
03/04

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-08-195

Name/Identification of Location: TRISTAR RISK MANAGEMENT
 OR

Name of Affiliate/Subsidiary Certificate Holder: TRISTAR RISK MANAGEMENT

Type of Report: Interim/Amended Report for the Period of: ___/___/___ to ___/___/___
 Original Report (Due October 1 each year)

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability		
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical	
1. Cases open as of 06/30/2004 reported prior to FY 1999-2000	2236	242253913	219677770	166391777	144441703	75862136	75236067	
2a. FY 1999-2000 Total cases reported	3913	59135590	33396392	41206133	22364230			
FY 1999-2000 Cases Open	539	47785296	26205242	29855839	15173080	17929457	11032162	
b. FY 2000-2001 Total cases reported	3914	52805645	30430171	33748266	19977549			
FY 2000-2001 Cases Open	630	44252481	24593248	25195102	14140626	19057379	10452622	
c. FY 2001-2002 Total cases reported	4092	45353142	32053443	28279120	19908357			
FY 2001-2002 Cases Open	866	40558838	27437806	23484816	15292720	17074022	12145086	
d. FY 2002-2003 Total cases reported	3983	39153595	30622500	18281350	16130880			
FY 2002-2003 Cases Open	1116	37381786	28188199	16509541	13696579	20872245	14491620	
e. FY 2003-2004 Total cases reported	4183	15484900	21114070	3902849	5379837			
FY 2003-2004 Cases Open	2145	15065237	20153081	3483186	4418848	11582051	15734233	
						SUB TOTAL	162377290	139091790
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL		301469080
4. Total Benefits paid during FY 2003-2004 (include all case expenditures):						\$Indemnity	\$Medical	
						72776251	50087533	
5. Number of MEDICAL-ONLY cases reported in FY 2003-2004:								1816
6. Number of INDEMNITY cases reported in FY 2003-2004:								2367
7. TOTAL of 5 and 6 (also enter in 2e above):								4183
8. TOTAL number of open indemnity cases (all years):								6811
9. Number of Fatality cases reported in FY 2003-2004:								8
10. (a) Number of FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:								776
(b) Number of non-FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:								422

Fiscal Year
03/04

IIIA. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Curt Crockett Administrative Agency's
 Agency Name Tristar Risk Management Certificate No.: 195
 Address P.O. Box 19775 or Self Administered
 City Irvine State CA Zip+4 92713-9775

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:

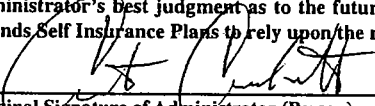
Month Day Year
 TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.


 Original Signature of Administrator (Person)

Curt Crockett

Typed Name of Administrator

Claims Manager

Title

9/10/04
 Date

County of Los Angeles

Name of Administrative Agency or Employer

3333 Wilshire Blvd Suite 820

Street Address

Los Angeles, CA 90010

City State Zip+4

Phone No. of Administrator (949) 790-5005
 area code

Fax No. (949) 753-5934
 area code

E-mail Address of Administrator curt.crockett@tristargroup.net

Fiscal Year
03/04

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-06-195

Name/Identification of Location: TRISTAR RISK MANAGEMENT
 OR

Name of Affiliate/Subsidiary Certificate Holder: TRISTAR RISK MANAGEMENT

Type of Report:

Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
 ___/___ to ___/___

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2004 reported prior to FY 1999-2000	1317	144380527	160615237	87107250	103700405	57273277	5691483
2a. FY 1999-2000 Total cases reported	2292	37504136	25590038	20079994	17118686		
FY 1999-2000 Cases Open	406	33636104	22224608	16211962	13753256	17424142	847135
b. FY 2000-2001 Total cases reported	2150	25074717	19554809	13404253	12382760		
FY 2000-2001 Cases Open	402	23173860	17676565	11503396	10504516	11670464	717204
c. FY 2001-2002 Total cases reported	2122	24707225	20039778	10771273	11356221		
FY 2001-2002 Cases Open	529	23100402	18506719	9164450	9823162	13935952	868355
d. FY 2002-2003 Total cases reported	2055	20522110	16064328	5499206	7074490		
FY 2002-2003 Cases Open	689	20168334	15250336	5145430	6260498	15022904	898983
e. FY 2003-2004 Total cases reported	1868	12009424	11566619	889023	1562866		
FY 2003-2004 Cases Open	1115	11901749	11251134	781348	1247381	11120401	1000375
						SUB TOTAL	126447140 10023538
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):						TOTAL	22668252
4. Total Benefits paid during FY 2003-2004 (include all case expenditures):						\$Indemnity	\$Medical
						26051824	3029246
5. Number of MEDICAL-ONLY cases reported in FY 2003-2004:							63
6. Number of INDEMNITY cases reported in FY 2003-2004:							123
7. TOTAL of 5 and 6 (also enter in 2e above):							186
8. TOTAL number of open indemnity cases (all years):							421
9. Number of Fatality cases reported in FY 2003-2004:							
10. (a) Number of FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:							35
(b) Number of non-FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:							25

Fiscal Year
03/04

III.A. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Patricia Stratford Administrative Agency's
 Agency Name Tristar Risk Management Certificate No.: 193
 Address P.O. Box 11967 or Self Administered
 City Santa Ana State CA Zip+4 92711-1967

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:

Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Patricia Stratford
 Original Signature of Administrator (Person)

Date

9-10-04

Patricia Stratford
 Typed Name of Administrator

County of Los Angeles

Claims Manager
 Title

Name of Administrative Agency or Employer

3333 Wilshire Blvd., Suite 820

Street Address

Los Angeles, CA 90010

City

State

Zip+4

Phone No. of Administrator (714) 543-5700 X7501
 area code

Fax No. (714) 542-9318
 area code

E-mail Address of Administrator patricia.stratford@tristargroup.net

Fiscal Year 03/04

NOTE: Claims Administrator
 Complete this page for each adjusting
 location where there are AT LEAST
 two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-01-030

Name/Identification of Location: CAMBRIDGE INTEGRATED SERVICE
 OR

Name of Affiliate/Subsidiary Certificate Holder: CAMBRIDGE INTEGRATED SERVICE

Type of Report:

___ Interim/Amended Report for the Period of:
 ___/___ to ___/___

Original Report (Due October 1 each year)

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2004 reported prior to FY 1999-2000	1350	136541106	150891489	87892578	98870291	48648528	52021198
2a. FY 1999-2000 Total cases reported	2768	34472589	25028595	23651028	17810229		
FY 1999-2000 Cases Open	371	26998707	19661317	16177146	12442951	10821561	7218366
b. FY 2000-2001 Total cases reported	2948	40174381	28222735	25922925	19210697		
FY 2000-2001 Cases Open	543	33486433	23384864	19234977	14372826	14251456	9012038
c. FY 2001-2002 Total cases reported	3124	41967220	31206368	23011403	19217711		
FY 2001-2002 Cases Open	728	38237313	27692179	19281496	15703522	18955817	11988657
d. FY 2002-2003 Total cases reported	2989	38302639	27586046	16577770	13929624		
FY 2002-2003 Cases Open	957	36744259	25531176	15019390	11874754	21724869	13656422
e. FY 2003-2004 Total cases reported	2782	23696131	19000118	4047144	3644912		
FY 2003-2004 Cases Open	1614	23401185	18432634	3752198	3077428	19648987	15355206
					SUB TOTAL	134051218	109251887
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):					TOTAL		243303105
4. Total Benefits paid during FY 2003-2004 (include all case expenditures):						\$Indemnity	\$Medical
						42911380	40832163
5. Number of MEDICAL-ONLY cases reported in FY 2003-2004:							567
6. Number of INDEMNITY cases reported in FY 2003-2004:							2215
7. TOTAL of 5 and 6 (also enter in 2e above):							2782
8. TOTAL number of open indemnity cases (all years):							5396
9. Number of Fatality cases reported in FY 2003-2004:							1
10. (a) Number of FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:							562
(b) Number of non-FY 2003-2004 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2003-2004:							387

Fiscal Year
03/04

III.A. ADMINISTRATOR

A. NAME OF CURRENT ADMINISTRATOR(S)/ADMINISTRATING AGENCY(IES) AT THE TIME OF PREPARING THIS REPORT.

1. Name (Person) Anne Buckband Weinberg Administrative Agency's
 Agency Name Cambridge Integrated Services Certificate No.: 030
 Address P. O. Box 7016 or Self Administered
 City Pasadena State CA Zip+4 91106-7016

B. HAS THERE BEEN A CHANGE IN ADMINISTRATOR/ADMINISTRATIVE AGENCY DURING THE PERIOD OF THIS REPORT PERIOD? YES NO IF YES, DATE OF CHANGE:
Month Day Year

TYPE OF CHANGE: Change in Administrative Agency
 Change to or from Self Administration

C. NAME OF PRIOR ADMINISTRATOR(S)/ADMINISTRATIVE AGENCY(IES):

Name _____
 Agency Name _____
 Address _____
 City _____ State _____ Zip+4 _____

CERTIFICATION

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this consolidated report of this self insurer's workers' compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the workers' compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of workers' compensation claims made in this report reflect the administrator's best judgment as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Anne Buckband Weinberg
 Original Signature of Administrator (Person)

9-13-04
 Date

Anne Buckband Weinberg
 Typed Name of Administrator

County of Los Angeles
 Name of Administrative Agency or Employer

Claims Manager
 Title

3333 Wilshire Blvd., Suite 820
 Street Address

Los Angeles CA 90010
 City State Zip+4

Phone No. of Administrator (626) 296-4305
area code

Fax No. (626) 296-4314
area code

E-mail Address of Administrator Anne-Weinberg@cisgi.com

Fiscal Year
03/04

Claims Administration Checklist

Claim Number: _____ Name: _____
Claim Report: 45 day 75 day 90 day

Date of Employer's Knowledge of Injury: _____

Basis for this date [claim form, discussion with Employer, etc.]: _____

Date of Contractor's Receipt of Claim: _____

Parts of Body Alleged Injured: _____

Diagnosis or injury: _____

Lost Time from work: None From _____ To _____

Department has sent employee to treating doctor?

Yes: Name of treating doctor: _____

No: QME set for AOE/COE: Date of Exam: _____

Name of Doctor: _____

AOE/COE Investigation: Not Necessary
 Date referred for investigation: _____

Personnel File Requested: Not Necessary
 Date Requested: _____

Wage Statement Requested: Not Necessary
 Date Requested: _____

Job Description Requested: Not Necessary
 Date Requested: _____

Medical Release Requested: Not Necessary
 Date Requested: _____

Case Denied? Date of Denial: _____
 Date of Acceptance: _____

Application Received? No

Yes: Date Application received by Contractor: _____
Date Litigation File forwarded to County Counsel: _____

Department Advised of Status of Claim: Date(s) Advised: _____

EQUIPMENT LIST TO CONNECT TO GENCOMP

Equipment lists to connect to the County of Los Angeles' Workers' Compensation Computer System:

Computer Equipment Provided by County

1. IBM RISC System/6000 computer
2. GenComp claims administration software
3. The GIFW application will install the following on the client PC's:
 - GIFW – the necessary GenIRIS for Windows applications including GenWORD
 - UniVerse UVODBC driver – the ODBC driver needed for the UniVerse database
 - UniVerse OniObjects – proprietary API for the UniVerse database
 - English Wizard – reporting tool used to ask “English” questions to query against the database
 - Sybase SQL Anywhere 5.0 – two small single-user, read-only databases and the necessary ODBC drivers

In addition the client PCs must have Microsoft Word (version 97 w/SR1 or higher through XP) and Microsoft WordViewer, which can be downloaded from the Microsoft's website.

GenSource is currently recommending Pentium 4 2.0 GHz PCs with 256 MB of RAM. GIFW will run on slower PCs; however, faster PCs will provide faster response times. The Contractor shall have a minimum configuration of Pentium 3 800 MHz PCs with 256 MB or RAM. GIFW requires approximately 100 MB for installation. GIFW has been tested with Windows 9X, NT workstation, and Windows 2000 Professional. GenSource clients are using GIFW with Windows XP, but GenSource has not officially certified it on Windows XP.

Additional Equipment to be Provided by TPA

4. Ethernet Local Area Network with personal computers having Pentium 4 2.0 GHz processors with 256 MB of RAM. In addition the personal computers must have Windows, Microsoft Word (version 2000 or XP), Excel (2000), and Microsoft WordViewer.

5. Communications

Page 2 of 3

- a. Telephone link-up T-1 lines or other compatible or better electronic link-up.
- b. GIFW requires the TCP/IP protocol running on ports 23, 512 and 31438. Ideally, the client PCs and the database server will be located in the same LAN at 33 Mbps or better.

5. Printers compatible with the County's GENCOMP System

Software Vendor: GenSource, Inc.
25572 Avenue Stanford
Valencia, CA 91355
(661) 294-1300

g/TPARFP/Technical Exhibit VII

**Examples of Data Fields in the County's
Workers' Compensation Computer System**

- | | |
|----------------------------------|----------------------------------|
| 1. Status of Case | 31. Dates Cases Reclosed |
| 2. Claim Number | 32. Compensation Reserves |
| 3. Employee Number | 33. Medical Reserves |
| 4. Location Code | 34. PD Awarded |
| 5. Current and Old Dept.No. | 35. Final PD Rating |
| 6. Social Security Number | 36. Lifetime Medical |
| 7. Employee Name | 37. Lifetime Medical Award |
| 8. Sex (Male/Female) | 38. Compensation Rate |
| 9. Date of Birth | 39. Periods of Compensation |
| 10. Occupation Description | 40. Compensation Paid to Date |
| 11. Occupation Code | 41. Medical Paid to Date |
| 12. Date of Injury | 42. Remaining Medical Reserves |
| 13. Employee's Address | 43. Remaining Comp. Reserves |
| 14. Employee's Phone Number | 44. Comments |
| 15. Date of Employment | 45. WCAB Board Number |
| 16. Weekly/Monthly Salary | 46. Application Date |
| 17. Employee Status | 47. Retirement App. Status |
| 18. Employer's Report Date | 48. Retirement Status |
| 19. Doctor's Report | 49. Long Term Disability Plan |
| 20. Date of Knowledge | 50. Various Diary Dates |
| 21. Last Day Worked | 51. Type of Award |
| 22. Case Rejected/Accepted | 52. Date of Award |
| 23. Date Case Closed | 53. Date Award Paid |
| 24. Injury Codes, ICD Codes | 54. Rehab. Bureau Number |
| 25. Activity at Time of Accident | 55. Subrogation Status |
| 26. Date of Death | 56. Date of Legal Representation |
| 27. Injury Description | |
| 28. Hospital Date | |
| 29. Date Case Opened | |
| 30. Dates Case Reopened | |

QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

A. Introduction

County or its authorized representative shall have the right at all times to monitor and inspect Contractor's performance under this Agreement. This Exhibit sets forth the performance requirements that will apply to Contractor's service hereunder. The Charts at the end of this Technical Exhibit indicate each such service, the service indicators, the performance standards, the maximum allowable deviations from perfect performance or the Acceptable Quality Level (AQL) and the County's method of monitoring.

The County expects a high standard of Contractor performance under this Agreement. Contractor shall provide County or its authorized representative reasonable access at all time during Contractor's business hours for the purpose of monitoring and inspecting Contractor's services hereunder. The 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. Quality of Work Performance Requirements Summary Charts

The Quality of Work Performance Requirements Summary Charts at the end of this Technical Exhibit:

- List some of the services considered important to acceptable contract performance.
- Show some of the service indicators for each such service.
- Define the standard of performance for each such service.
- Show the maximum allowable degree of deviation from perfect performance to the Acceptable Quality Level (AQL) for each service that is allowable.
- Show the principal quality assurance method(s) the County will use to monitor and evaluate the Contractor's performance in meeting the contract requirements for each such service, and the frequency of such monitoring.

C. County Quality Assurance

Contractor's performance may be compared each calendar month or according to frequencies listed in the performance standards and AQL's using the Quality Assurance Monitoring Plan (QAMP).

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

- Monthly one hundred percent inspection. The County's Quality Assurance Evaluator (QAE) may use a checklist to carry out inspections of the Contractor on a random basis. During these inspections, the QAE will complete a checklist and determine on a monthly basis if the percentage of unsatisfactory findings to total findings exceeds the AQL.
- A comprehensive and complete audit is conducted on each administrator annually. However, the Assistant Division Chief, Risk Management Branch may request a special audit of an administrator. The special audit may be limited in scope or comprehensive based on the facts dictating the need for a special audit.
- The County will have access to the appropriate employment documents to verify that 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 Quality Assurance Evaluator or an independent outside auditor.
- Other methods deemed by the County Contract Administrator/designee to be appropriate for the evaluation of the Contractor's performance.

The basis for doing random sampling shall be the Military Standard 105D Sampling Procedures and Tables for Inspection by Attributes.

D. Criteria For Acceptable and Unacceptable Performance

Performance of a listed service is considered acceptable when the number of deficiencies found by the QAE during contract monitoring does not exceed the number of deficiencies allowed by the AQL. When the performance is deemed to be unacceptable by the CCA, the QAE shall issue a Contract Discrepancy Report (CDR). The CDR requires the Contractor to explain in writing how performance will be returned to an acceptable level, and how recurrence of the problem will be prevented.

Notwithstanding a finding of unsatisfactory service performance, the Contractor shall, as soon as possible, remedy any and all deficiencies in the provision of services and, as deemed possible or feasible by the County Contract Administrator/designee, perform such services again at an acceptable level.

The County Contract Administrator/designee shall evaluate the Contractor's explanation on the CDR, and if the County Contract Administrator/designee determines, in his sole discretion, that the particular defective performance for the particular service was caused by accident, strike, or similar occurrence beyond the control and without the fault or negligence of the Contractor, then the County Contract Administrator/designee may decline to count such performance as defective for such month.

E. Unsatisfactory Performance

Continued defective performance for six months or six CDR's within an eight month period shall, in County's discretion, constitute a default for failure to perform entitling County to terminate this Agreement.

F. Use of Sample Size Charts for Random Sampling

-- Determining Lot Size

To determine the sample size, the lot size must be known. The lot is how many cases the Contractor has been sent or how often the Contractor is required to provide the service in a given period of time.

To determine the lot size, estimate (or count) the quantity of the cases and/or frequency of the service to be sampled during the period it is to be sampled. Thus, if reviewing the files if the service is being sampled on a monthly basis, the lot size is the number of case files reviewed per month.

-- Determining Sample Size

Use the Sample Size Chart to identify the appropriate sample size for a given lot size. The County has the option to use either the normal or reduced sample size.

SAMPLE SIZE CHART

<u>LOT SIZE</u>	<u>NORMAL SAMPLE SIZE</u>	<u>REDUCED SAMPLE 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

**QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY
WORKERS' COMPENSATION CLAIMS PROGRAM**

Factor Performance Incentive Factors (PIF)	Audited Performance Requirement	Max Var* 90 AQL	County Method of Monitoring	Weight
Liability Decision	Decision Correct? <i>The decision to accept, reject or delay the claim was properly made and statutory benefit notices sent to the employee.</i>	10%	CFA	3
	Decision Timely? <i>The decision to reject, accept or delay a claim was made in accordance with statutory time limits</i>	5%	CFA	3
Investigation	AOE/COE Need Identified? <i>The administrator recognized the need to conduct a field investigation to determine compensability.</i>	15%	CFA	2
	Sub Rosa Need Identified? <i>Sub Rosa investigation was assigned based on the likelihood of obtaining results.</i>	20%	CFA	1
	Investigation Adequate? <i>Investigation is complete and timely.</i>	20%	CFA	2
Subrogation	Subrogation Identified? <i>Potential subrogation recovery is recognized by the administrator.</i>	15%	CFA	3
	Timely Pursuit? <i>The administrator takes effective and timely action to pursue recovery from negligent third parties.</i>	15%	CFA	2

Factor P/F	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Reserve Adequacy	Proper Case Reserves? Case reserves are defined as follows: total of all payments on the file plus the outstanding reserves.	15%	CFA	3
	Reserves Adjusted Timely? Case reserves are changed with the changing status and ultimate probable cost of the claim.	20%	CFA	2
Gencomp Database	Gencomp Data Fields Accurate and Up-To-Date? New claims are input into Gencomp in a timely manner with all Gencomp fields entered accurately. All Gencomp fields are correct at the time of audit.	20%	CFA	1
Payment Date	TD Payments Paid Timely? Temporary total and partial disability is paid in accordance with time requirements of the Labor Code. Benefit notices reflect timely delivery of TTD and TPD.	10%	CFA	3
	Permanent Disability Paid Timely? Issues of permanent partial disability are resolved and payment of PPD is made in accordance with time requirements established in the Labor Code.	10%	CFA	3
	VRTD Payments Timely? Vocational Rehabilitation Temporary Disability (VRTD) benefits are paid in accordance with time requirements of the Labor Code requirements.	10%	CFA	3
	Disability Benefits Paid Accurately? All temporary, permanent and vocational rehabilitation disability benefits are paid at the correct rate and for the correct period of time.	15%	CFA	2
	Death Benefits Properly Paid? Prober dependents are identified and payments are made at the correct rate and in a timely manner.	15%	CFA	2

Factor PIF	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Payment Date (continued)	Case Balanced Per County Guidelines? <i>The claim file was balanced in accordance with procedure and time requirements as established by the County</i>	25%	CFA	1
	Transportation Expenses Paid? <i>Transportation expenses are documented and paid at the correct rate, within the time requirements of the Labor Code.</i>	10%	CFA	3
	Medical Bills Sent for Fee Review? <i>Medical bills other than AMEs and IMEs are reviewed by the appropriate review service.</i>	15%	CFA	1
	Hospital Utilization Review Service Notified Timely? <i>The appropriate hospital utilization review (Pre-Certification) service is promptly notified of inpatient hospital services.</i>	20%	CFA	1
	Bill Payments Timely? <i>Vendor bills are authorized within 21 days of receipt and paid in accordance with statutory requirements.</i>	20%	CFA	2
	Payments Accurate? <i>Proper documented and necessary services are paid without duplication.</i>	15%	CFA	2
	Over-limit Bills Authorized? <i>All payments in excess of \$7,500 are approved by the County prior to payment.</i>	5%	CFA	1
	Case under Medical Control? <i>The administrator controls medical treatment and costs by directing medical care during the first 30 days, special examinations, second opinions, utilization review and communicating with physicians.</i>	10%	CFA	3
	Good File Documentation? <i>Documents, correspondence and notes reflect the events that have taken place on the claim.</i>	15%	CFA	2
Case Administration				

Factor PIF	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Case Administration (continued)	Effective Use of Diary Control? Claims are reviewed at appropriate intervals by use of a diary system that brings files to the examiner and supervisor.	10%	CFA	3
	Correspondence Handled Timely? Requests for information or action are responded to promptly and in accordance with the urgency and importance of the request.	10%	CFA	2
	SCIF Reimbursement Requested Timely? Reimbursement from SCIF is requested promptly with necessary supporting documentation.	5%	CFA	1
	Reinsurance Reimbursement Requested Timely? Claims are reported to the reinsurance carrier with proper support documents.	5%	CFA	1
	Settlement/Closure Timely and Appropriate? Administrator took action to bring claim to an early, equitable, and appropriate resolution.	15%	CFA	3
	Evidence of Supervisory Control? Claims of significant monetary exposure or involving sensitive issues are reviewed by management.	20%	CFA	2
	Initial Three-Point Contact (4 Work Days)? Employee, employer, and medical provider are contacted by telephone within four working days of receipt by the administrator.	10%	CFA	3
	Timely Referral to Legal? Litigation is referred to County counsel at the proper time but not to exceed 45 days.	20%	CFA	1
	Medical Reports Sent to Legal Counsel Timely? Medical reports are sent to defense counsel in a timely manner that allows the proper defense of the claim.	20%	CFA	2
	Legal/Litigation	Timely Referral to Legal? Litigation is referred to County counsel at the proper time but not to exceed 45 days.	20%	CFA
Medical Reports Sent to Legal Counsel Timely? Medical reports are sent to defense counsel in a timely manner that allows the proper defense of the claim.		20%	CFA	2

Factor PIF	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Legal/Litigation (continued)	Award Paid Timely? All awards are paid within 14 days of receipt or earlier. Subsequent payments are paid in accordance with the Labor Code and the award.	20%	CFA	3
	Counsel Notified of Activities Taking Place? Administrator keeps defense counsel advised of actions taken to resolve claim issues.	20%	CFA	2
	Counsel Notified to Cancel Hearing Timely? Administrator notifies defense counsel to cancel hearings when the need for a hearing has been eliminated	20%	CFA	1
Rehabilitation Notification	Q.R.R. Assigned by 90 days of TTD? A Qualified Rehabilitation Representative is assigned to the case within 10 days of 90 days of aggregate TTD.	10%	CFA	3
	Denial, Delay and Warning Letters Timely? Vocational rehabilitation denial, delay and warning letters are sent within the time requirement prescribed by the Rehabilitation Bureau.	10%	CFA	2
	One-Year Presumption Applied? Administrator takes action which reflects that employee is presumed to be a qualified injured worker after one year of TTD.	10%	CFA	2
	Dispute Resolution Notices Timely? The administrator has filed all state-required notices to resolve disputes and request conferences.	10%	CFA	2
	Closing Notices Timely? Administrator files notices to request closure in a timely manner and in accordance with Rehabilitation Bureau rules.	20%	CFA	2
	Commencement Notices Timely? Administrator files state-required commencement notices in accordance with Workers' Compensation laws of California and Rehabilitation Bureau rules and regulations.	10%	CFA	2

Factor P/F	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Rehabilitation Case Management	QIW Status or Supplemental Job Displacement Benefits Eligibility is Proper and Timely? <i>The administrator takes action in a timely manner to determine the employee's qualified injured worker status.</i>	10%	CFA	3
	Counselor Assigned Properly and Timely? <i>Administrator assigns a counselor in accordance with the rules and regulations of the Rehabilitation Bureau.</i>	10%	CFA	2
	Feasibility Studies Timely and Proper? <i>All feasibility studies are conducted in accordance with the rules and regulations of the Rehabilitation Bureau and in a manner which will lead to prompt resolution of the claim.</i>	10%	CFA	2
	Plan Appropriate and Timely? <i>A proper rehabilitation plan is documented and approved by the Rehabilitation Bureau in a timely manner.</i>	10%	CFA	3
	Placement Proper and Timely? <i>Placement activities are proper and timely based on the approved rehabilitation plan and the facts of the case.</i>	10%	CFA	2
	Was Closure Proper and Timely? <i>Administrator's actions have led to or will lead to a timely closure of rehabilitation issues.</i>	10%	CFA	2
	Activities Documented? <i>File contains correspondence, notices, notes, reports and other documents which describe the rehabilitation activities that have taken place on the claim.</i>	15%	CFA	2
	Medical-Only	M.O. Determination Correct? <i>The claim is appropriately classified as medical-only and should not be classified as an indemnity claim.</i>	5%	CFA

Factor Non-Performance Incentive Factors (NPIF)	Audited Performance Requirements	Max Var* 90	County Method of Monitoring	Weight
Meets with Contract Manager	Meets with County Contract Monitor at least weekly to exchange information and ideas and to discuss accomplishment of contractor and County goals.	10%	CR/DO Contractor Reports	1
Claims Adjustment	Average adjuster caseloads do not exceed 175 open indemnity claims per adjuster.	5%	CR/DO Contractor Reports	2
	All adjusters meet experience requirement.	5%	CR/DO Contractor Reports	1
	No more than 6 adjusters per supervisor.	5%	CR/DO Contractor Reports	2
Replies to Contract Monitor Requests for Information/ Action	Completes within a reasonable time limit established by Contract Monitor	5%	DO Contractor Reports	2
Prepares Work Restriction Letters	Completes and forwards documents in a timely manner.	5%	RS/Complaints CFA	2
Completes Administrative Reports	100% compliance with required reports.	5%	DO Completed Reports	2

Factor NPIF	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Develop Claims Administration Manual	<i>Complies with manual instructions</i>	0%	RS Manual CFA	1
	<i>Advises staff of changes in procedures.</i>	0%		
	<i>Manual complies with County guidelines.</i>	0%		
Visits Assigned County Departments	<i>Contractor visits all assigned departments at least quarterly to exchange information, review workers' compensation laws and procedures.</i>	10%	CR Contractor Reports	1

DEFINITION OF CODES

CFA Claim File Audits

SR 100% Inspection of Contractor Reports

*Maximum variance from acceptable quality level (AQL)

CR 100% Inspection of Computer System Reports

DO Direct Observation

g/amr/WC TPA RFP – 2005/Quality of Work Performance Requirements Summary

Technical Exhibit IX

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Sub-paragraph 7.5 – Confidentiality	Contractor Confidentiality Statements signed	Submission	\$50 for each late submission. Employees must sign within 10 days of contract inception or employment.
Contract: Sub-paragraph – 8.23.4 Notification of Incidents, Claims or Suits	Contractor to notify County in writing within 24 hours of any accident or incident relating to services performed under this Contractor which may involve filing a lawsuit or claim against the Contractor and/or County	Submission	\$50 if submitted more than 7 business days after Contractor's knowledge of claim or lawsuit
Contract: Sub-paragraph 8.24.6 – Performance Bond/Certificate of Deposit (CD) or Letter of Credit (LOC)	Contractor to provide Performance Bond, CD, or LOC.	Submission	\$50 if submitted more than 30 days after contract start date
Contract: Sub-paragraph 5.3 – Notice When 75% Contract Authorization Incurred	Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of total contract authorization under the Contract.	Submission	\$50 for late notification.
Contract: Sub-paragraph 4.3 – Contractor to Notify County within six (6) months of expiration of contract	Contractor shall notify CAO when this Contract is within 6 months from the expiration of the term.	Submission	\$50 for late notification
Contract: Sub-paragraph 8.43 Termination for Improper Consideration	Contractor will immediately report any attempt by a County officer or employee to solicit improper consideration.	Report to CCA or call to County Auditor - Controller's Employee Fraud Hotline	Termination of Contract for providing improper consideration and \$100 for failure to report attempt to obtain improper consideration.

TECHNICAL EXHIBIT X
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 County Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

WORKERS' COMPENSATION CLAIMS MANUAL

SUBJECT PAYMENTS AND NEGOTIATION AUTHORIZATION LIMITS	NUMBER 9.06
	PAGE 1 OF 2
	EFFECTIVE 05/16/95
SECTION POLICY	APPROVED

It is the policy of the County of Los Angeles to establish payment and negotiation authorization limits for Third Party Administrator and County staff.

When the payment amount/negotiation level exceeds the individual's authorization limits, the payment/written justification and the claims file will be forwarded to the appropriate level for review and approval. No payment above one's authority will be processed without higher level approval. No negotiation of settlements above one's authority should take place without higher level approval.

These limits will be reviewed and revised periodically by the County.

	PAYMENTS	NEGOTIATION
Claims Assistant - TPA	1,000	0
Adjuster - TPA	4,000	5,000
Supervisor - TPA	5,000	10,000
Manager - TPA	7,500	20,000
QAE – CAO	50,000	50,000
Assistant Division Chief, CAO - Risk Management Branch	75,000	75,000
Assistant Administrative Officer, Risk Management Branch	75,000+	75,000+

DISTRIBUTION:

Third-Party Administrators
Quality Assurance Evaluators
Workers' Compensation Trust Fund Fiscal Administration
Assistant Division Chief, CAO - Risk Management Branch
Assistant Administrative Officer, Risk Management Branch

Technical Exhibit XII

PAYMENT PROVISIONS

Contract Years Two, Three, Four and Five

The rate for the twelve-month periods commencing January 1, and ending December 31, 2007, December 31, 2008, December 31, 2009, and December 31, 2010 may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted.

Example of Computation:

Computation of percentage change in Index (using hypothetical numbers):

CPI-W in December of Year Two	176.7
Less CPI-W in December of Year One	<u>- 169.7</u>
Equals Index Point Change	7.0
Divided by previous Index of 169.7 =	0.041

Results multiplied by 100 = PERCENT CHANGE of 4.1 (Contractor shall be paid increase of 4.1% using this example.)

ANATOMY OF A PAYMENT

The processing time indicated below reflects the steps a payment goes through after it is actually entered into the system.

Normal Processing Time For A Payment After It Has Been Entered Into The System

- Day 1 - A payment is entered on a given day or it is the first day of a cycle for a cycled payment. The payment at this point in time shows on the system as "Ready For Goodnite Processing." The "Goodnite" processing subsequently takes place during the evening and early morning hours. After the "Goodnite" processing, the payments in the system will display the message "Trans Ready For Check Printing" or they will reflect an error message.
- Day 2 - Fund management selects the transactions allowed by the system through the "Goodnite" process, (those not erroring out), and generates an electronic warrant (check) file. The electronic warrant (check) file is then transferred to the Auditor-Controller for processing. When we complete this process, payment transactions continue to read "Trans Ready For Check Printing."
- Day 3 - The Auditor-Controller processes our electronic warrant (check) file at 4:00 a.m. daily. The warrants (checks) and a control register are printed during the 4:00 a.m. processing.
- Day 4 - The Auditor-Controller then mails the warrants (checks).

Several days later, the Auditor-Controller sends a computer file to us that has the warrant (check) numbers on it. When we load this file into our system, the payment transactions that previously reflected "Trans Ready For Check Printing" are changed by the system to read "Check Printed Ready For Goodnite Processing."

During the evening of the day we load this file, another "Goodnite" process takes place. After this process, the message "Check Printed Ready For Processing" is removed and the transaction moves to Payment History with the check number and check date.

The above is what should occur most of the time. However, if warrants (checks) are not mailed or are alleged to not have been received, the reasons could be many. Following are some examples:

1. Computer downtime.
2. Incorrect payee addresses (a common problem).
3. Transactions are caught and held by the system for various errors such as, overlapping from and through dates, etc.
4. Payee's spouse cashed check.
5. Large hospitals, etc., place checks in miscellaneous accounts and then allege they didn't receive them.
6. The neighbors picked-up the mail.
7. Etc., etc., etc.

4/18/03

g/TPARFP/Anatomy of a Payment

EXAMPLES OF OVERPAYMENTS AND EXCESS COSTS

Overpayments include but are not limited to:

- Duplicate payments of indemnity of medical costs.
- Indemnity paid at the wrong rate
- Indemnity paid for dates where none is due
- Salary continuation authorized although claimant not eligible.
- Indemnity paid for non-industrial disability
- Medical paid for non-industrial treatment
- Indemnity or medical payments made to the wrong provider.
- Medical providers paid more than RVS without justification in file.
- Failure to take credit for subrogation lien, VPA lien, EDD lien, or other liens against indemnity or medical benefits.
- Failure to follow-up on Auditor-Controller overpayment letter resulting in an unrecoverable overpayment of indemnity.
- Inaccurate benefit notices sent to the department resulting in an overpayment by the department.
- Benefits paid on the wrong claim resulting in higher rates or additional benefits being paid in error.
- Failure to timely request canceled checks resulting in inability to defend the County against claims of non-payment.
- Duplicate medical exams, investigations, etc., ordered and paid for.
- Payment made without adequate file documentation to explain or justify the payment.
- TD picked up on settled case beyond five years from DOI where WCAB has no jurisdiction to order additional TD.
- Any other overpayments resulting from Contractor's mistakes, errors or omissions.

Excess costs include but are not limited to:

- Retroactive rehabilitation medical or indemnity payments paid for periods where the claimant was not participating in rehabilitation due to failure of TPA to send proper forms or refer the claimant to a rehabilitation vendor.
- Rehabilitation indemnity paid at the TD rate due to failure of TPA to send proper forms or refer the claimant to a rehabilitation vendor.
- VRMA due over and above the cap due to failure of TPA to send proper forms or refer the claimant to a rehabilitation vendor.
- Additional costs awarded due to TPA failure to defend the County and/or provide necessary documentation or accounting.
- Overadvancement of indemnity without benefit of commutation resulting in loss of interest saved to the County.
- Failure to timely object to inaccurate Orders and Awards resulting in payments over what should be due under the Labor Code.
- Benefits paid on a questionable or non-industrial injury due to failure to deny claim timely.
- Case settlement for more than its true value due to TPA failure to obtain timely and appropriate defense medicals, AOE-COE investigations, or to otherwise defend the County.
- Other excess costs as a result of Contractor's mistakes, errors or omissions.

SAMPLE BALANCE SHEET

NAME: XXXXX
 DATE OF INJURY: 1-16-92

CLAIM NUMBER: 1000-92-XXXXX
 OUT OF SERVICE/
 RETIREMENT DATE:

ABSTRACT DATE: 5-8-98
 (Attach abstract to Balance Sheet)

TD, VRTD, VRMA #WKS	RATE	TO	PAY CAT	=\$TOTAL	
<u>33 6/7</u>	<u>336</u>	<u>01-17-92</u>	<u>TO 9-9-92</u>	<u>26</u>	<u>=11,376.00</u>
<u>3 6/7</u>	<u>336</u>	<u>12-05-92</u>	<u>TO 12-31-92</u>	<u>26</u>	<u>= 1,296.00</u>
<u>17 1/7</u>	<u>336</u>	<u>01-01-93</u>	<u>TO 04-30-93</u>	<u>20</u>	<u>= 5,760.00</u>
<u>4 1/7</u>	<u>336</u>	<u>06-02-94</u>	<u>TO 06-30-94</u>	<u>20</u>	<u>= 1,392.00</u>
<u>15 1/7</u>	<u>406</u>	<u>07-01-94</u>	<u>TO 10-14-94</u>	<u>20</u>	<u>= 6,148.00</u>
<u>41 4/7</u>	<u>246</u>	<u>10-15-94</u>	<u>TO 08-01-95</u>	<u>40</u>	<u>= 10,226.57</u>
<u>7 2/7</u>	<u>422.16</u>	<u>08-02-95</u>	<u>TO 09-21-95</u>	<u>20</u>	<u>= 3,075.74</u>
SUB TOTAL \$					<u>39,274.31</u>
P.D. <u>20</u> %					
WKS <u>70.50</u> @ <u>140.00</u> = \$ <u>9,870.00</u>					
COMPROMISE & RELEASE _____ =\$					
LP START DATE					
_____ WKS @ _____ RATE =					
SUB TOTAL \$					
INTEREST:					
SAVED (-) \$					
PAID (+) \$					
PENALTY (+) \$					
INTEREST/PENALTY (+/-) SUB TOTAL \$					
OTHER (EXPLAIN)					
(PDAs GO HERE) _____ +/-					
_____ +/-					
TOTAL \$					<u>49,144.31</u>
(NOTE ANY OVERPAYMENTS HERE)					

INDEMNITY <u>37,719.54</u> REHAB <u>8,999.38</u> PENDING <u>0</u> TOTAL ON ABSTRACT: \$ <u>46,718.92</u> BEING PAID NOW: INJURED <u>288.20</u> (Payment made today) ATTORNEY OTHER <u>-168.00 40D</u> (Internal Correction <u>-788.80 40D</u> Done Today) <u>+956.80 21E</u> SUBTOTAL TO BE PAID: \$ <u>288.20</u> PD REMAINING PAYMENTS: <u>6.50</u> WKS @ \$ <u>140.00</u> = <u>910.00</u> LIFE PENSION REMAINING PAYMENTS: WKS @ \$ _____ = REHAB ATTY FEES WITHELD: @ <u>12</u> % \$ <u>1,227.19</u> TOTAL \$ <u>49,144.31</u>	COMPUTED BY: (Name and date go here)
--	--

INTENTIONALLY OMITTED



CLAIM STATUS REPORT

FOR: (DEPARTMENT)

BY: (TPA)

EMPLOYEE:

CLAIMS EXAMINER:

EMPLOYEE NUMBER:

EXAMINER TELEPHONE NUMBER

CLAIM NUMBER:

EXAMINER E-MAIL ADDRESS

DATE OF INJURY:

DATE OF REPORT:

INJURY & CAUSE:

DISABILITY & MEDICAL TREATMENT:

LITIGATION STATUS:

ISSUES & EXPOSURES:

RESERVES:

BENEFIT	PAID	RMG RES	TOTAL INC
TD			
PD			
MED			
VR MIS			
VRMA			
TOTAL			

PLAN OF ACTION & EXPOSURE MANAGEMENT:

SETTLEMENT POTENTIAL:



COUNTY OF LOS ANGELES CLAIM STATUS REPORT GUIDELINES

Purpose: To improve claim outcomes through the systematic identification, investigation, and mitigation of high exposure and high profile workers' compensation claims.

Claim Status Report: The claim status report shall be utilized to improve claim handling efficiency and effectiveness. It will include a detailed analysis of issues and exposures, along with a clear plan of action. The claim status report should be updated to reflect any significant claim development and/or any change in the plan of action.

Communication: All claim status reports shall be directed to identified department personnel and, in the case of litigated claims, copied to defense counsel. The claim status report must comply with the provisions of Labor Code Section 3762.

Settlement Proposals: The claim status report may be used to communicate recommended settlement proposals. All settlement proposals should be submitted to the appropriate County personnel in a clear and concise written format. A claim file balance sheet shall be completed and provided to defense counsel and accompany all proposals submitted to the County Quality Assurance Evaluators. Compromise and Release proposals shall include a present value analysis of future exposures.

Guidelines: A claim status report is required when one, or more, of the following occurs:

- 1) A Labor Code § 132a discrimination claim is filed.
- 2) A Labor Code § 4553 serious and willful claim is filed.
- 3) The employee claims psychiatric injury.
- 4) The claim reflects an allegation of fibromyalgia.
- 5) Evidence exists that permanent disability will equal, or exceed, 70 percent.
- 6) Total incurred reserves equal, or exceed, \$100,000.
- 7) Appropriate County personnel request a claim status report.

Los Angeles County Code 5.31.050

Title 5 PERSONNEL*

Chapter 5.31 HEALTH, SAFETY PROGRAM AND WORKERS' COMPENSATION

5.31.050 Workers' compensation system.

A. The director of personnel shall establish, administer and operate, as part of the county-wide safety program, a complete self-insured workers' compensation system to ensure the full provision of benefits under the law to employees whose injuries arise out of and in the course of employment. The system shall include provision for medical, surgical, hospital and other treatment required to cure and relieve the effects of injury, as well as payment of temporary and permanent disability compensation and death benefits as prescribed by state law or by county ordinance. As part of this responsibility, the director of personnel shall establish and administer procedures to provide for the following:

1. Reporting, investigation, and adjustment of claims arising out of accidents and injuries;
2. Determination of compensability of medical treatment and the payment of all workers' compensation benefits prescribed by state law or county ordinance;
3. Collection, compilation and reporting of statistical data, including departmental cost experience and actuarial projections;
4. Establishment and review of reserves on each case to reflect incurred cost of all anticipated benefits;
5. Control of workers' compensation costs consistent with provision of full benefits under the law.

B. The county counsel shall provide legal counsel and representation in any litigation related to workers' compensation. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 82-0264 § 1 (part), 1982; Ord. 9802 § 5, 1969; Ord. 8740 § 3, 1969; Ord. 8512 § 4 (part), 1963; Ord. 4099 Art. 3 § 78.02, 1942.)

TECHNICAL EXHIBIT XIX

COUNTY OF LOS ANGELES EMPLOYEE POPULATION COUNT AND OPERATING EXPENSES FOR FISCAL YEARS 1998-2004

FISCAL YEAR	EMPLOYEE POPULATION	OPERATING EXPENSE (billions of dollars)
2003 – 2004	92,687.5	\$17.127
2002 – 2003	92,713.9	\$16.855
2001 – 2002	95,696.9	\$16.482
2000 – 2001	92,602.7	\$15.583
1999 – 2000	89,471.0	\$15.222
1998 – 1999	84,456.4	\$13.690

g/amr/WC TPA RFP 2005/Population Count-Operating Expense

1-4-05

g/amr/WC TPA RFP 2005/Appendix C – Technical Exhibits - FINAL



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

TRISTAR RISK MANAGEMENT

FOR

**THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES**

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- B PRICING SCHEDULE
- C CONTRACTOR'S PROPOSED SCHEDULE (Not Applicable)
- D CONTRACTOR'S EEO CERTIFICATION
- E COUNTY'S ADMINISTRATION
- F CONTRACTOR'S ADMINISTRATION
- G FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION
 - G1 CONTRACTOR EMPLOYEE ACKNOWLEDGMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT
 - G2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGMENT,
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- H JURY SERVICE ORDINANCE
- I SAFELY SURRENDERED BABY LAW

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- J LIVING WAGE ORDINANCE*
- K MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS*
- L PAYROLL STATEMENT OF COMPLIANCE*

EXHIBIT M – INTENTIONALLY OMITTED

- N CONTRACTOR'S OBLIGATION UNDER HIPAA*
- O CHARITABLE CONTRIBUTIONS CERTIFICATION*

TECHNICAL EXHIBITS

- I CAO, Risk Management Branch Description
- II Other County Departments
- III Open Claims By Department – Unit 1, Unit 2, and Unit 4
- IV New Claims by Year and Month – Unit 1, Unit 2, and Unit 4
- V Workload Statistics – Historical and Annual Self-Insurance Plans Reports
- VI Claims Administration Checklist
- VII Equipment List to Connect to GENCOMP
- VIII Quality of Work Performance Requirements Summary
- IX Performance Requirements Summary
- X Contract Discrepancy Report
- XI Workers' Compensation Manual
- XII Payment Provisions
- XIII Anatomy of a Payment
- XIV Examples of Overpayments and Excess Costs
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- XVIII Los Angeles County Code 5.31.050
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**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
TRISTAR RISK MANAGEMENT
FOR
THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES**

This Contract which includes the attached Exhibits made and entered into this _____ day of _____, 2005 by and between the County of Los Angeles, hereinafter referred to as County and TRISTAR Risk Management, hereinafter referred to as Contractor. Contractor is located at 100 Oceangate, Suite 700, Long Beach, CA 90802.

RECITALS

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the Director of Personnel shall have the authority and responsibility to establish, administer and operate a complete self-insured workers' compensation program; and

WHEREAS, on July 30, 2002, the Director of Personnel delegated his authority under the Los Angeles County Code Section 5.31.050 to the Chief Administrative Officer; and

WHEREAS, pursuant to Los Angeles County Code Section 2.121.295, et seq., County is authorized to contract with private business to perform personal services when it is more economical or feasible to do so; and

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

WHEREAS, in response to County's Request for Proposals for such services, Contractor has submitted its proposal to County and desires to provide such services; and

NOW, THEREFORE, the parties hereto agree to as follows:

Prop A authorization:

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract Third Party Workers' Compensation Claims 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 (intentionally omitted), N and O, and Technical Exhibits I, II, III, IV, V, VI, VII, VIII, IX, X, XI XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX are attached to and form a part of this Contract.

In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Contractor's Proposed Schedule (Not Applicable)
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - County's Administration
- 1.6 EXHIBIT F - Contractor's Administration
- 1.7 EXHIBIT G - Forms Required at the Time of Contract Execution
- 1.8 EXHIBIT H - Jury Service Ordinance
- 1.9 EXHIBIT I - Safely Surrendered Baby Law

Unique Exhibits:

Prop A - Living Wage Program

- 1.10 *EXHIBIT J - Living Wage Ordinance*
- 1.11 *EXHIBIT K - Monthly Certification for Applicable Health Benefit Payments*
- 1.12 *EXHIBIT L - Payroll Statement of Compliance*

- 1.13 **EXHIBIT M - INTENTIONALLY OMITTED**

Health Insurance Portability & Accountability Act (HIPAA) Agreement

- 1.14 EXHIBIT N - Contractor's Obligation Under HIPAA
- 1.15 EXHIBIT O - Charitable Contributions Certification

Technical Exhibits

- 1.16 I CAO, Risk Management Branch Description
- 1.17 II Other County Departments
- 1.18 III Open Claims By Department – Unit 1, Unit 2, and Unit 4
- 1.19 IV New Claims by Year and Month – Unit 1, Unit 2, and Unit 4
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- 1.21 VI Claims Administration Checklist
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- 1.26 XI Workers' Compensation Manual
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- 1.31 XVI Intentionally Omitted
- 1.32 XVII Claim Status Reports Form & Guidelines
- 1.33 XVIII Los Angeles County Code 5.31.050
- 1.34 XIX Population Count and Operating Expenses 1998-2004

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.4 - Change Notices and Amendments and signed by both parties.

2.0 DEFINITIONS

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

- 2.1 **Contract:** Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.
- 2.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the Statement of Work.
- 2.3 **Contractor Contract Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.4 **County Contract Monitor:** Person with responsibility to oversee the day to day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by Contractor.
- 2.5 **County Risk Manager:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County Contract Administrator.
- 2.6 **County Contract Administrator (CCA):** Person designated by County's Risk Manager to manage the operations, work or service under this Contract.
- 2.7 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.8 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the *Statement of Work, Exhibit A*.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall

be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2010. Contractor'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, 2006.
- 4.2 In the event of expiration of the term of this Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 4.3 Contractor shall notify CCA when this Contract is within six months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit E - County's Administration.

5.0 CONTRACT SUM

- 5.1 Contractor shall be paid as set forth in Exhibit B, Pricing Schedule.
- 5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the CCA's express prior written approval.
- 5.3 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total Contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in *Exhibit E - County's Administration*.

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

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this 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. Contractor shall be paid as set forth in Exhibit A, Statement of Work, Section III, Contractor Payment and Adjustments to Payment. 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.

Prop A - Living Wage Program:

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

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

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

Third Party Workers' Compensation Claims
Administration Services
County Contract Administrator
Chief Administrative 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 CCA 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, and in no instance will such approval take more than 60 days from receipt of properly prepared invoices by the County.

5.6 Cost of Living Adjustments (COLA's)

The Contract yearly amount may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

The Chief Administrative Officer (hereinafter referred to as "CAO") or his authorized designee, shall have the authority to administer this Contract

on behalf of the County. The term "County Contract Administrator (CCA)" as used in this Agreement means the Workers' Compensation Chief Program Specialist, Risk Management Branch, CAO or CCA's duly authorized designee.

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

6.1 County's Risk Manager

Responsibilities of the County's Risk Manager include:

- ensuring that the objectives of this Contract are met;
- making changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments; and
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Contract Administrator

Responsibilities of the County's Contract Administrator include:

- ensuring that the objectives of this Contract are met;
- making changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments; and
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.
- meeting with Contractor's Contract Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.

The CCA 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 except as provided in Sub-paragraph 8.4.

6.3 County's Contract Monitor

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

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Contract Manager

7.1.1 Contractor's Contract 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 Contract Manager.

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

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

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

7.3.2 Contractor shall notify the County within one business day when staff is terminated from working on this Contract. Contractor is responsible to retrieve and immediately destroy the staff's County photo identification badge at the time of removal from the County Contract.

- 7.3.3 If County requests the removal of Contractor's staff, Contractor is responsible to retrieve and immediately destroy the Contractor's staff's County photo identification badge at the time of removal from working on the Contract.

7.4 Background and Security Investigations

- 7.4.1 At any time prior to or during term of this Contract, the County may require that all Contractor staff performing work under this Contract undergo and pass, to the satisfaction of County, a background investigation, as a condition of beginning and continuing to work under this Contract. County shall use its discretion in determining the method of background clearance to be used, up to and including a County performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation.
- 7.4.2 County may request that Contractor's staff be immediately removed from working on the County Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County conducted background clearance.
- 7.4.3 County may immediately deny or terminate facility access to Contractor's staff who do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access, at the sole discretion of the County.
- 7.4.4 Disqualification, if any, of Contractor staff, pursuant to this Sub-paragraph 7.4, shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

(any reference to Copyright Assignment would apply to Information Technology Contracts only)

The Contractor shall maintain the confidentiality of all records obtained from the County under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "*Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", Exhibit G1. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "*Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", Exhibit G2.

8.0 STANDARD TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, either in whole or in part, without the prior written consent of the CCA. Any unapproved assignment or delegation shall be null and void. Any payments by the CAO to any approved delegate or assignee on any claim under this Contract shall be deductible, at CCA's sole discretion, against the claims, which the Contractor may have against the County.

8.1.2 If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without CCA's express prior written approval, may result in the termination of this Contract.

8.2 AUTHORIZATION WARRANTY

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

8.3 BUDGET REDUCTIONS

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to

renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

8.4 CHANGE NOTICES AND AMENDMENTS

8.4.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. A change in performance standards pursuant to paragraph 1.0 of Exhibit A, Section III may be made by Change Notice. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.

8.4.2 Upon mutual agreement between CAO and Contractor, the Contractor shall assume County workload from other third party administrators at the same terms as this Contract. The CAO is authorized to enter into and execute such amendment.

8.4.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.

8.5 COMPLAINTS

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

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

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

8.5.2 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.

8.5.3 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.

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

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.

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

8.6 COMPLIANCE WITH APPLICABLE LAW

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

8.6.2 The Contractor shall indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

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

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010

through 2.203.090 of the Los Angeles County Code, a copy of which is attached as *Exhibit H* and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences,

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

4. Contractor's violation of this Sub-paragraph of the 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 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 Sub-paragraph shall be a material breach of this Contract.

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

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

8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

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.

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 not to exceed three (3) years, 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

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.

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.

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.

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it

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

8.15 COUNTY'S QUALITY ASSURANCE PLAN

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

8.16 DESCRIPTION OF SERVICES

8.16.1 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 the Statement of Work, Exhibit A.

8.16.2 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.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

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.

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 Change Notices and Amendments prepared pursuant to Sub-paragraph 8.4, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices and 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

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 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.

8.21 INDEPENDENT CONTRACTOR STATUS

8.21.1 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.

8.21.2 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.

8.21.3 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.

8.21.4 As previously instructed in Sub-paragraph 7.5 - Confidentiality, the Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "*Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", *Exhibit G1*. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "*Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", *Exhibit G2*.

8.22 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, 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, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to this Contract.

8.23 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.23.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to:

County Contract Administrator
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or

fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.23.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.23.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.23.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.23.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to

comply results in any costs to the County, the Contractor shall pay full compensation for all costs incurred by the County.

8.23.6 Insurance Coverage Requirements for Subcontractors:

The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.24 INSURANCE COVERAGE REQUIREMENTS

8.24.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

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

8.24.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

8.24.3 Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than

the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.24.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of net less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

8.24.5 Crime Coverage: Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee:

Employee Dishonesty:	\$1 million
Forgery or Alteration:	\$1 million
Theft, Disappearance and Destruction:	\$1 million
Computer Fraud:	\$1 million
Burglary and Robbery:	\$1 million

8.24.6 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.

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

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

- 8.24.7 Insurance policies purchased and maintained under this Contract by the Contractor shall include a waiver of subrogation recovery against the County and employees.

8.25 LIQUIDATED DAMAGES

8.25.1 If, in the judgment of the CAO, the Contractor breaches the Contract requirements as specified in the *Performance Requirements Summary (PRS) Chart*, as defined in *Technical Exhibit IX*, hereunder, the County will have a claim for the sum specified in the PRS, to be paid by the Contractor in accordance with the Contract as liquidated damages. The Chief Administrative Officer, or his/her designee shall notify Contractor in writing of the specific instances and areas of noncompliance and/or nonperformance and the corresponding unsatisfactory performance deductions.

8.25.2 This Sub-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, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.26 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this 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.

8.27 NONDISCRIMINATION AND AFFIRMATIVE ACTION

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

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

8.27.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated

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

- 8.27.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.27.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.27.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.27 when so requested by the County.
- 8.27.7 If the County finds that any provisions of this Sub-paragraph 8.27 have been violated, such violation shall constitute a material breach of this 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 Practices 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.

8.27.8 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.

8.28 NON EXCLUSIVITY

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

8.29 NOTICE OF DELAYS

Except as otherwise provided under this 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) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.30 NOTICE OF DISPUTES

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

8.31 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

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

8.32 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to

safely surrender a baby. The fact sheet is set forth in *Exhibit I* of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.33 NOTICES

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

8.34 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

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

8.35 PUBLIC RECORDS ACT

8.35.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.37 - Record Retention and Inspection/Audit Settlement of this 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.

8.35.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of 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.

8.36 PUBLICITY

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

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County Contract Administrator. The County shall not unreasonably withhold written consent.

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

8.37 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this 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 records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other 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.

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

8.37.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 8.37 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

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

8.38 RECYCLED-CONTENT PAPER

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

8.39 SUBCONTRACTING

8.39.1 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.

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

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

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

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

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

8.39.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.

- 8.39.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.39.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County Contract Administrator
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

before any subcontractor employee may perform any work hereunder.

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

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - 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 Contractor to cure such default within 90 calendar days of within notice shall be grounds upon which the County may terminate this Contract pursuant to Sub-paragraph 8.42 - Termination for Default and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

8.41 TERMINATION FOR CONVENIENCE

- 8.41.1 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 Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

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

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

8.41.3 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 Sub-paragraph 8.37, Record Retention & Inspection/Audit Settlement.

8.42 TERMINATION FOR DEFAULT

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

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

8.42.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.42.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.42.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of

the type identified in Sub-paragraph 8.42.2 if its failure to perform this 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 Sub-paragraph 8.42.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

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

8.42.5 In the event the County terminates this Contract in its entirety due to the Contractor's default as provided in Sub-paragraph 8.42.1, the Contractor and the County agree that the County will have actual damages, which are extremely difficult to calculate and impracticable to fix and which will include, but are not limited to, the County's costs of procurement of replacement services and costs incurred due to delays in procuring such services. Therefore, the Contractor and the County agree that the County shall, at its sole option and in lieu of the provisions of Sub-paragraph 8.42.2, be entitled to liquidated damages from the Contractor, pursuant to California Civil Code Section 1671, in the amount of Ten Thousand Dollars (\$10,000) or ten percent (10%) of the applicable year's Contract sum,

whichever is more, as equitable compensation to the County for such actual damages. This amount of liquidated damages shall be either paid by the Contractor to the County by cash payment upon demand or, at the sole discretion of the CAO, or designee, deducted from any amounts due to the Contractor by the County, whether under this Contract or otherwise.

These liquidated damages shall be in addition to any credits, which the County is otherwise entitled to under this Contract, and the Contractor's payment of these liquidated damages shall not in any way change, or affect the provisions of Sub-paragraph 8.22 - Indemnification.

- 8.42.6 The rights and remedies of the County provided in this Sub-paragraph 8.42 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.43 TERMINATION FOR IMPROPER CONSIDERATION

- 8.43.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this 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.
- 8.43.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 8.43.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.44 TERMINATION FOR INSOLVENCY

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

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

8.44.2 The rights and remedies of the County provided in this Sub-paragraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.45 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

8.46 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors

appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.47 VALIDITY

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

8.48 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.48 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.49 WARRANTY AGAINST CONTINGENT FEES

8.49.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this 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.

8.49.2 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.

8.50 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1282, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit O, the

County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

9.0 UNIQUE TERMS AND CONDITIONS

9.1 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM

9.1.1 Living Wage Program:

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

9.1.2 Payment of Living Wage Rates.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County under the Contract:
 - a. Not less than \$9.46 per hour if, in addition to the per-hour wage, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
 - b. Not less than \$8.32 per hour if, in addition to the per-hour wage, the Contractor contributes at least \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed \$1.14 per hour towards the provision of bona fide health care benefits if the benefits are

provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this Sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract Contract and a copy of the Living Wage Program shall be attached to the Contract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.
3. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.
4. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the

Contract and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

9.1.3 Contractor's Submittal of Certified Monitoring Reports.

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

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

During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act,

employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

9.1.5 County Auditing of Contractor Records.

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

9.1.6 Notifications to Employees.

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

9.1.7 Enforcement and Remedies.

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

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a

breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
 - b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
 - c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.
2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any

Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

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

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

3. Debarment. In the event the Contractor breaches a requirement of this Sub-paragraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, not to exceed three years.

9.1.8 Use of Full-Time Employees.

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

9.1.9 Contractor Retaliation Prohibited.

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

9.1.10 Contractor Standards.

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

9.1.11 Employee Retention Rights

1. Contractor shall offer employment to all retention employees who are qualified for such jobs. A "retention employee" is an individual:
 - a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
 - b. Who has been employed by a Contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and
 - c. Who is or will be terminated from his or her employment as a result of the County entering into this new contract.
2. Contractor is not required to hire a retention employee who:
 - a. Has been convicted of a crime related to the job or his or her performance; or
 - b. Fails to meet any other County requirement for employees of a Contractor.
3. Contractor shall not terminate a retention employee for the first 90 days of employment under the contract, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

9.1.12 Neutrality in Labor Relations

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

permitted under the provisions of the National Labor Relations Act.

9.2 CONTRACTOR'S OBLIGATIONS UNDER HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)

The County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Contract, Contractor provides services to the County and the Contractor receives, has access to, and/or creates 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, Contractor's Obligations Under HIPAA*.

9.3 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

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

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

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

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

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply if Contractor is no longer eligible for certification as a result in a change of their status and Contractor failed to notify the State and the County's Office of Affirmative Action Compliance of this information.

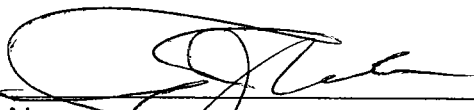
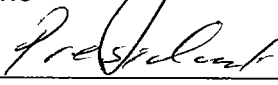
9.4 OWNERSHIP OF MATERIALS – REPORTS AND RECORDS

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

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

CONTRACTOR:

TRISTAR RISK MANAGEMENT

By  _____
Name
 _____
Title

COUNTY OF LOS ANGELES

By _____
(Mayor/Chairman), Board of Supervisors

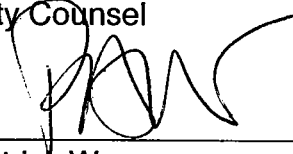
ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By  _____
Patrick Wu
Assistant County Counsel

8-2-05
g/amr/WC TPA RFP 2005/Contract – Unit 2 – Tristar Risk Management

EXHIBIT A – UNIT 2 – TRISTAR RISK MANAGEMENT

STATEMENT OF WORK SECTION I - DEFINITIONS

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

1.0 ACCEPTABLE QUALITY LEVEL (AQL)

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

Recognition of unintentional error does not relieve Contractor from the right of the County to make adjustments to payment to Contractor under Section III.

2.0 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.

3.0 ALLOCATED EXPENDITURES

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all carve-out fees or expense, Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of services of outside undercover investigators or operatives and detectives; and vocational rehabilitation counselors; the costs of employing independent experts for the purpose of preparing maps, photographs, diagrams, analysis, or giving expert advice or opinions; the cost of copies of transcripts of testimony at Coroner's Inquests or criminal or civil proceedings; the photocopy cost of obtaining copies of any public records; 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 responsible for administration of the claim file. "Allocated Loss Expense" is not included in the fee paid to the Contractor.

4.0 BASE FEE

The Base Fee is the flat, one-time fee per new claim or the annual flat fee for provision of all services. The Base Fee is subject to increase or decrease in accordance with, of Section III, of this Statement of Work.

5.0 CHIEF ADMINISTRATIVE OFFICE (DEPARTMENT)

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

6.0 CHIEF ADMINISTRATIVE OFFICER (CAO)

The Chief Administrative Officer of the County of Los Angeles.

7.0 CONTRACT DISCREPANCY REPORT

The Contract Discrepancy Report (Technical Exhibit X) is a report used by the County's Quality Assurance Evaluator to record contract information regarding discrepancies or problems with the Contractor's performance. If the Contractor's performance is judged unsatisfactory, the Quality Assurance Evaluator shall forward a Contract Discrepancy Report to the Contractor for response.

8.0 CONTRACT START DATE

The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2010. Contractor'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, 2006.

9.0 CONTRACTOR'S QUALITY CONTROL PLAN

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

10.0 COUNTY

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

11.0 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 Workers' Compensation Chief Program Specialist, CAO Risk Management Branch or his/her designee.

12.0 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.

13.0 COUNTY COUNSEL

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

14.0 COUNTY'S WORKERS' COMPENSATION RISK MANAGEMENT INFORMATION SYSTEM

The County installed workers' compensation system. The current version GENCOMP for Windows software modules were licensed to the County by GenSource Corporation. The system includes on-line input of claims, vocational rehabilitation and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Risk Management Branch.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall expeditiously and completely convert to the County's new system, at a time of County's choosing, at sole expense to Contractor.

15.0 CONTRACTOR'S CONTRACT MANAGER

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

16.0 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, liability undetermined, medical costs over \$3,500.00, benefits due more than six months after opening of case, and designation by the Claims Examiner.

17.0 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed \$3,500.00. Indemnity payments are not anticipated.

18.0 NON-INCLUDED SERVICES (See Allocated Expenditures)

19.0 PERFORMANCE INDICATORS

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

20.0 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

A chart located in Technical Exhibit IX, that summarizes all adjustments to payments made to Contractor pursuant to Contract Terms and Conditions.

21.0 QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY (QWPRS)

The document which summarizes the key performance indicators.

22.0 QUALITY ASSURANCE EVALUATOR (QAE)

The Quality Assurance Evaluator is a County employee designated as an agent for the County responsible for monitoring the Contractor's performance, approving over limit payments, advising and training third party administrator staff in County payroll systems and other County procedures. At times this employee may be referred to as "County Monitor."

23.0 COUNTY QUALITY ASSURANCE MONITORING PLAN (QAMP)

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

24.0 COUNTY'S QUALITY CONTROL PLAN

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

25.0 RANDOM SAMPLE

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

26.0 RISK MANAGEMENT BRANCH

The organizational unit of the County's Chief Administrative Office responsible for administration of the County's self-insured program for workers' compensation.

27.0 TAKE-OVER CLAIM

An open claim or a closed claim which subsequently must be re-opened for a period of time for adjusting services.

28.0 TAKE-OVER (ASSUMPTION) FEE

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

29.0 THREE POINT CONTACT

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

30.0 USER COMPLAINT REPORT

The report submitted by an individual or group of individuals to record discrepancies or problems with the Contractor's performance. The Contractor may be required to respond to a User Complaint Report and may be part of a Contract Discrepancy Report.

31.0 WORKDAY

Throughout the Statement of Work, whenever "workday" appears, it means a normal workday, Monday through Friday, 8:00 A.M. to 5:00 P.M., except County holidays. Except as noted in 1.3.7, Section II, Statement of Work.

EXHIBIT A – UNIT 2

SECTION II - CONTRACTOR'S SERVICES

1.0 SCOPE OF WORK

The Contractor 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 Technical Exhibit III of this Contract.

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

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

1.1 Program Development

Contractor's responsibilities include but are not limited to the following:

- 1.1.1 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.
- 1.1.2 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.

1.2 Claims Management

Contractor's responsibilities include but are not limited to the following:

1.2.1 Review and process all industrial injury cases in accordance with County standards, state statutes or laws and requirements of the State Department of Industrial Relations for reporting and notification.

All liability decisions and required notices for those decisions will be made within 90 days, or less if required by State of California statutes or regulations, from the date of employer's knowledge of injury in accordance with law, including but not limited to Labor Code section 5402.

1.2.1.1 The claims adjuster shall submit to the COUNTY QAE and FAX to the COUNTY department a checklist in the form indicated in Technical Exhibit VI for all indemnity claims where liability is undetermined at the following intervals subject to change at the discretion of the CCA:

1.2.1.1.1 30 days from the date of employer's knowledge of injury

1.2.1.1.2 60 days from the date of employer's knowledge of injury

1.2.1.1.3 90 days from the date of employer's knowledge of injury

1.2.1.1.4 Upon acceptance or denial of claim

1.2.1.2 The claims examiner shall immediately notify the COUNTY QAE of any claim or injury 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.

1.2.2 Determine compensability of injuries and illnesses in accordance with State Workers' Compensation laws, including but not limited to the following:

1.2.2.1 Obtain a medical report addressing the issue of AOE/COE within 90 days, or less as required by law, from the date of employer's knowledge of injury.

1.2.2.2 Where there is evidence that a claimed injury is not work

related, deny the claim within 90 days, or less as required by law, of filing of the claim or within 90 days or less from the date of employer's knowledge in accordance with law, including but not limited to Labor Code section 5402.

- 1.2.3 Determine eligibility for and authorize temporary disability compensation benefits in accordance with medical advice and rehabilitation efforts. At no cost to the County, the Contractor shall report all indemnity workers' compensation claims to the Insurance Services Office, Inc. – ISO Claims Search.
- 1.2.4 Obtain County approvals in accordance with approval limits established by the CCA prior to the negotiation of any compromise and release agreement.
- 1.2.5 Determine the extent and degree of permanent disability, utilizing, as necessary and desirable, consultative ratings from the Disability Evaluation Unit of the Office of Benefit Determinations.
- 1.2.6 Authorize payments, in accordance with approval limits, for temporary and/or permanent disability compensation, medical care and death benefits in accordance with advisory ratings, or orders of the Workers' Compensation Appeals Board or compromise and release agreements.
 - 1.2.6.1 Ensure that all indemnity benefits are paid accurately by completing a Balance Sheet (Technical Exhibit XV) in accordance with County procedures and time frames.
- 1.2.7 Investigate, as necessary and appropriate, questionable cases and the status of disabled employees in order to assist in the adjustment, mediation and litigation of cases and in the proper referral of suspected fraudulent cases.
- 1.2.8 Take all necessary actions, including timely notification, to assist the County in recovering reimbursement for County liability through third-party subrogation, restitution, reinsurance, apportionment, and/or contributions from the State Compensation Insurance Fund on cases involving shared liability.

1.2.9 Provide the County's Risk Management Branch or the long-term and short-term disability claims adjusting contractor with copies of the employee's report of injury, medical reports from the workers' compensation files and the award letter and exchange other pertinent case information on those Workers' Compensation claims also having a long-term disability claim with the County for the same condition.

1.2.10 Provide the County aid and assistance in returning injured employees to their usual and customary or modified/alternate assignments in a timely manner.

1.2.11 If required by the County, review and process County attorney monthly invoices.

1.3 Medical Control

Contractor's responsibilities include but are not limited to the following:

1.3.1 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 Administrative Code, section 9785.

1.3.1.1 File petition to remove treating doctors who fail to comply with California Administrative Code, section 9785.

1.3.2 Make all necessary medical appointments.

1.3.3 Maintain close liaison with treating physicians to provide guidance to the employing County department in evaluating employee's ability to return to work and/or recommend further treatment program.

1.3.4 Evaluate and make recommendations for the panel of physicians who are utilized for the initial treatment of employees and the panel of physicians used for treatment requiring long-term treatment or specialty care and evaluation. Make on-going recommendations for updating of these panels.

- 1.3.5 Utilize information provided by and cooperate in the enforcement of any medical case management program and/or Medical Provider Networks implemented by the CCA for County claims including, but not limited to obtaining pre-certification for medical procedures through utilization review and requesting case management on older claims as needed or at County's request.
- 1.3.6 Provide written policies and procedures within 60 days of contract inception to ensure timely referrals of cases to managed care contractors and to maintain close coordination with managed care staff on a continuing basis.
- 1.3.7 In accordance with Labor Code 4600.4, maintain adequate staffing until 5:30 p.m. to authorize medical treatment.
- 1.3.8 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, including but not limited to Labor Code section 4622.
- 1.3.9 Process bills and liens for medical treatment 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, including but not limited to Title 8, California Administrative Code section 9792.5.
- 1.3.10 Prepare an affidavit regarding resolution of liens and submit the affidavit to COUNTY's representative or defense attorney at least 10 days prior to any MSC.

1.4 Customer Service

Contractor's responsibilities include but are not limited to the following:

- 1.4.1 Provide information and guidance to injured employees on benefits they will receive in accordance with State laws as well as additional County work injury benefits.
- 1.4.2 Assist in identifying and resolving employee problems arising out of industrial injuries.

- 1.4.3 At County direction, at Contractor's sole expense, consult with employee groups, County departmental representatives, management, or central staff, on problems in accordance with County policies.
- 1.4.4 Develop and recommend policies and procedures to ensure that the employee's return to work is consistent with the findings of disability as determined by the Workers' Compensation Appeals Board.
- 1.4.5 At the request of the CAO, client departments, or defense attorneys, provide responses to inquiries, make available claim status reports (Technical Exhibit XVII), and attend County claim status reviews or County loss control and prevention meetings.

1.5 Litigation and Subrogation

The County Counsel, or a designated private law firm, provides legal services for all County Workers' Compensation Claims. Contractor's responsibilities include but are not limited to the following:

- 1.5.1 Provide all necessary claims information and other assistance to legal counsel for the defense of litigated claims.
 - 1.5.1.1 Provide a copy of all notices of conferences, mandatory settlement conferences (MSCs) or hearings before the WCAB to County Counsel within five days from date of receipt.
 - 1.5.1.2 All litigation files will be prepared and sent to County Counsel within 45 days from the date the WCAB application or notice of representation is received.
 - 1.5.1.3 Forward all medical reports and correspondence from applicant or applicant's attorney to County's defense attorney within five days from date of receipt.
 - 1.5.1.4 Provide to County's defense attorney a complete summary of all benefits paid (amounts and periods) to the injured employee along with a completed Balance Sheet, at least ten days prior to any MSC and provide an updated summary as necessary for other WCAB proceedings.
 - 1.5.1.5 Correspondence, telephone calls, and e-mail from

defense attorney's will be responded to within two weeks or sooner if the correspondence is urgent in nature, e.g. necessitated by an upcoming WCAB appearance date.

1.5.2 Monitor and report to County Risk Management Branch all claims with potential subrogation recoveries; prepare correspondence to effect collection or, at the request of the County, refer subrogation claims information to County Counsel for subrogation recovery assignment. Provide necessary information and assistance to legal counsel or Risk Management Branch assigned the subrogation claim.

1.5.3 Provide a written status report on open litigated and subrogated cases as requested. Parameters of this report will be established by CCA.

1.6 Rehabilitation Services

When medically appropriate, Contractor shall coordinate implementation of rehabilitation plans for injured employees for approval by the County, the employee and other agencies, to provide rehabilitation, re-training or re-assignment for employees with physical or performance limitations resulting from industrial injuries, pursuant to Labor Code Section 139.5.

Contractor's responsibilities include, but are not limited to the following:

1.6.1 Manage all rehabilitation cases including evaluation, control, monitoring and selection of duly licensed professional rehabilitation service providers.

1.6.2 Determine initial rehabilitation efforts for each injured employee with primary emphasis on returning employees to work in the County through job modification or re-assignment to a position compatible with the worker's medical capacities.

1.6.2.1 If placement within the County is not possible, rehabilitation efforts are to be directed at returning employees to other gainful employment.

1.6.3 Determine if injured workers are entitled under provisions of Labor Code Section 139.5 to receive temporary disability or rehabilitation maintenance allowance, the services of a rehabilitation counselor, a program of retraining and placement, and reimbursement for costs directly related to the rehabilitation plan.

1.6.4 Represent the County at formal and informal hearings before the

State Rehabilitation Unit.

1.6.5 Coordinate the above-mentioned activities with other interested or related County programs and agencies.

1.6.6 Determine if injured workers are eligible for supplemental job displacement benefits pursuant to Labor Code Section 4658.5.

1.6.7 Provide injured workers' with required rehabilitation and supplemental job displacement notices in compliance with State requirements.

1.7 Return to Work Program

Under direction of CCA, Contractor will support County departments to ensure aggressive implementation of the County's Return-To-Work Program, including assistance in obtaining Patient Status Reports, RU-90 forms from physicians and the RU-94 from County departments.

1.8 Special Investigation Unit (SIU)

At no cost to the County, the Contractor within 30 days of contract inception shall develop written policies and procedures relating to the identification, investigation and prosecution of potential fraud cases.

1.8.1 At no cost to the County, the Contractor will provide SIU training to key personnel within 60 days of contract inception to ensure aggressive, cost effective investigation and appropriate referrals to the Department of Insurance and District Attorney.

1.9 Claims Payments - Accounting Controls

Contractor shall approve claims for payment and, as directed by CCA, shall input and process same for payment by the County's workers' compensation risk management information system, financial or accounts payable system.

1.9.1 Claims Processing

Contractor's responsibilities include but are not limited to the following:

- 1.9.1.1 Establish and maintain control procedures and necessary documentation to process and reject, settle, compromise or approve benefit claims against the County in accordance with Section 31000.8 of the Government Code.
- 1.9.1.2 Payments shall be input to the County's workers' compensation risk management information system for payment of benefits and other claims file expenses.
- 1.9.1.3 The Contractor shall interface with the County's Workers' Compensation risk management information system by provision of a local area network, PCs with Windows 2000 or XP, WordViewer, Microsoft Word, and Excel, ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines, or other compatible or better interface (see Technical Exhibit VII), subject to approval by the CCA. The workers' compensation risk management information system must be up-dated daily by the Contractor.
- 1.9.1.4 The case files and records are subject to audit by the County at any reasonable time (see Contract, Section 8.37, Record Retention and Inspection/Audit Settlement, and Section 9.4, Ownership of Materials - Reports and Records), of this Agreement.

1.10 Physical Security

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

1.11 Data Security

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

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Reporting Requirements and County Administrative Controls

The Contractor shall comply with all County Workers' Compensation Claims Administration Policies and Standards, which will be provided by the CCA and is responsible for overall coordination and integration of claims services. At the sole discretion of the County, the Contractor shall take all necessary steps to reduce costs, increase productivity and to enhance the quality and the level of claims administration.

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The reports required to be provided by the Contractor may include, but are not limited to:

2.1.1 Monthly Reports

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

2.1.1.2 Statistical and narrative reports to assist the County in evaluating its workers' compensation program.

2.1.1.3 A statistical and narrative report on outstanding issues to be addressed at Performance Evaluation Meetings (see Exhibit A, Section II, Paragraph 6.5).

2.1.2 Quarterly Reports

A written status report on selected open cases. Parameters and scope of this report will be established by CCA.

2.1.3 Annual Report

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

2.1.4 Employee Records

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

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

2.1.5 Other Reports

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

2.2 Case File Record Retention

All medical only case files will be retained for ten years from the date of injury. All indemnity case files which do not involve permanent disability payment and have no payment activity for five years will be retained for ten years from the date of injury. All indemnity case files which involve payment activity within the last five years and cases with permanent disability payments or awards for lifetime medical treatment will be retained indefinitely. No claims will be destroyed without CCA approval and the Contractor will be responsible for storage of all files within the above criteria during the term of this contract. Presently, there are approximately Unit 1-4,931, Unit 2 – 2,798 and Unit 4 - 1,928 boxes of closed files.

2.3 Staffing/Organization

The Contractor shall be responsible for providing sufficient and competent staff to fulfill the contract and shall have complete flexibility for establishing an effective management and organizational structure. Adjustments in staffing based upon fluctuations in caseload shall be subject to approval of CCA. Contractor shall have at least one non-caseload carrying contract manager. Additionally, Contractor shall have at least one non-caseload carrying claims supervisor for every six claims examiners. Contractor shall have at least one claims assistant for every two claims examiners and one clerk for every four claims examiners. In addition to the staffing requirements

in the preceding sentence, Contractor shall have at least one non-caseload bearing quality assurance auditor at the level and experience of a claims supervisor. Average caseloads for Contractor claims examiners shall not exceed 175 open indemnity claims.

Claims assistants shall be capable of handling medical only claims and other support duties such as: obtaining medical updates, calculating routine temporary disability payments, identifying cases for assignment to medical case management, etc.

Contractor's claims and management staff shall exclusively administer County cases in a dedicated unit. The Contractor must assure provision of services to the County in the event of an Act of God or employee shortage or strike. Contractor shall be responsible for assuring that staff comply with performance requirements outlined in Technical Exhibit VIII.

2.4 Medical Cost Containment

The Contractor shall ensure that all statements for medical benefits are reviewed and all amounts authorized for payment have been determined in accordance with the Official Medical Fee Schedule adopted by the Administrative Director of the Division of Workers' Compensation. Contractor shall ensure that duplicate medical payments are not sent for fee review. The Contractor shall utilize County medical panels, medical provider networks, Preferred Provider Organizations (PPO), hospital and other medical utilization review services, and managed medical care services as directed by the County. All TPA subcontractors or vendors shall be subject to prior review and approval by the County Contract Administrator (CCA).

Should County wish to add County medical panels, medical provider networks, or a secondary Preferred Provider Organization to enhance services provided by County's current fee review/PPO vendor, Contractor will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

2.5 Authority Limits

The CCA shall establish a schedule of authority limits and referrals, for all personnel approving indemnity, medical or County salary continuation benefits (see Technical Exhibit XI).

2.6 Certification

The Contractor 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 third-party administrator (Labor Code Section 3702.1).

2.7 Settlement, Negotiations

The Contractor shall obtain written approval from a designated representative of the County as required by approval levels established by the CCA, prior to the initiation of negotiations relating to a compromise and release agreement.

2.8 Support Services

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

The Contractor shall assist the County in maintaining a panel of private firms that provide services peripheral to the management of workers' compensation claims: AOE/COE and sub-rosa investigation services, risk management consultants, arbitrators/mediators, record copying services, subpoena services, vocational rehabilitation services, etc. These private firms shall meet the minimum requirements established by the CCA or his/her duly authorized designee. The Contractor shall use only these firms and shall utilize a rotational system for making assignments, unless otherwise instructed by the CCA.

2.9 Computer Interface

The County has license to use and has installed a computer software system for the workers' compensation claims administration. (For description see workers' compensation risk management information system in Definitions, Section I, Paragraph 13.0 of this Part of the Agreement). The Contractor shall interface with this system by provision of a local area network, having (minimally) Pentium 4 2.0 GHz PCs with 256 megabytes of RAM, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in

Technical Exhibit VII of this Contract.

The Contractor shall maintain the capacity to send and receive e-mail for each claims examiner assigned to County cases. Contractor shall comply with CCA specified e-mail protocol dealing with content and confidentiality when using e-mail for County cases.

2.10 Computer Data Maintenance

Contractor shall, on a daily basis, accurately and thoroughly input, update and maintain all data fields on the County's workers' compensation risk management information system for all cases administered by Contractor.

3.0 COUNTY FURNISHED ITEMS

3.1 County shall arrange for the release of all case files for pick-up by the Contractor prior to the start date of the contract as described below in Section 3.2 of this Part of the Agreement.

3.2 Orientation/Transition

County will provide orientation to the County's workers' compensation risk management information system for key Contractor personnel prior to the start date of the Contract. Contractor shall not be reimbursed for any expenses during orientation or training.

3.3 Changes in Reporting Requirements/Approvals

The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Contract.

4.0 CONTRACTOR FURNISHED ITEMS

4.1 General

The Contractor shall furnish all personnel, work space and work stations, furniture, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work, except those listed in Section 3.0 or those listed in Technical Exhibit VII related to the workers' compensation risk management information system. Generally, the categories for such services are:

4.1.1 Personnel and Performance Standards

The Contractor shall provide all personnel necessary to comply with the representations made in Contractor's proposal and addenda thereto as required for services hereunder including but not limited to Quality of Work Performance Requirements Summary as outlined in Technical Exhibit VIII.

4.1.2 Equipment

The Contractor shall provide any equipment or furniture necessary to meet the Contract requirements.

4.1.3 Files, Records and Reports

The Contractor shall maintain and provide accurate and complete financial and other records and files of workers' compensation claims as well as reports of its activities and operation as required under this Contract. 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 business days.

4.1.4 Local Office, Expenses

The Contractor shall maintain an office in the County of Los Angeles or in an adjacent County or 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. The Contractor shall have a toll free "800" telephone number. The Contractor shall pay out of its own resources, all costs and charges in connection with its work or services offices, office furnishing and supplies, except as otherwise provided in this Contract.

4.1.5 Courier Service, Vehicles

The 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, claims mail and related items. The Contractor shall pay the costs of such services out of its own resources, including any and all expenses involved in transferring case files to the Contractor at the beginning of the Contract.

4.1.6 Orientation/Transition

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

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

4.1.7 Work Space for County Staff

Contractor shall provide safe, adequate and ergonomically sound work space, complete ergonomically correct furniture and work station including workers' compensation risk management information system computer access and e-mail, telephone and facsimile service, and free parking for two full-time County monitors and adequate temporary work space and work station and free parking for other County staff as necessary for required program auditing or monitoring.

4.1.8 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.

4.1.9 Contractor – Provided Forms

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

4.1.10 Claims Administration Procedure Manual and Business Continuity Plan

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

In addition, the Contractor will provide a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services related to this Contract

following an event which could interrupt these business operations. The plan shall include, but not be limited to, the following:

1. A description of critical services and business processes.
2. Contractor policies and procedures to assure continued business operations following an event.
3. Address, computer, telephone, facsimile, key contact and all other critical information concerning alternative business processes and/or location(s) following an event.

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

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

4.1.11 Computer Interface

The Contractor shall interface with the County's workers' compensation risk management information system by provision of a local area network, having (minimally) Pentium 4, 2.0 GHz PCs with 256 megabytes of Ram, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in Technical Exhibit VII of this Contract.

Should County deem Contractor's computer interface to be insufficient to achieve optimal processing of County claims, Contractor shall upgrade the deficient equipment or electronic interface capabilities to the satisfaction of the County at Contractor's sole expense.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall convert to the County's new system, at a time of County's choosing, at Contractor's sole expense.

4.1.12 Contractor Preferred Provider Network

Should County wish to add a County medical panel or secondary Preferred Provider Organization to enhance the services provided by County's current fee review/PPO vendor, and Contractor has a Preferred Provider Organization, Contractor will provide these services at the same price as County's primary vendor and will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

4.1.13 Training Required for Claims Adjusters

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 two County Quality Assurance Evaluators per year.

5.0 PERSONNEL

5.1 Key County Personnel - County Contract Administrator (CCA)

- 5.1.1 The County shall inform the Contractor of the name, address and telephone number of the CCA in writing at the time the Contract is awarded.
- 5.1.2 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the Contract.
- 5.1.3 The CCA or designee shall provide direction to the Contractor in areas relating to County policy and procedural requirements.
- 5.1.4 The Contractor shall immediately remove, at the CCA's request, any Contractor or Contractor subcontractor employee or agent providing services for the County under this Contract.
- 5.1.5 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.
- 5.1.6 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.

5.2 Key Contractor Personnel - Contractor Contract Manager

- 5.2.1 The Contract Manager or designee shall have a minimum of three years experience in supervising or managing third-party workers' compensation claims administration services for California workers' compensation claims.
- 5.2.2 The Contractor shall provide upon award of Contract, the name, address and telephone number of the Contract Manager or designee who shall be responsible for administering the Contract.
- 5.2.3 The County shall have sole discretion to approve Contract Manager and any replacement recommended by Contractor.
- 5.2.4 The Contractor's Contract Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations. Contract Manager will not be assigned any workers' compensation claims.
- 5.2.5 The Contractor's Contract Manager shall be exclusively assigned to the County's account.
- 5.2.6 The Contract Manager or designee shall be able to read, write, speak and understand English.
- 5.2.7 The Contract Manager or designee shall provide the CCA with the Contract Manager's emergency telephone number and be available between 8:00 A.M. and 5:00 P.M., Monday through Friday except County holidays.

5.3 Contractor Personnel - Workers' Compensation Claims Supervisors

- 5.3.1 Claims Supervisors shall have a minimum of five years experience in adjusting a caseload of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA. Supervisors will not be assigned any workers' compensation claims.
- 5.3.2 Claims Supervisors employed by the Contractor shall be able to read, write, speak and understand English.

5.4 Contractor Personnel - Workers' Compensation Claims Examiners

- 5.4.1 At least 75% of the claims examiners shall have a minimum of three years experience in the adjustment of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA.
- 5.4.2 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:
 - 5.4.2.1 Two or more years as a Claims Assistant; or
 - 5.4.2.2 One 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
 - 5.4.2.3 One year experience as a Claims Assistant specifically on the County account.
- 5.4.3 Claims Examiners employed by the Contractor shall be able to read, write, speak and understand English.

6.0 CONTRACTOR PERFORMANCE

6.1 Contractor Quality Control Plan

The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the Contract are met and sound financial accounting records and procedures are maintained. The plan shall include, but not be limited to, the following:

- 6.1.1 The methods for assuring and verifying that the minimum requirements for Claims Examiners are met, including a formal training program for Claims Examiner Trainees.
- 6.1.2 A system for monitoring compliance with financial accounting standards and all the services listed in this Section. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspections/audits.

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

6.2 County Quality Assurance Monitoring Plan (QAMP)

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

At the sole discretion of the County, a variety of methods may be used to evaluate the Contractor's performance, including but not limited to :

6.2.1 Monthly one-hundred percent inspection of files, databases, logs, reports and other information.

6.2.2 A comprehensive and complete audit conducted annually beginning the second year of this Contract.

6.2.3 Inspecting the appropriate employment documentation to verify that Claims Examiners meet the minimum qualifications and experience.

6.2.4 Complaints received by County Risk Management Branch.

6.2.5 Monitoring the timeliness of responses from the Contractor against the time a request for work or service is made by the County.

6.2.6 Staff/user complaints.

6.2.7 Sampling of claims, records, reports, and logs.

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

The County shall monitor the Contractor's performance under this Contract. The County's procedure may include but not necessarily be limited to those specified in Technical Exhibit VIII, Quality of Work Performance Requirements Summary. All monitoring observations shall be recorded. Significant deviation from performance standards as indicated in Technical Exhibit VIII, may result in Contract termination.

6.3 Acceptable/Unacceptable Performance

If performance standards or financial discrepancies are noted by County or its authorized auditor, a Contract Discrepancy Report shall be issued to the

Contractor.

6.4 Contract Discrepancy: Actions To Be Taken

If discrepancies from performance or financial standards are noted by the County, a Contract Discrepancy Report shall be issued to the Contractor.

6.4.1 Contractor Response

Upon receipt of a Contract Discrepancy Report, the Contractor shall respond in writing to the CCA within five working days acknowledging the reported discrepancy/discrepancies or presenting contrary evidence and a program for immediate correction of all failures in performance that have been identified.

6.4.2 County Response

At the discretion of the County, the CCA shall evaluate the Contractor's explanation and determine what further action, if any, should be taken. Continued failure on the part of the Contractor to perform at an acceptable level shall constitute grounds for contract termination and suspension of further payments by the County as defined in the Quality of Work Performance Requirements Summary, Technical Exhibit VIII.

6.5. Performance Evaluation Meetings

The Contractor's Contract Manager of Workers' Compensation Claims Administration shall meet with the CCA or his/her designee at regularly scheduled intervals, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of policy and procedural matters relevant to the Contractor's performance and the County Risk Management's monitoring function, including a discussion of the monthly report on all outstanding issues.

EXHIBIT A – UNIT 2

SECTION III - CONTRACTOR PAYMENT AND ADJUSTMENTS TO PAYMENT

1.0 PAYMENT AND ADJUSTMENTS TO PAYMENTS

1.1 Payment

1.1.1 Base Monthly

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

1.1.2 Monthly Invoice and Adjustment to Monthly Invoices

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

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

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

1.1.2.2 The County shall increase or reduce the monthly invoice pursuant to the provisions of Paragraphs 2.1, 2.2, and 2.3 of this Section.

1.1.2.3 The County may increase or reduce the monthly invoice pursuant to Paragraphs 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, and 2.11 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 fee becoming due.

1.1.3 The total fees paid will be reduced for overpayments, fines, penalties and other costs incurred due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Paragraph 1.2, Adjustments to Payments to Contractor.

1.1.4 The total fees paid will be reduced or increased pursuant to Paragraphs 2.1 through 2.11 of this Section.

1.1.5 The County's payment is subject to adjustment following audit as set forth in Paragraph 3.0.

1.2 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.

1.2.1 Such failure includes, but is not limited to, the following:

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

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

1.2.1.3 Excessive 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 Exhibit A, Section II, Paragraph 1.0.

1.2.1.4 Fines and/or administrative penalties assessed against the County due to the Contractor's failure to comply with the performance standard set forth in Exhibit A, Section II, Paragraph 1.0.

1.2.2 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to this Paragraph 1.2. 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 shall lose its right to dispute the assessment. The response shall include, but not be limited to, one or more of the following:

- 1.2.2.1 Evidence that a penalty was not incurred or an overpayment or excessive cost was not made.
- 1.2.2.2 Evidence that the Contractor’s act(s) and/or omission(s) did not cause the penalty, overpayment, or excess cost.
- 1.2.2.3 Evidence that Contractor obtained prior written approval from an authorized County official.

1.2.3 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 his/her appointed 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.

2.0 PERFORMANCE INCENTIVES

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

<u>Performance Index (%)</u>	<u>Incentive Payment (%)</u>
Less than 75%	Base Fee minus 4.5%
75% - 79%	Base Fee minus 1.5%
80% - 84%	Revenue neutral
85% - 89%	Base Fee plus 1.5%
90% - 94%	Base Fee plus 3.0%
95% or over	Base Fee plus 4.5%

2.2 The performance index shall be determined by random-sample audits commencing no later than the end of the second contract year and conducted at least annually thereafter by County Quality Assurance Evaluators for compliance with standards set forth in the Quality of Work Performance Requirement Summary described in Technical Exhibit VIII. The CCA may update the areas to be audited and the factors to be considered in determining the performance index.

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

2.4 Fee Reduction for Failure to Meet Staffing Levels

If Contractor staffing levels do not meet the requirements of Appendix B, Section II, Paragraph 2.3, County shall reduce Contractor's monthly invoice by \$7,000.00 for each aggregate thirty calendar days a position is vacant.

2.5 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 Exhibit A, Section II, Paragraph 4.1.10 and the Quality Control Plan required in Exhibit A, Section II, Paragraph 6.1, are not developed and actively implemented and integrated into the County claims unit within 180 days of contract inception date, payments shall be reduced to Base Fee less 5% until these requirements are met.

2.6 Fee Reduction for Failure to Timely Forward Litigation File

For every litigation file received by County Counsel more than 45 days after receipt of the WCAB application as specified in Exhibit A, Section II, Paragraph 1.5.1.1, County shall reduce Contractor's current monthly invoice by \$1,000.00.

2.7 Fee Reduction for Failure to Timely Complete 30 Day Checklist

For every indemnity claim where the checklist specified in Exhibit A, Section II Paragraph 1.2.1.1 is not submitted to the QAE and the County Department within 30 days from the date of employer's knowledge of injury, County shall reduce Contractor's monthly invoice by \$300.00. This fee reduction shall not apply to indemnity claims where the date of employer's knowledge of the injury is more than 20 days prior to the date of Contractor's knowledge of the injury.

2.8 Fee Reduction for Failure to Make a Liability Decision within 90 days or less as required by law of Date of Employer's Knowledge of Injury.

For every claim where the Contractor fails to make a liability decision within 90 days or less as required by law of the date of employer's knowledge pursuant to Exhibit A, Section II, Paragraph 1.2.2, County shall reduce Contractor's monthly invoice by \$1,000.00. This fee reduction shall not apply to indemnity 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.

2.9 The reduction in Paragraphs 2.4 through 2.8, inclusive, are separate and distinct from any reduction or increase provided for in Paragraphs 2.1 through 2.3, inclusive. This reduction shall be in addition to any adjustment under Paragraph 1.2. The provisions of Paragraphs 2.4 through 2.8, inclusive, are in effect through out the term of this Contract and are separate and distinct from the performance standards and performance index of Paragraphs 2.1 through 2.3, inclusive. All Contractor discrepancies and failure under Paragraphs 2.1 through 2.8, inclusive, will be processed pursuant to Paragraphs 6.3 and 6.4 of Section II.

2.10 Fee Increase for Subrogation Recoveries

For every claim initially identified by Contractor for subrogation recovery, and recovered within the contract period, Contractor shall receive five percent of the County net recovery, not to exceed \$1,000.00.

2.11 Fee Increase for Facilitation of Return to Work

The CCA, or designee, may award a bonus where, in the opinion of the CCA, the Contractor provides exceptional effort in the Return to Work process and that effort leads to an offer of modified work. In no event shall this bonus exceed \$250.00.

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

**EXHIBIT A – UNIT 2 – TRISTAR RISK MANAGEMENT
STATEMENT OF WORK
SECTION IV - PAYMENT SCHEDULE**

175 ANNUAL CLAIM CASELOAD

County shall pay Contractor the following annual fee:

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1^C	\$4,308,000.00	\$359,000.00
YEAR 2^{ABC}	[(CPI-W)(\$YEAR ONE)] + \$YEAR ONE	(YEAR 2)/12
YEAR 3^{ABC}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4^{ABC}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5^{ABC}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

A. Denotes a cost of living adjustment capped at the lesser of:

- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12 months preceding the contract anniversary date; or
- The general salary movement percentage for County employees for the 12 month period preceding the prior July 1st.

B. The number of new indemnity claims submitted in calendar year 2004 for Unit 2 was 1,093. For any calendar year where the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 1,093 by 175, the County shall pay the contractor an additional \$48,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 1,093 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$96,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 1,093 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$144,000 within 60 days of the end of the calendar year, and etc.

C. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 3,875, the monthly base fee shall be reduced by \$4,000. For any quarter where the

Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 3,700, the monthly base fee shall be reduced by \$8,000. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 3,525, the monthly base fee shall be reduced by \$12,000, and etc.

8-30-05

G/amr/WC TPA RFP 2005/Statement of Work – Unit 2

**EXHIBIT B
UNIT 2 – TRISTAR RISK MANAGEMENT
PRICING SCHEDULE**

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1^C	\$4,308,000.00	\$359,000.00
YEAR 2^{ABC}	[(CPI-W)(\$YEAR ONE)] + \$YEAR ONE	(YEAR 2)/12
YEAR 3^{ABC}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4^{ABC}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5^{ABC}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

- A. Denotes a cost of living adjustment capped at the lesser of:
- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12 months preceding the contract anniversary date; or
 - The general salary movement percentage for County employees for the 12 month period preceding the prior July 1st.
- B. The number of new indemnity claims submitted in calendar year 2004 for Unit 2 was 1,093. For any calendar year were the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 1,093 by 175, the County shall pay the contractor an additional \$48,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 1,093 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$96,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 1,093 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$144,000 within 60 days of the end of the calendar year, and etc.
- C. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 3,875, the monthly base fee shall be reduced by \$4,000. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 3,700, the monthly base fee shall be reduced by \$8,000. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 3,525, the monthly base fee shall be reduced by \$12,000, and etc.

8/10/05

G/AMR/WC TPA RFP 2005/Contract – Unit 2 – Exhibit B – Pricing Schedule

EXHIBIT C - NOT APPLICABLE

PROPOSER'S EEO CERTIFICATION

TRISTAR Risk Management / TRISTAR Risk Management No. 2, Inc.

Company Name

100 Oceangate, Suite 700, Long Beach, California 90802

Address

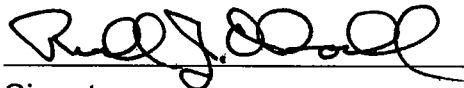
95-2791831

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer 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.

CERTIFICATION	YES	NO
1. Proposer has written policy statement prohibiting discrimination in all phases of employment.	(X)	()
2. Proposer periodically conducts a self-analysis or utilization analysis of its work force.	(X)	()
3. Proposer has a system for determining if its employment practices are discriminatory against protected groups.	(X)	()
4. When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	()



Signature

February 18, 2005

Date

Russell J. O'Donnell, Senior Vice President and Chief Operating Officer

Name and Title of Signer (please print)

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY RISK MANAGER:

Name: Rocky A. Armfield
 Title: Assistant Administrative Officer, CAO Risk Management Branch
 Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
 Telephone: (213) 351-5346
 Facsimile: (213) 252-0405
 E-Mail Address: rarmfield@cao.co.la.ca.us

COUNTY CONTRACT ADMINISTRATOR (CCA):

Name: Alex Rossi
 Title: Chief Program Specialist, CAO Risk Management Branch
 Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
 Telephone: (213) 738-2154
 Facsimile: (213) 252-0404
 E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITOR(S):

Name: Tony Taras
 Title: Program Specialist III, CAO Risk Management Branch
 Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
 Telephone: (949) 790-5011
 Facsimile: (213) 252-0404 TPA Fax: (949) 753-8239
 E-Mail Address: ataras@cao.co.la.ca.us

Name: Toni Vu
 Title: Program Specialist III, CAO Risk Management Branch
 Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
 Telephone: (949) 790-5045
 Facsimile: (213) 252-0404 TPA Fax: (949) 753-8239
 E-Mail Address: tvu@cao.co.la.ca.us

CONTRACTOR'S ADMINISTRATION

TRISTAR Risk Management

CONTRACTOR'S NAME

CONTRACT NO. _____

CONTRACTOR'S CONTRACT MANAGER:

Name: Patricia Stratford
 Title: Branch Manager
 Address: 203 N. Golden Circle Dr., Suite 204
Santa Ana, CA 92705
 Telephone: (714) 245-4701
 Facsimile: (714) 542-9318
 E-Mail Address: patricia.stratford@tristargroup.net

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Thomas J. Veale
 Title: President
 Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
 Telephone: (562) 495-6630
 Facsimile: (562) 432-8619
 E-Mail Address: tom.veale@tristargroup.net

Name: Russell O'Donnell
 Title: Chief Operating Officer
 Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
 Telephone: (562) 495-6615
 Facsimile: (562) 432-8619
 E-Mail Address: russ.o'donnell@tristargroup.net

Notices to Contractor shall be sent to the following address:

Address: 100 Oceangate, Suite 700
Long Beach, CA 90802
 Telephone: (562) 495-6615
 Facsimile: (562) 432-8619
 E-Mail Address: russ.o'donnell@tristargroup.net

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

- G1 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

- G2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

**CONTRACT FOR THIRD PARTY WORKERS'
COMPENSATION CLAIMS ADMINISTRATION SERVICES**

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(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, Confidentiality, and Copyright Assignment 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.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

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.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

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

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

**CONTRACT FOR THIRD PARTY WORKERS' COMPENSATION
CLAIMS ADMINISTRATION SERVICES**

**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(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, Confidentiality, and Copyright Assignment 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.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

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.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

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

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

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.

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

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

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.

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.

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.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

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.

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.

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.

SAFELY SURRENDERED BABY LAW

No shame. No blame. No names.

Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.



In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafe-la.org



State of California
Gray Davis, Governor

Health and Human Services Agency
Grandland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors:

- Gloria Molina, Supervisor, First District
- Wonne Brathwaite-Burke, Supervisor, Second District
- Zev Yaroslavsky, Supervisor, Third District
- Don Knabe, Supervisor, Fourth District
- Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs 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, workers 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.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns 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?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

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

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts 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 nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 26, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

Los recién nacidos pueden ser entregados en forma segura en la sala de emergencia de cualquier hospital o en un cuartel de bomberos del Condado de Los Angeles.



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafeLA.org



Estado de California
Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Comisionado

Departamento de Servicios Sociales
(Department of Social Services)
Una Salud Directora



Consejo de Supervisores del Condado de Los Angeles

Clara Molina, Supervisora, Quinto Distrito

Wonne Brann, Supervisora, Segundo Distrito

Debra Davis, Supervisora, Tercer Distrito

Don Krab, Supervisor, Cuarto Distrito

Michael Antonovich, Supervisor, Sexto Distrito

Esta iniciativa también es patrocinada por First 5 LA y INFO LINE de Los Angeles.

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

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿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 del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un 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 brazaletas para poder vincularlos. El bebé llevará un brazaleta y el padre/madre recibirá un brazaleta igual.

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

Los padres que cambian de opinión pueden empezar 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?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entrega a su bebé a un empleado del hospital o de un cuartel de bomberos.

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

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde acudir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

2.201.010 Findings.

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

2.201.020 Definitions.

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

- A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.
- B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.
- C. "Employer" means:
 - 1. An individual or entity who has a contract with the county:
 - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or
 - b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and
 - c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or
 - 2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.
- D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week. (Ord. 99-0048 § 1 (part), 1999.)

2.201.030 Prospective effect.

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

*Editor's note: Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

2.201.040 Payment of living wage.

- A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$8.32 per hour with health benefits, or \$9.46 per hour without health benefits.
- B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$1.14 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.
- C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. (Ord. 99-0048 § 1 (part), 1999.)

2.201.050 Other provisions.

- A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.
- B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.
- C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions

on the implementation and on-going administration of this Chapter. Such instructions may provide for the delegation of functions to other county departments.

- D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.
- E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

2.201.060 Employer retaliation prohibited.

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

2.201.070 Employee retention rights.

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

- A. A "retention employee" is an employee of a predecessor employer:
1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
 2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
 3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.
- B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

- C. A subsequent employer is not required to hire a retention employee who:
 - 1. Has been convicted of a crime related to the job or his or her job performance; or
 - 2. Fails to meet any other county requirement for employees of a contractor.
- D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

2.201.080 Enforcement and remedies.

For violation of any of the provisions of this chapter:

- A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.
- B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:
 - 1. Assess liquidated damages as provided in the contract; and/or
 - 2. Recommend to the board of supervisors the termination of the contract; and/or
 - 3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, not to exceed three years. (Ord. 99-0048 § 1 (part), 1999.)

2.201.090 Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.
- B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.
- D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:
 - 1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

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

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

2.201.100 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)



**COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS**

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

(1) Name: <input type="checkbox"/> Contractor <input type="checkbox"/> Subcontractor		Address: (Street, City, State, Zip)				(5) For Month Ending: _____						
(2) Payroll No.:		(4) From payroll period: _____ to payroll period: _____				(5) For Month Ending: _____						
(6) Department Name:		(7) Contract Service Description:										
(9) Contractor Health Plan Name(s):		(10) Contractor Health Plan ID Number(s):										
(11) Employee Name, Address & Social Security Number	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Aggregate Hours	(15) Employee Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (14x17)	(19) Aggregate Health Benefits Paid (16+18)
		1	2	3	4	5						
1												
2												
3												
4												
5												
											Total (This Page)	
											Grand Total (All Pages)	
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct. Print Authorized Name: _____												
Authorized Signature: _____										Date: ____/____/____		
Telephone Number (include area code) (____) _____										Page: ____ of ____		



**COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS**

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

(1) Name: Tough Guy, Inc.		Subcontractor <input type="checkbox"/> Contractor <input checked="" type="checkbox"/>		Address: (Street, City, State, Zip) 1501 Torrance Blvd., Ste. 11A, Torrance, CA 90503	
(2) Payroll No: 81600		(3) Work Location: LAX		(4) From payroll period: 8/1/00 to payroll period: 8/27/00	
(6) Department Name: OAAC		(7) Contract Service Description: Security Services - LAX Airport		(8) Contract Name & Number: LAX Security Services #95260	
(9) Contractor Health Plan Name(s): PacificCare Great Life		(10) Contractor Health Plan ID Number(s): HS3567-06		(5) For Month Ending: August	

(11) Employee Name, Address & Social Security Number	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Hours Gate Hours	(15) Employer Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (14x17)	(19) Aggregate Health Benefits Paid (16+18)
		1	2	3	4	5						
1 Del Real, Rafael 14821 Larch Avenue Lawndale, CA 90280 SS# 111-11-1111	Custodian	35	45	32	48	5	160	\$0.90	\$144.00	\$0.24	\$38.40	\$182.40
2 Masterson, Philip 15567 Reeves Avenue Culver City, CA 90230 SS# 222-22-2222	Security Guard II	39	32	40	35		146	\$1.14	\$166.44	\$0.11	\$16.06	\$182.50
3 Hernandez, Jaime R. 9404 Stanford Avenue South Gate, CA 90280 SS# 313-33-3333	Custodian I	40	40	40	40		160	0	0	N/A	0	N/A
4 Palineri, Thomas 1711 Mesontown Road Long Beach, CA 90802 SS# 444-44-4444	Security Guard I	32	40	40	35		147	0	\$0.00	N/A	0	\$0.00
5 Figueroa, Arturo 5569 Via Marisol Los Angeles, CA 90042 SS# 555-55-5555	Security Guard-Supvr	40	46	40	48		174	0	0	N/A	0	N/A
Total (This Page)		186	203	192	206		787		\$310.44			\$364.90
Total (All Pages)		186	203	192	206		787		\$310.44		\$54.46	\$364.90

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Authorized Name: Mr. Tough Guy

Date: 9/01/00 Title: Payroll Telephone Number (include area code) (213) 974-1393

Authorized Signature: _____ Page: 1 of 1

COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM

PAYROLL STATEMENT OF COMPLIANCE

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

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____; that during the payroll period commencing on the _____ day of _____, and ending the _____ day of _____ all persons employed on said work site have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of _____ (Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in directly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

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

3. That:

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

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

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

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

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title _____ Owner or Company Representative Signature: _____

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.

LIVING WAGE ORDINANCE – PAYROLL REPORTING FORM
Instructions for completing and filing Living Wage Ordinance-Payroll Reporting form.

The Living Wage Ordinance-Payroll Reporting (Payroll) form is to be completed by each contractor (both prime and subcontractor) and signed by a responsible official of the company. The reports are to be filed by the 15th day of each month following the preceding reporting period, during the term of the contract, and shall include the total work hours for each employee working on a County contract. The prime contract shall submit a report for its aggregate work force and collect and submit reports for each subcontractor's aggregate work force to the contracting County department.

Clearly print in ink, type or indicate with a check mark (✓) all entries:

CONTRACTOR INFORMATION:

- 1) Contractor/Subcontractor: Indicate by a check (✓) in the applicable box to identify your status as a Contractor or Subcontractor.
- 2) Name: Enter your company's name.
- 3) Address: Enter your company's street address, city, state and zip code.
- 4) Contract Person: Print the name of the company representative responsible for responding to the County's questions regarding information provided on the form.
- 5) Telephone: Enter the contact person's telephone number, including area code and extension, if applicable.
- 6) Contract No.: Enter the County's Contract Number (from the signed contract).
- 7) Type of Service: Provide a brief description of service provided under the contract (e.g., custodial, ground maintenance or refer to the contract description).
- 8) Work Location(s): Indicate the County locations (addresses) serviced under the contract number indicated above.

PAYROLL INFORMATION:

- 9) Payroll Period: Enter the beginning and ending dates of the payroll period of this report.
- 10) Name/Address: For each employee, provide the surname and first name, followed by the employee's street address, city and zip code.
- 11) SS #: Enter the employee's Social Security number.
- 12) Full/Part: Check (✓) the applicable box to identify the named employee's work status with your company (i.e., Full = works for company full-time or works full-time for your company but provides part-time service to the County; or Part = only works part-time with County approval).
- 13) Health Ins.: Check (✓) the applicable box to acknowledge whether company provides any health benefits to the named employee.
- 14) Pos Title: Enter the named employee's work classification (position title) when performing County contract services (e.g., custodian, foreman, etc.).
- 15) Day and Date: Under the applicable date of the month within the reported Payroll Period, enter the hours worked by the named employee on the appropriate category line to indicate straight hours worked on County contract (County), overtime hours worked on County contract (first OT line), straight hours worked on non-County contract (Other Job) and/or overtime hours worked on non-County contract (last OT line).
- 16) Total Hours: Indicate the gross (total) hours worked in each category by the named employee during reported Payroll Period.
- 17) Pay Rate: Enter the actual hourly pay rate for each category in which hours were worked during reported Payroll Period (County straight paid, County OT, Other Job straight paid and/or non-County OT), Enter the named employee's rate of pay.
- 18) Gross: Enter the gross (grand) total of wages paid the named employee during reported Payroll Period (multiply entry 16 by entry 17 for each category in which employee worked. Grand total of computations equals Gross Earnings).

DEDUCTIONS:

Enter the applicable taxes and deduction amounts deducted from named employee's gross earnings during reported Payroll Period:

- 19) Medi-SS / FICA: The amount of Federal Insurance Contributions Act taxes deducted from named employee's gross earnings.
- 20) Fed Taxes: The amount of Federal Taxes deducted from the named employee's gross earnings.
- 21) State Taxes: The amount of California State Taxes deducted from the named employee's gross earnings.
- 22) Hlth. Ins.: The amount of the named employee's elected contribution to Health Insurance premium deducted from the named employee's gross earnings.
- 23) Other: Any additional withholdings not listed in entries 19 through 22. Please describe in section entitled Payroll Statement of Compliance
- 24) Total Deduct: The total of all deductions withheld during reported Payroll Period (total entries 19 through 23).
- 25) Net Wages: The net payment to the named employee (18 less 24 equals Net Wages).

NOTE: Complete upper right corner of Payroll Reporting form (page number and total number of pages) and the reverse side of the form prior to submitting to the awarding County department.

**COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM**

PAYROLL STATEMENT OF COMPLIANCE

I, Bruce Irons C.E.O.
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by
Tough Guy, Inc. on the Headquarters
(Company or subcontractor Name) (Service, Building or Work Site)
 that during the payroll period commencing on the 1st day of August 2000, and
(Calendar day of Month) (Month and Year)
 ending the 27th day of August 2000 all persons employed on said work site
(Calendar day of Month) (Month and Year)
 have been paid the full weekly wages earned, that no rebates have been or will be made either directly or
 indirectly to or on behalf of Tough Guy, Inc.
(Company Name)
 from the full weekly wages earned by any person and that no deductions have been made either directly or in
 directly from the full wages earned by any person, other than permissible deductions as defined in
 Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as
 amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

Deduction: Credit Union Savings Program (insert amount & frequency)
sample

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.
3. That:
- A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS
 - In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.
 - B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH
 - Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title Mr. Tough Guy, C.E.O.	Owner or Company Representative Signature:
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THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.



CONTRACTOR SUBCONTRACTOR **CONTRACT NO.:** 12345

NAME: Tough Guy Inc. **TYPE OF SERVICE:** Security Services - LAX Airport

ADDRESS: 1501 Torrance Blvd., Ste. 11A, Torrance, CA 90503 **WORK LOCATION(S):** LAX Airport

CONTACT PERSON: T. Guy **TELEPHONE:** (213) 974-1393 **PAYROLL PERIOD (Beginning and end dates):** 08 / 08 / 00 - 08 / 21 / 00

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(15) DAY AND DATE																															(16) Total Hours	(17) Pay Rate	(18) Gross Pay	(19) FICA	(20) Fed Tax	(21) State Tax	(22) Hlth. Ins.	(23) Other	(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31										
DeJ Real, Rafael 14821 Larch Ave. Lawndale, CA 90260	111-11-1111 <input type="checkbox"/> Full <input type="checkbox"/> Part <input type="checkbox"/> Health Ins.	County OT Other Job OT	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	80	13.50	1080.00	67.59	146.02	62.89	4.25	280.74	793.57																

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(15) DAY AND DATE																															(16) Total Hours	(17) Pay Rate	(18) Gross Pay	(19) FICA	(20) Fed Tax	(21) State Tax	(22) Hlth. Ins.	(23) Other	(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31										
Masterson, Philip 15567 Reeves Avenue Curver City, CA 90230	222-22-2222 <input type="checkbox"/> Full <input type="checkbox"/> Part <input type="checkbox"/> Health Ins.	County OT Other Job OT	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	80	9.46	756.80	49.56	67.41	26.97	25.00	168.94	618.84																

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(15) DAY AND DATE																															(16) Total Hours	(17) Pay Rate	(18) Gross Pay	(19) FICA	(20) Fed Tax	(21) State Tax	(22) Hlth. Ins.	(23) Other	(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31										
Palmeri, Thomas 1711 Masontown Road Long Beach, CA 90802	333-33-3333 <input type="checkbox"/> Full <input type="checkbox"/> Part <input type="checkbox"/> Health Ins.	County OT Other Job OT	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	44	9.46	416.24	49.59	84.96	43.01	25.00	227.56	560.61																

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(15) DAY AND DATE																															(16) Total Hours	(17) Pay Rate	(18) Gross Pay	(19) FICA	(20) Fed Tax	(21) State Tax	(22) Hlth. Ins.	(23) Other	(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31										
Figueroa, Arturo 5569 Via Marisol Los Angeles, CA 90042	444-44-4444 <input type="checkbox"/> Full <input type="checkbox"/> Part <input type="checkbox"/> Health Ins.	County OT Other Job OT	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	66	9.46	624.36	48.39	99.57	44.31	84.17	295.18	473.95																

EXHIBIT M

INTENTIONALLY OMITTED

AGREEMENT CONTRACTOR'S OBLIGATIONS UNDER HIPAA

Under this Agreement, Contractor provides services to County and Contractor receives, has access to, and/or creates Protected Health Information, as defined below, in order to provide those services. County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated under HIPAA, including the "Standards for Privacy of Individually Identifiable Health Information" which are located in Title 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations mandate certain protections for the privacy and security of Protected Health Information. The Privacy Regulations also require County to enter into an agreement with Contractor in order to obtain satisfactory assurance from Contractor that Contractor will appropriately safeguard the Protected Health Information. Disclosure to or use of Protected Health Information by Contractor is prohibited if such an agreement is not in place. Therefore, the parties agree to the terms of this Exhibit N.

1.0 DEFINITIONS

- 1.1 "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 Contractor's internal operations, or to other than its employees.
- 1.2 "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).
- 1.3 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of County. 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 received by Contractor from or on behalf of County, or is created by Contractor, or is made accessible to Contractor by County.
- 1.4 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the

production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

- 1.5 "Services" has the same meaning as in this Agreement.
- 1.6 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor's internal operations.
- 1.7 Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Regulations.

2.0 OBLIGATIONS OF CONTRACTOR

2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sub-sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Exhibit N;
- (b) shall Disclose Protected Health Information to County upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
- (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Contractor warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Agreement. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

2.3 Reporting Non-Permitted Use or Disclosure. Contractor shall report to County each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement. The initial report shall be made by telephone call to the appropriate Department, within forty-eight (48) hours from the time the Contractor first becomes aware of the non-permitted Use or Disclosure, as follows:

Chief Information Office Privacy Officer
213-974-2166

The initial telephone report shall be followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure, and shall be sent to County's Chief Information Privacy Officer at:

Chief Information Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 493
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining County's compliance with the Privacy Regulations. Contractor shall immediately notify County of any requests made by the Secretary and provide County with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by County available to the Individual(s) identified by County as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from County. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from County.
- 2.7 Amendment of Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by County. Contractor shall make such amendment within ten (10) business days after receipt of request from County in order for County to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon County's request, Contractor shall provide to County an accounting of each Disclosure of Protected Health Information made

by Contractor or its employees, agents, representatives or subcontractors. However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services if such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Contractor under this Sub-section 2.8 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. For each Disclosure that could require an accounting under this Sub-section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to County, within ten (10) business days after receipt of request from County, information collected in accordance with this Sub-section 2.8 to permit County 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.

3.0 OBLIGATION OF COUNTY

3.1 Obligation of County. County shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

4.1 Term. Contractor's obligations under Sub-sections 2.1 (as modified by Sub-section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon County's knowledge of a material breach by Contractor, County shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation, and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by County; or
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination or cure are feasible, County shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- (b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make it infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

5.0 **MISCELLANEOUS**

- 5.1 No Third Party Beneficiaries. Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors receiving Protected Health Information from Contractor, or creating Protected Health Information for Contractor, on behalf of County, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Exhibit N.
- 5.3 Relationship to Agreement Provisions. In the event that a provision of this Exhibit N is contrary to any other provision of this Agreement, the provision of this Exhibit N shall control.
- 5.4 Regulatory References. A reference in this Agreement to a section in the Privacy Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits County to comply with the Privacy Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for County to comply with the requirements of the Privacy Regulations.

CHARITABLE CONTRIBUTIONS CERTIFICATION

TRISTAR Risk Management

Company Name

100 Oceangate, Suite 700, Long Beach, CA 90802

Address

95-2791831

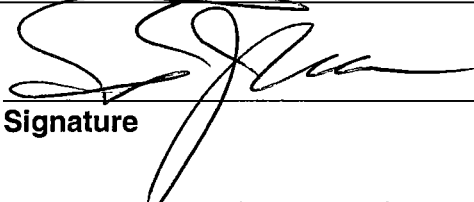
Internal Revenue Service Employer Identification Number

N/A

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

CERTIFICATION	YES	NO
Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	(X)	()
OR		
Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.	()	()



Signature

8/4/05

Date

Thomas J. Veale, President

Name and Title (please type or print)



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

ACCLAMATION INSURANCE MANAGEMENT SERVICES, INC.

FOR

**THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES**

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**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
ACCLAMATION INSURANCE MANAGEMENT SERVICES, INC.
FOR
THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES**

This Contract which includes the attached Exhibits made and entered into this _____ day of _____, 2005 by and between the County of Los Angeles, hereinafter referred to as County and Acclamation Insurance Management Services, Inc. hereinafter referred to as Contractor. Contractor is located at 10445 Old Placerville Road, Sacramento, CA 95827.

RECITALS

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the Director of Personnel shall have the authority and responsibility to establish, administer and operate a complete self-insured workers' compensation program; and

WHEREAS, on July 30, 2002, the Director of Personnel delegated his authority under the Los Angeles County Code Section 5.31.050 to the Chief Administrative Officer; and

WHEREAS, pursuant to Los Angeles County Code Section 2.121.295, et seq., County is authorized to contract with private business to perform personal services when it is more economical or feasible to do so; and

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

WHEREAS, in response to County's Request for Proposals for such services, Contractor has submitted its proposal to County and desires to provide such services; and

NOW, THEREFORE, the parties hereto agree to as follows:

Prop A authorization:

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract Third Party Workers' Compensation Claims 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 (intentionally omitted), N and O, and Technical Exhibits I, II, III, IV, V, VI, VII, VIII, IX, X, XI XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX are attached to and form a part of this Contract.

In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Contractor's Proposed Schedule (Not Applicable)
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - County's Administration
- 1.6 EXHIBIT F - Contractor's Administration
- 1.7 EXHIBIT G - Forms Required at the Time of Contract Execution
- 1.8 EXHIBIT H - Jury Service Ordinance
- 1.9 EXHIBIT I - Safely Surrendered Baby Law

Unique Exhibits:

Prop A - Living Wage Program

- 1.10 *EXHIBIT J - Living Wage Ordinance*
- 1.11 *EXHIBIT K - Monthly Certification for Applicable Health Benefit Payments*
- 1.12 *EXHIBIT L - Payroll Statement of Compliance*
- 1.13 **EXHIBIT M - INTENTIONALLY OMITTED**

Health Insurance Portability & Accountability Act (HIPAA) Agreement

- 1.14 EXHIBIT N - Contractor's Obligation Under HIPAA
- 1.15 EXHIBIT O - Charitable Contributions Certification

Technical Exhibits

- 1.16 I CAO, Risk Management Branch Description
- 1.17 II Other County Departments
- 1.18 III Open Claims By Department – Unit 1, Unit 2, and Unit 4
- 1.19 IV New Claims by Year and Month – Unit 1, Unit 2, and Unit 4
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- 1.21 VI Claims Administration Checklist
- 1.22 VII Equipment List to Connect to GENCOMP
- 1.23 VIII Quality of Work Performance Requirements Summary
- 1.24 IX Performance Requirements Summary
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- 1.26 XI Workers' Compensation Manual
- 1.27 XII Payment Provisions
- 1.28 XIII Anatomy of a Payment
- 1.29 XIV Examples of Overpayments and Excess Costs
- 1.30 XV Sample Balance Sheet
- 1.31 XVI Intentionally Omitted
- 1.32 XVII Claim Status Reports Form & Guidelines
- 1.33 XVIII Los Angeles County Code 5.31.050
- 1.34 XIX Population Count and Operating Expenses 1998-2004

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.4 - Change Notices and Amendments and signed by both parties.

2.0 DEFINITIONS

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

- 2.1 **Contract:** Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.
- 2.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the Statement of Work.
- 2.3 **Contractor Contract Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.4 **County Contract Monitor:** Person with responsibility to oversee the day to day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by Contractor.
- 2.5 **County Risk Manager:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County Contract Administrator.
- 2.6 **County Contract Administrator (CCA):** Person designated by County's Risk Manager to manage the operations, work or service under this Contract.
- 2.7 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.8 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the *Statement of Work, Exhibit A*.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall

be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2010. Contractor'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, 2006.
- 4.2 In the event of expiration of the term of this Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 4.3 Contractor shall notify CCA when this Contract is within six months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit E - County's Administration.

5.0 CONTRACT SUM

- 5.1 Contractor shall be paid as set forth in Exhibit B, Pricing Schedule.
- 5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the CCA's express prior written approval.
- 5.3 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total Contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in *Exhibit E - County's Administration*.

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

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this 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. Contractor shall be paid as set forth in Exhibit A, Statement of Work, Section III, Contractor Payment and Adjustments to Payment. 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.

Prop A - Living Wage Program:

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

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

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

Third Party Workers' Compensation Claims
Administration Services
County Contract Administrator
Chief Administrative 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 CCA 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, and in no instance will such approval take more than 60 days from receipt of properly prepared invoices by the County.

5.6 Cost of Living Adjustments (COLA's)

The Contract yearly amount may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

The Chief Administrative Officer (hereinafter referred to as "CAO") or his authorized designee, shall have the authority to administer this Contract

on behalf of the County. The term "County Contract Administrator (CCA)" as used in this Agreement means the Workers' Compensation Chief Program Specialist, Risk Management Branch, CAO or CCA's duly authorized designee.

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

6.1 County's Risk Manager

Responsibilities of the County's Risk Manager include:

- ensuring that the objectives of this Contract are met;
- making changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments; and
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Contract Administrator

Responsibilities of the County's Contract Administrator include:

- ensuring that the objectives of this Contract are met;
- making changes in the terms and conditions of this Contract in accordance with Sub-paragraph 8.4, Change Notices and Amendments; and
- providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.
- meeting with Contractor's Contract Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.

The CCA 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 except as provided in Sub-paragraph 8.4.

6.3 County's Contract Monitor

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

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Contract Manager

7.1.1 Contractor's Contract 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 Contract Manager.

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

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

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

7.3.2 Contractor shall notify the County within one business day when staff is terminated from working on this Contract. Contractor is responsible to retrieve and immediately destroy the staff's County photo identification badge at the time of removal from the County Contract.

- 7.3.3 If County requests the removal of Contractor's staff, Contractor is responsible to retrieve and immediately destroy the Contractor's staff's County photo identification badge at the time of removal from working on the Contract.

7.4 Background and Security Investigations

- 7.4.1 At any time prior to or during term of this Contract, the County may require that all Contractor staff performing work under this Contract undergo and pass, to the satisfaction of County, a background investigation, as a condition of beginning and continuing to work under this Contract. County shall use its discretion in determining the method of background clearance to be used, up to and including a County performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation.
- 7.4.2 County may request that Contractor's staff be immediately removed from working on the County Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County conducted background clearance.
- 7.4.3 County may immediately deny or terminate facility access to Contractor's staff who do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access, at the sole discretion of the County.
- 7.4.4 Disqualification, if any, of Contractor staff, pursuant to this Sub-paragraph 7.4, shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

(any reference to Copyright Assignment would apply to Information Technology Contracts only)

The Contractor shall maintain the confidentiality of all records obtained from the County under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "*Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", Exhibit G1. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "*Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", Exhibit G2.

8.0 STANDARD TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, either in whole or in part, without the prior written consent of the CCA. Any unapproved assignment or delegation shall be null and void. Any payments by the CAO to any approved delegate or assignee on any claim under this Contract shall be deductible, at CCA's sole discretion, against the claims, which the Contractor may have against the County.

8.1.2 If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without CCA's express prior written approval, may result in the termination of this Contract.

8.2 AUTHORIZATION WARRANTY

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

8.3 BUDGET REDUCTIONS

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to

renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

8.4 CHANGE NOTICES AND AMENDMENTS

- 8.4.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. A change in performance standards pursuant to paragraph 1.0 of Exhibit A, Section III may be made by Change Notice. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.
- 8.4.2 Upon mutual agreement between CAO and Contractor, the Contractor shall assume County workload from other third party administrators at the same terms as this Contract. The CAO is authorized to enter into and execute such amendment.
- 8.4.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.

8.5 COMPLAINTS

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

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

- 8.5.1 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.2 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.
- 8.5.3 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.

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

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.

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

8.6 COMPLIANCE WITH APPLICABLE LAW

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

8.6.2 The Contractor shall indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

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

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010

through 2.203.090 of the Los Angeles County Code, a copy of which is attached as *Exhibit H* and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences,

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

4. Contractor's violation of this Sub-paragraph of the 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 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 Sub-paragraph shall be a material breach of this Contract.

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

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

8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

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.

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 not to exceed three (3) years, 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

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.

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.

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.

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it

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

8.15 COUNTY'S QUALITY ASSURANCE PLAN

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

8.16 DESCRIPTION OF SERVICES

8.16.1 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 the Statement of Work, Exhibit A.

8.16.2 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.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

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.

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 Change Notices and Amendments prepared pursuant to Sub-paragraph 8.4, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices and 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

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 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.

8.21 INDEPENDENT CONTRACTOR STATUS

8.21.1 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.

8.21.2 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.

8.21.3 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.

8.21.4 As previously instructed in Sub-paragraph 7.5 - Confidentiality, the Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "*Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", *Exhibit G1*. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "*Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement*", *Exhibit G2*.

8.22 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, 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, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to this Contract.

8.23 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.23.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to:

County Contract Administrator
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or

fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.23.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.23.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.23.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.23.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to

comply results in any costs to the County, the Contractor shall pay full compensation for all costs incurred by the County.

8.23.6 Insurance Coverage Requirements for Subcontractors:

The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.24 INSURANCE COVERAGE REQUIREMENTS

8.24.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

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

8.24.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

8.24.3 Workers’ Compensation and Employers’ Liability insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor’s employees will be engaged in maritime employment, coverage shall provide workers’ compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible. In all cases, the above insurance also shall include Employers’ Liability coverage with limits of not less than

the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.24.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of net less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

8.24.5 Crime Coverage: Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee:

Employee Dishonesty:	\$1 million
Forgery or Alteration:	\$1 million
Theft, Disappearance and Destruction:	\$1 million
Computer Fraud:	\$1 million
Burglary and Robbery:	\$1 million

8.24.6 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.

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

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

8.24.7 Insurance policies purchased and maintained under this Contract by the Contractor shall include a waiver of subrogation recovery against the County and employees.

8.25 LIQUIDATED DAMAGES

8.25.1 If, in the judgment of the CAO, the Contractor breaches the Contract requirements as specified in the *Performance Requirements Summary (PRS) Chart*, as defined in *Technical Exhibit IX*, hereunder, the County will have a claim for the sum specified in the PRS, to be paid by the Contractor in accordance with the Contract as liquidated damages. The Chief Administrative Officer, or his/her designee shall notify Contractor in writing of the specific instances and areas of noncompliance and/or nonperformance and the corresponding unsatisfactory performance deductions.

8.25.2 This Sub-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, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.26 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this 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.

8.27 NONDISCRIMINATION AND AFFIRMATIVE ACTION

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

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

8.27.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated

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

- 8.27.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.27.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.27.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.27 when so requested by the County.
- 8.27.7 If the County finds that any provisions of this Sub-paragraph 8.27 have been violated, such violation shall constitute a material breach of this 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 Practices 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.

8.27.8 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.

8.28 NON EXCLUSIVITY

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

8.29 NOTICE OF DELAYS

Except as otherwise provided under this 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) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.30 NOTICE OF DISPUTES

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

8.31 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

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

8.32 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to

safely surrender a baby. The fact sheet is set forth in *Exhibit I* of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.33 NOTICES

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

8.34 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

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

8.35 PUBLIC RECORDS ACT

8.35.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.37 - Record Retention and Inspection/Audit Settlement of this 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.

8.35.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of 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.

8.36 PUBLICITY

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

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County Contractor Administrator. The County shall not unreasonably withhold written consent.

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

8.37 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this 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 records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other 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.

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

8.37.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 8.37 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

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

8.38 RECYCLED-CONTENT PAPER

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

8.39 SUBCONTRACTING

8.39.1 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.

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

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

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

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

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

8.39.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.

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

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

County Contract Administrator
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

before any subcontractor employee may perform any work hereunder.

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

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - 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 Contractor to cure such default within 90 calendar days of within notice shall be grounds upon which the County may terminate this Contract pursuant to Sub-paragraph 8.42 - Termination for Default and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

8.41 TERMINATION FOR CONVENIENCE

8.41.1 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 Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

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

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

8.41.3 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 Sub-paragraph 8.37, Record Retention & Inspection/Audit Settlement.

8.42 TERMINATION FOR DEFAULT

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

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

8.42.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.42.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.42.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of

the type identified in Sub-paragraph 8.42.2 if its failure to perform this 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 Sub-paragraph 8.42.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

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

8.42.5 In the event the County terminates this Contract in its entirety due to the Contractor's default as provided in Sub-paragraph 8.42.1, the Contractor and the County agree that the County will have actual damages, which are extremely difficult to calculate and impracticable to fix and which will include, but are not limited to, the County's costs of procurement of replacement services and costs incurred due to delays in procuring such services. Therefore, the Contractor and the County agree that the County shall, at its sole option and in lieu of the provisions of Sub-paragraph 8.42.2, be entitled to liquidated damages from the Contractor, pursuant to California Civil Code Section 1671, in the amount of Ten Thousand Dollars (\$10,000) or ten percent (10%) of the applicable year's Contract sum,

whichever is more, as equitable compensation to the County for such actual damages. This amount of liquidated damages shall be either paid by the Contractor to the County by cash payment upon demand or, at the sole discretion of the CAO, or designee, deducted from any amounts due to the Contractor by the County, whether under this Contract or otherwise.

These liquidated damages shall be in addition to any credits, which the County is otherwise entitled to under this Contract, and the Contractor's payment of these liquidated damages shall not in any way change, or affect the provisions of Sub-paragraph 8.22 - Indemnification.

- 8.42.6 The rights and remedies of the County provided in this Sub-paragraph 8.42 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.43 TERMINATION FOR IMPROPER CONSIDERATION

- 8.43.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this 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.
- 8.43.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 8.43.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.44 TERMINATION FOR INSOLVENCY

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

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

8.44.2 The rights and remedies of the County provided in this Sub-paragraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.45 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

8.46 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors

appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.47 VALIDITY

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

8.48 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.48 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.49 WARRANTY AGAINST CONTINGENT FEES

8.49.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this 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.

8.49.2 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.

8.50 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1282, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit O, the

County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

9.0 UNIQUE TERMS AND CONDITIONS

9.1 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM

9.1.1 Living Wage Program:

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

9.1.2 Payment of Living Wage Rates.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County under the Contract:
 - a. Not less than \$9.46 per hour if, in addition to the per-hour wage, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
 - b. Not less than \$8.32 per hour if, in addition to the per-hour wage, the Contractor contributes at least \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed \$1.14 per hour towards the provision of bona fide health care benefits if the benefits are

provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this Sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract Contract and a copy of the Living Wage Program shall be attached to the Contract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.
3. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.
4. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the

Contract and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

9.1.3 Contractor's Submittal of Certified Monitoring Reports.

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

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

During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act,

employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

9.1.5 County Auditing of Contractor Records.

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

9.1.6 Notifications to Employees.

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

9.1.7 Enforcement and Remedies.

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

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a

breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any

Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
- c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

3. Debarment. In the event the Contractor breaches a requirement of this Sub-paragraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, not to exceed three years.

9.1.8 Use of Full-Time Employees.

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

9.1.9 Contractor Retaliation Prohibited.

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

9.1.10 Contractor Standards.

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

9.1.11 Employee Retention Rights

1. Contractor shall offer employment to all retention employees who are qualified for such jobs. A “retention employee” is an individual:
 - a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
 - b. Who has been employed by a Contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and
 - c. Who is or will be terminated from his or her employment as a result of the County entering into this new contract.
2. Contractor is not required to hire a retention employee who:
 - a. Has been convicted of a crime related to the job or his or her performance; or
 - b. Fails to meet any other County requirement for employees of a Contractor.
3. Contractor shall not terminate a retention employee for the first 90 days of employment under the contract, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor’s other employees.

9.1.12 Neutrality in Labor Relations

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

permitted under the provisions of the National Labor Relations Act.

9.2 CONTRACTOR'S OBLIGATIONS UNDER HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)

The County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Contract, Contractor provides services to the County and the Contractor receives, has access to, and/or creates 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, Contractor's Obligations Under HIPAA*.

9.3 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

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

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

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

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

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply if Contractor is no longer eligible for certification as a result in a change of their status and Contractor failed to notify the State and the County's Office of Affirmative Action Compliance of this information.

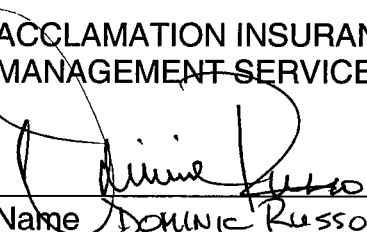
9.4 OWNERSHIP OF MATERIALS – REPORTS AND RECORDS

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

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

CONTRACTOR:

ACCLAMATION INSURANCE
MANAGEMENT SERVICES, INC.

By 
Name DOMINIC RUSSO

President
Title

COUNTY OF LOS ANGELES

By _____
(Mayor/Chairman), Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Patrick Wu
Assistant County Counsel

8-3-05
g/amr/WC TPA RFP 2005/Contract – Unit 4 – AIMS

**EXHIBIT A – UNIT 4
ACCLAMATION INSURANCE MANAGEMENT SERVICES, INC.
STATEMENT OF WORK
SECTION I - DEFINITIONS**

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

1.0 ACCEPTABLE QUALITY LEVEL (AQL)

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

Recognition of unintentional error does not relieve Contractor from the right of the County to make adjustments to payment to Contractor under Section III.

2.0 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.

3.0 ALLOCATED EXPENDITURES

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all carve-out fees or expense, Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of services of outside undercover investigators or operatives and detectives; and vocational rehabilitation counselors; the costs of employing independent experts for the purpose of preparing maps, photographs, diagrams, analysis, or giving expert advice or opinions; the cost of copies of transcripts of testimony at Coroner's Inquests or criminal or civil proceedings; the photocopy cost of obtaining copies of any public records; 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 responsible for administration of the claim file. "Allocated Loss Expense" is not included in the fee paid to the Contractor.

4.0 BASE FEE

The Base Fee is the flat, one-time fee per new claim or the annual flat fee for provision of all services. The Base Fee is subject to increase or decrease in accordance with, of Section III, of this Statement of Work.

5.0 CHIEF ADMINISTRATIVE OFFICE (DEPARTMENT)

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

6.0 CHIEF ADMINISTRATIVE OFFICER (CAO)

The Chief Administrative Officer of the County of Los Angeles.

7.0 CONTRACT DISCREPANCY REPORT

The Contract Discrepancy Report (Technical Exhibit X) is a report used by the County's Quality Assurance Evaluator to record contract information regarding discrepancies or problems with the Contractor's performance. If the Contractor's performance is judged unsatisfactory, the Quality Assurance Evaluator shall forward a Contract Discrepancy Report to the Contractor for response.

8.0 CONTRACT START DATE

The term of this Contract shall commence on the date first herein above written and shall continue in full force and effect until December 31, 2010. Contractor'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, 2006.

9.0 CONTRACTOR'S QUALITY CONTROL PLAN

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

10.0 COUNTY

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

11.0 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 Workers' Compensation Chief Program Specialist, CAO Risk Management Branch or his/her designee.

12.0 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.

13.0 COUNTY COUNSEL

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

14.0 COUNTY'S WORKERS' COMPENSATION RISK MANAGEMENT INFORMATION SYSTEM

The County installed workers' compensation system. The current version GENCOMP for Windows software modules were licensed to the County by GenSource Corporation. The system includes on-line input of claims, vocational rehabilitation and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Risk Management Branch.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall expeditiously and completely convert to the County's new system, at a time of County's choosing, at sole expense to Contractor.

15.0 CONTRACTOR'S CONTRACT MANAGER

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

16.0 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, liability undetermined, medical costs over \$3,500.00, benefits due more than six months after opening of case, and designation by the Claims Examiner.

17.0 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed \$3,500.00. Indemnity payments are not anticipated.

18.0 NON-INCLUDED SERVICES (See Allocated Expenditures)

19.0 PERFORMANCE INDICATORS

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

20.0 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

A chart located in Technical Exhibit IX, that summarizes all adjustments to payments made to Contractor pursuant to Contract Terms and Conditions.

21.0 QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY (QWPRS)

The document which summarizes the key performance indicators.

22.0 QUALITY ASSURANCE EVALUATOR (QAE)

The Quality Assurance Evaluator is a County employee designated as an agent for the County responsible for monitoring the Contractor's performance, approving over limit payments, advising and training third party administrator staff in County payroll systems and other County procedures. At times this employee may be referred to as "County Monitor."

23.0 COUNTY QUALITY ASSURANCE MONITORING PLAN (QAMP)

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

24.0 COUNTY'S QUALITY CONTROL PLAN

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

25.0 RANDOM SAMPLE

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

26.0 RISK MANAGEMENT BRANCH

The organizational unit of the County's Chief Administrative Office responsible for administration of the County's self-insured program for workers' compensation.

27.0 TAKE-OVER CLAIM

An open claim or a closed claim which subsequently must be re-opened for a period of time for adjusting services.

28.0 TAKE-OVER (ASSUMPTION) FEE

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

29.0 THREE POINT CONTACT

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

30.0 USER COMPLAINT REPORT

The report submitted by an individual or group of individuals to record discrepancies or problems with the Contractor's performance. The Contractor may be required to respond to a User Complaint Report and may be part of a Contract Discrepancy Report.

31.0 WORKDAY

Throughout the Statement of Work, whenever "workday" appears, it means a normal workday, Monday through Friday, 8:00 A.M. to 5:00 P.M., except County holidays. Except as noted in 1.3.7, Section II, Statement of Work.

EXHIBIT A – UNIT 4

SECTION II - CONTRACTOR'S SERVICES

1.0 SCOPE OF WORK

The Contractor 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 Technical Exhibit III of this Contract.

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

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

1.1 Program Development

Contractor's responsibilities include but are not limited to the following:

- 1.1.1 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.
- 1.1.2 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.

1.2 Claims Management

Contractor's responsibilities include but are not limited to the following:

1.2.1 Review and process all industrial injury cases in accordance with County standards, state statutes or laws and requirements of the State Department of Industrial Relations for reporting and notification. All liability decisions and required notices for those decisions will be made within 90 days, or less if required by State of California statutes or regulations, from the date of employer's knowledge of injury in accordance with law, including but not limited to Labor Code section 5402.

1.2.1.1 The claims adjuster shall submit to the COUNTY QAE and FAX to the COUNTY department a checklist in the form indicated in Technical Exhibit VI for all indemnity claims where liability is undetermined at the following intervals subject to change at the discretion of the CCA:

1.2.1.1.1 30 days from the date of employer's knowledge of injury

1.2.1.1.2 60 days from the date of employer's knowledge of injury

1.2.1.1.3 90 days from the date of employer's knowledge of injury

1.2.1.1.4 Upon acceptance or denial of claim

1.2.1.2 The claims examiner shall immediately notify the COUNTY QAE of any claim or injury 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.

1.2.2 Determine compensability of injuries and illnesses in accordance with State Workers' Compensation laws, including but not limited to the following:

1.2.2.1 Obtain a medical report addressing the issue of AOE/COE within 90 days, or less as required by law, from the date of employer's knowledge of injury.

1.2.2.2 Where there is evidence that a claimed injury is not work

related, deny the claim within 90 days, or less as required by law, of filing of the claim or within 90 days or less from the date of employer's knowledge in accordance with law, including but not limited to Labor Code section 5402.

- 1.2.3 Determine eligibility for and authorize temporary disability compensation benefits in accordance with medical advice and rehabilitation efforts. At no cost to the County, the Contractor shall report all indemnity workers' compensation claims to the Insurance Services Office, Inc. – ISO Claims Search.
- 1.2.4 Obtain County approvals in accordance with approval limits established by the CCA prior to the negotiation of any compromise and release agreement.
- 1.2.5 Determine the extent and degree of permanent disability, utilizing, as necessary and desirable, consultative ratings from the Disability Evaluation Unit of the Office of Benefit Determinations.
- 1.2.6 Authorize payments, in accordance with approval limits, for temporary and/or permanent disability compensation, medical care and death benefits in accordance with advisory ratings, or orders of the Workers' Compensation Appeals Board or compromise and release agreements.
 - 1.2.6.1 Ensure that all indemnity benefits are paid accurately by completing a Balance Sheet (Technical Exhibit XV) in accordance with County procedures and time frames.
- 1.2.7 Investigate, as necessary and appropriate, questionable cases and the status of disabled employees in order to assist in the adjustment, mediation and litigation of cases and in the proper referral of suspected fraudulent cases.
- 1.2.8 Take all necessary actions, including timely notification, to assist the County in recovering reimbursement for County liability through third-party subrogation, restitution, reinsurance, apportionment, and/or contributions from the State Compensation Insurance Fund on cases involving shared liability.

- 1.2.9 Provide the County's Risk Management Branch or the long-term and short-term disability claims adjusting contractor with copies of the employee's report of injury, medical reports from the workers' compensation files and the award letter and exchange other pertinent case information on those Workers' Compensation claims also having a long-term disability claim with the County for the same condition.
- 1.2.10 Provide the County aid and assistance in returning injured employees to their usual and customary or modified/alternate assignments in a timely manner.
- 1.2.11 If required by the County, review and process County attorney monthly invoices.

1.3 Medical Control

Contractor's responsibilities include but are not limited to the following:

- 1.3.1 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 Administrative Code, section 9785.
 - 1.3.1.1 File petition to remove treating doctors who fail to comply with California Administrative Code, section 9785.
- 1.3.2 Make all necessary medical appointments.
- 1.3.3 Maintain close liaison with treating physicians to provide guidance to the employing County department in evaluating employee's ability to return to work and/or recommend further treatment program.
- 1.3.4 Evaluate and make recommendations for the panel of physicians who are utilized for the initial treatment of employees and the panel of physicians used for treatment requiring long-term treatment or specialty care and evaluation. Make on-going recommendations for updating of these panels.

- 1.3.5 Utilize information provided by and cooperate in the enforcement of any medical case management program and/or Medical Provider Networks implemented by the CCA for County claims including, but not limited to obtaining pre-certification for medical procedures through utilization review and requesting case management on older claims as needed or at County's request.
- 1.3.6 Provide written policies and procedures within 60 days of contract inception to ensure timely referrals of cases to managed care contractors and to maintain close coordination with managed care staff on a continuing basis.
- 1.3.7 In accordance with Labor Code 4600.4, maintain adequate staffing until 5:30 p.m. to authorize medical treatment.
- 1.3.8 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, including but not limited to Labor Code section 4622.
- 1.3.9 Process bills and liens for medical treatment 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, including but not limited to Title 8, California Administrative Code section 9792.5.
- 1.3.10 Prepare an affidavit regarding resolution of liens and submit the affidavit to COUNTY's representative or defense attorney at least 10 days prior to any MSC.

1.4 Customer Service

Contractor's responsibilities include but are not limited to the following:

- 1.4.1 Provide information and guidance to injured employees on benefits they will receive in accordance with State laws as well as additional County work injury benefits.
- 1.4.2 Assist in identifying and resolving employee problems arising out of industrial injuries.

- 1.4.3 At County direction, at Contractor's sole expense, consult with employee groups, County departmental representatives, management, or central staff, on problems in accordance with County policies.
- 1.4.4 Develop and recommend policies and procedures to ensure that the employee's return to work is consistent with the findings of disability as determined by the Workers' Compensation Appeals Board.
- 1.4.5 At the request of the CAO, client departments, or defense attorneys, provide responses to inquiries, make available claim status reports (Technical Exhibit XVII), and attend County claim status reviews or County loss control and prevention meetings.

1.5 Litigation and Subrogation

The County Counsel, or a designated private law firm, provides legal services for all County Workers' Compensation Claims. Contractor's responsibilities include but are not limited to the following:

- 1.5.1 Provide all necessary claims information and other assistance to legal counsel for the defense of litigated claims.
 - 1.5.1.1 Provide a copy of all notices of conferences, mandatory settlement conferences (MSCs) or hearings before the WCAB to County Counsel within five days from date of receipt.
 - 1.5.1.2 All litigation files will be prepared and sent to County Counsel within 45 days from the date the WCAB application or notice of representation is received.
 - 1.5.1.3 Forward all medical reports and correspondence from applicant or applicant's attorney to County's defense attorney within five days from date of receipt.
 - 1.5.1.4 Provide to County's defense attorney a complete summary of all benefits paid (amounts and periods) to the injured employee along with a completed Balance Sheet, at least ten days prior to any MSC and provide an updated summary as necessary for other WCAB proceedings.
 - 1.5.1.5 Correspondence, telephone calls, and e-mail from

defense attorney's will be responded to within two weeks or sooner if the correspondence is urgent in nature, e.g. necessitated by an upcoming WCAB appearance date.

1.5.2 Monitor and report to County Risk Management Branch all claims with potential subrogation recoveries; prepare correspondence to effect collection or, at the request of the County, refer subrogation claims information to County Counsel for subrogation recovery assignment. Provide necessary information and assistance to legal counsel or Risk Management Branch assigned the subrogation claim.

1.5.3 Provide a written status report on open litigated and subrogated cases as requested. Parameters of this report will be established by CCA.

1.6 Rehabilitation Services

When medically appropriate, Contractor shall coordinate implementation of rehabilitation plans for injured employees for approval by the County, the employee and other agencies, to provide rehabilitation, re-training or re-assignment for employees with physical or performance limitations resulting from industrial injuries, pursuant to Labor Code Section 139.5.

Contractor's responsibilities include, but are not limited to the following:

1.6.1 Manage all rehabilitation cases including evaluation, control, monitoring and selection of duly licensed professional rehabilitation service providers.

1.6.2 Determine initial rehabilitation efforts for each injured employee with primary emphasis on returning employees to work in the County through job modification or re-assignment to a position compatible with the worker's medical capacities.

1.6.2.1 If placement within the County is not possible, rehabilitation efforts are to be directed at returning employees to other gainful employment.

1.6.3 Determine if injured workers are entitled under provisions of Labor Code Section 139.5 to receive temporary disability or rehabilitation maintenance allowance, the services of a rehabilitation counselor, a program of retraining and placement, and reimbursement for costs directly related to the rehabilitation plan.

1.6.4 Represent the County at formal and informal hearings before the

State Rehabilitation Unit.

- 1.6.5 Coordinate the above-mentioned activities with other interested or related County programs and agencies.
- 1.6.6 Determine if injured workers are eligible for supplemental job displacement benefits pursuant to Labor Code Section 4658.5.
- 1.6.7 Provide injured workers' with required rehabilitation and supplemental job displacement notices in compliance with State requirements.

1.7 Return to Work Program

Under direction of CCA, Contractor will support County departments to ensure aggressive implementation of the County's Return-To-Work Program, including assistance in obtaining Patient Status Reports, RU-90 forms from physicians and the RU-94 from County departments.

1.8 Special Investigation Unit (SIU)

At no cost to the County, the Contractor within 30 days of contract inception shall develop written policies and procedures relating to the identification, investigation and prosecution of potential fraud cases.

- 1.8.1 At no cost to the County, the Contractor will provide SIU training to key personnel within 60 days of contract inception to ensure aggressive, cost effective investigation and appropriate referrals to the Department of Insurance and District Attorney.

1.9 Claims Payments - Accounting Controls

Contractor shall approve claims for payment and, as directed by CCA, shall input and process same for payment by the County's workers' compensation risk management information system, financial or accounts payable system.

1.9.1 Claims Processing

Contractor's responsibilities include but are not limited to the following:

- 1.9.1.1 Establish and maintain control procedures and necessary documentation to process and reject, settle, compromise or approve benefit claims against the County in accordance with Section 31000.8 of the Government Code.
- 1.9.1.2 Payments shall be input to the County's workers' compensation risk management information system for payment of benefits and other claims file expenses.
- 1.9.1.3 The Contractor shall interface with the County's Workers' Compensation risk management information system by provision of a local area network, PCs with Windows 2000 or XP, WordViewer, Microsoft Word, and Excel, ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines, or other compatible or better interface (see Technical Exhibit VII), subject to approval by the CCA. The workers' compensation risk management information system must be up-dated daily by the Contractor.
- 1.9.1.4 The case files and records are subject to audit by the County at any reasonable time (see Contract, Section 8.37, Record Retention and Inspection/Audit Settlement, and Section 9.4, Ownership of Materials - Reports and Records), of this Agreement.

1.10 Physical Security

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

1.11 Data Security

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

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Reporting Requirements and County Administrative Controls

The Contractor shall comply with all County Workers' Compensation Claims Administration Policies and Standards, which will be provided by the CCA and is responsible for overall coordination and integration of claims services. At the sole discretion of the County, the Contractor shall take all necessary steps to reduce costs, increase productivity and to enhance the quality and the level of claims administration.

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The reports required to be provided by the Contractor may include, but are not limited to:

2.1.1 Monthly Reports

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

2.1.1.2 Statistical and narrative reports to assist the County in evaluating its workers' compensation program.

2.1.1.3 A statistical and narrative report on outstanding issues to be addressed at Performance Evaluation Meetings (see Exhibit A, Section II, Paragraph 6.5).

2.1.2 Quarterly Reports

A written status report on selected open cases. Parameters and scope of this report will be established by CCA.

2.1.3 Annual Report

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

2.1.4 Employee Records

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

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

2.1.5 Other Reports

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

2.2 Case File Record Retention

All medical only case files will be retained for ten years from the date of injury. All indemnity case files which do not involve permanent disability payment and have no payment activity for five years will be retained for ten years from the date of injury. All indemnity case files which involve payment activity within the last five years and cases with permanent disability payments or awards for lifetime medical treatment will be retained indefinitely. No claims will be destroyed without CCA approval and the Contractor will be responsible for storage of all files within the above criteria during the term of this contract. Presently, there are approximately Unit 1-4,931, Unit 2 – 2,798 and Unit 4 - 1,928 boxes of closed files.

2.3 Staffing/Organization

The Contractor shall be responsible for providing sufficient and competent staff to fulfill the contract and shall have complete flexibility for establishing an effective management and organizational structure. Adjustments in staffing based upon fluctuations in caseload shall be subject to approval of CCA. Contractor shall have at least one non-caseload carrying contract manager. Additionally, Contractor shall have at least one non-caseload carrying claims supervisor for every six claims examiners. Contractor shall have at least one claims assistant for every two claims examiners and one clerk for every four claims examiners. In addition to the staffing requirements

in the preceding sentence, Contractor shall have at least one non-caseload bearing quality assurance auditor at the level and experience of a claims supervisor. Average caseloads for Contractor claims examiners shall not exceed 175 open indemnity claims.

Claims assistants shall be capable of handling medical only claims and other support duties such as: obtaining medical updates, calculating routine temporary disability payments, identifying cases for assignment to medical case management, etc.

Contractor's claims and management staff shall exclusively administer County cases in a dedicated unit. The Contractor must assure provision of services to the County in the event of an Act of God or employee shortage or strike. Contractor shall be responsible for assuring that staff comply with performance requirements outlined in Technical Exhibit VIII.

2.4 Medical Cost Containment

The Contractor shall ensure that all statements for medical benefits are reviewed and all amounts authorized for payment have been determined in accordance with the Official Medical Fee Schedule adopted by the Administrative Director of the Division of Workers' Compensation. Contractor shall ensure that duplicate medical payments are not sent for fee review. The Contractor shall utilize County medical panels, medical provider networks, Preferred Provider Organizations (PPO), hospital and other medical utilization review services, and managed medical care services as directed by the County. All TPA subcontractors or vendors shall be subject to prior review and approval by the County Contract Administrator (CCA).

Should County wish to add County medical panels, medical provider networks, or a secondary Preferred Provider Organization to enhance services provided by County's current fee review/PPO vendor, Contractor will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

2.5 Authority Limits

The CCA shall establish a schedule of authority limits and referrals, for all personnel approving indemnity, medical or County salary continuation benefits (see Technical Exhibit XI).

2.6 Certification

The Contractor 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 third-party administrator (Labor Code Section 3702.1).

2.7 Settlement, Negotiations

The Contractor shall obtain written approval from a designated representative of the County as required by approval levels established by the CCA, prior to the initiation of negotiations relating to a compromise and release agreement.

2.8 Support Services

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

The Contractor shall assist the County in maintaining a panel of private firms that provide services peripheral to the management of workers' compensation claims: AOE/COE and sub-rosa investigation services, risk management consultants, arbitrators/mediators, record copying services, subpoena services, vocational rehabilitation services, etc. These private firms shall meet the minimum requirements established by the CCA or his/her duly authorized designee. The Contractor shall use only these firms and shall utilize a rotational system for making assignments, unless otherwise instructed by the CCA.

2.9 Computer Interface

The County has license to use and has installed a computer software system for the workers' compensation claims administration. (For description see workers' compensation risk management information system in Definitions, Section I, Paragraph 13.0 of this Part of the Agreement). The Contractor shall interface with this system by provision of a local area network, having (minimally) Pentium 4 2.0 GHz PCs with 256 megabytes of RAM, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in

Technical Exhibit VII of this Contract.

The Contractor shall maintain the capacity to send and receive e-mail for each claims examiner assigned to County cases. Contractor shall comply with CCA specified e-mail protocol dealing with content and confidentiality when using e-mail for County cases.

2.10 Computer Data Maintenance

Contractor shall, on a daily basis, accurately and thoroughly input, update and maintain all data fields on the County's workers' compensation risk management information system for all cases administered by Contractor.

3.0 COUNTY FURNISHED ITEMS

3.1 County shall arrange for the release of all case files for pick-up by the Contractor prior to the start date of the contract as described below in Section 3.2 of this Part of the Agreement.

3.2 Orientation/Transition

County will provide orientation to the County's workers' compensation risk management information system for key Contractor personnel prior to the start date of the Contract. Contractor shall not be reimbursed for any expenses during orientation or training.

3.3 Changes in Reporting Requirements/Approvals

The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Contract.

4.0 CONTRACTOR FURNISHED ITEMS

4.1 General

The Contractor shall furnish all personnel, work space and work stations, furniture, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work, except those listed in Section 3.0 or those listed in Technical Exhibit VII related to the workers' compensation risk management information system. Generally, the categories for such services are:

4.1.1 Personnel and Performance Standards

The Contractor shall provide all personnel necessary to comply with the representations made in Contractor's proposal and addenda thereto as required for services hereunder including but not limited to Quality of Work Performance Requirements Summary as outlined in Technical Exhibit VIII.

4.1.2 Equipment

The Contractor shall provide any equipment or furniture necessary to meet the Contract requirements.

4.1.3 Files, Records and Reports

The Contractor shall maintain and provide accurate and complete financial and other records and files of workers' compensation claims as well as reports of its activities and operation as required under this Contract. 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 business days.

4.1.4 Local Office, Expenses

The Contractor shall maintain an office in the County of Los Angeles or in an adjacent County or 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. The Contractor shall have a toll free "800" telephone number. The Contractor shall pay out of its own resources, all costs and charges in connection with its work or services offices, office furnishing and supplies, except as otherwise provided in this Contract.

4.1.5 Courier Service, Vehicles

The 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, claims mail and related items. The Contractor shall pay the costs of such services out of its own resources, including any and all expenses involved in transferring case files to the Contractor at the beginning of the Contract.

4.1.6 Orientation/Transition

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

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

4.1.7 Work Space for County Staff

Contractor shall provide safe, adequate and ergonomically sound work space, complete ergonomically correct furniture and work station including workers' compensation risk management information system computer access and e-mail, telephone and facsimile service, and free parking for two full-time County monitors and adequate temporary work space and work station and free parking for other County staff as necessary for required program auditing or monitoring.

4.1.8 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.

4.1.9 Contractor – Provided Forms

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

4.1.10 Claims Administration Procedure Manual and Business Continuity Plan

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

In addition, the Contractor will provide a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services related to this Contract

following an event which could interrupt these business operations. The plan shall include, but not be limited to, the following:

1. A description of critical services and business processes.
2. Contractor policies and procedures to assure continued business operations following an event.
3. Address, computer, telephone, facsimile, key contact and all other critical information concerning alternative business processes and/or location(s) following an event.

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

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

4.1.11 Computer Interface

The Contractor shall interface with the County's workers' compensation risk management information system by provision of a local area network, having (minimally) Pentium 4, 2.0 GHz PCs with 256 megabytes of Ram, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in Technical Exhibit VII of this Contract.

Should County deem Contractor's computer interface to be insufficient to achieve optimal processing of County claims, Contractor shall upgrade the deficient equipment or electronic interface capabilities to the satisfaction of the County at Contractor's sole expense.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall convert to the County's new system, at a time of County's choosing, at Contractor's sole expense.

4.1.12 Contractor Preferred Provider Network

Should County wish to add a County medical panel or secondary Preferred Provider Organization to enhance the services provided by County's current fee review/PPO vendor, and Contractor has a Preferred Provider Organization, Contractor will provide these services at the same price as County's primary vendor and will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

4.1.13 Training Required for Claims Adjusters

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 two County Quality Assurance Evaluators per year.

5.0 PERSONNEL

5.1 Key County Personnel - County Contract Administrator (CCA)

- 5.1.1 The County shall inform the Contractor of the name, address and telephone number of the CCA in writing at the time the Contract is awarded.
- 5.1.2 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the Contract.
- 5.1.3 The CCA or designee shall provide direction to the Contractor in areas relating to County policy and procedural requirements.
- 5.1.4 The Contractor shall immediately remove, at the CCA's request, any Contractor or Contractor subcontractor employee or agent providing services for the County under this Contract.
- 5.1.5 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.
- 5.1.6 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.

5.2 Key Contractor Personnel - Contractor Contract Manager

- 5.2.1 The Contract Manager or designee shall have a minimum of three years experience in supervising or managing third-party workers' compensation claims administration services for California workers' compensation claims.
- 5.2.2 The Contractor shall provide upon award of Contract, the name, address and telephone number of the Contract Manager or designee who shall be responsible for administering the Contract.
- 5.2.3 The County shall have sole discretion to approve Contract Manager and any replacement recommended by Contractor.
- 5.2.4 The Contractor's Contract Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations. Contract Manager will not be assigned any workers' compensation claims.
- 5.2.5 The Contractor's Contract Manager shall be exclusively assigned to the County's account.
- 5.2.6 The Contract Manager or designee shall be able to read, write, speak and understand English.
- 5.2.7 The Contract Manager or designee shall provide the CCA with the Contract Manager's emergency telephone number and be available between 8:00 A.M. and 5:00 P.M., Monday through Friday except County holidays.

5.3 Contractor Personnel - Workers' Compensation Claims Supervisors

- 5.3.1 Claims Supervisors shall have a minimum of five years experience in adjusting a caseload of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA. Supervisors will not be assigned any workers' compensation claims.
- 5.3.2 Claims Supervisors employed by the Contractor shall be able to read, write, speak and understand English.

5.4 Contractor Personnel - Workers' Compensation Claims Examiners

- 5.4.1 At least 75% of the claims examiners shall have a minimum of three years experience in the adjustment of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA.
- 5.4.2 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:
 - 5.4.2.1 Two or more years as a Claims Assistant; or
 - 5.4.2.2 One 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
 - 5.4.2.3 One year experience as a Claims Assistant specifically on the County account.
- 5.4.3 Claims Examiners employed by the Contractor shall be able to read, write, speak and understand English.

6.0 CONTRACTOR PERFORMANCE

6.1 Contractor Quality Control Plan

The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the Contract are met and sound financial accounting records and procedures are maintained. The plan shall include, but not be limited to, the following:

- 6.1.1 The methods for assuring and verifying that the minimum requirements for Claims Examiners are met, including a formal training program for Claims Examiner Trainees.
- 6.1.2 A system for monitoring compliance with financial accounting standards and all the services listed in this Section. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspections/audits.

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

6.2 County Quality Assurance Monitoring Plan (QAMP)

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

At the sole discretion of the County, a variety of methods may be used to evaluate the Contractor's performance, including but not limited to :

6.2.1 Monthly one-hundred percent inspection of files, databases, logs, reports and other information.

6.2.2 A comprehensive and complete audit conducted annually beginning the second year of this Contract.

6.2.3 Inspecting the appropriate employment documentation to verify that Claims Examiners meet the minimum qualifications and experience.

6.2.4 Complaints received by County Risk Management Branch.

6.2.5 Monitoring the timeliness of responses from the Contractor against the time a request for work or service is made by the County.

6.2.6 Staff/user complaints.

6.2.7 Sampling of claims, records, reports, and logs.

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

The County shall monitor the Contractor's performance under this Contract. The County's procedure may include but not necessarily be limited to those specified in Technical Exhibit VIII, Quality of Work Performance Requirements Summary. All monitoring observations shall be recorded. Significant deviation from performance standards as indicated in Technical Exhibit VIII, may result in Contract termination.

6.3 Acceptable/Unacceptable Performance

If performance standards or financial discrepancies are noted by County or its authorized auditor, a Contract Discrepancy Report shall be issued to the

Contractor.

6.4 Contract Discrepancy: Actions To Be Taken

If discrepancies from performance or financial standards are noted by the County, a Contract Discrepancy Report shall be issued to the Contractor.

6.4.1 Contractor Response

Upon receipt of a Contract Discrepancy Report, the Contractor shall respond in writing to the CCA within five working days acknowledging the reported discrepancy/discrepancies or presenting contrary evidence and a program for immediate correction of all failures in performance that have been identified.

6.4.2 County Response

At the discretion of the County, the CCA shall evaluate the Contractor's explanation and determine what further action, if any, should be taken. Continued failure on the part of the Contractor to perform at an acceptable level shall constitute grounds for contract termination and suspension of further payments by the County as defined in the Quality of Work Performance Requirements Summary, Technical Exhibit VIII.

6.5. Performance Evaluation Meetings

The Contractor's Contract Manager of Workers' Compensation Claims Administration shall meet with the CCA or his/her designee at regularly scheduled intervals, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of policy and procedural matters relevant to the Contractor's performance and the County Risk Management's monitoring function, including a discussion of the monthly report on all outstanding issues.

EXHIBIT A – UNIT 4

SECTION III - CONTRACTOR PAYMENT AND ADJUSTMENTS TO PAYMENT

1.0 PAYMENT AND ADJUSTMENTS TO PAYMENTS

1.1 Payment

1.1.1 Base Monthly

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

1.1.2 Monthly Invoice and Adjustment to Monthly Invoices

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

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

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

1.1.2.2 The County shall increase or reduce the monthly invoice pursuant to the provisions of Paragraphs 2.1, 2.2, and 2.3 of this Section.

1.1.2.3 The County may increase or reduce the monthly invoice pursuant to Paragraphs 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, and 2.11 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.

1.1.3 The total fees paid will be reduced for overpayments, fines, penalties and other costs incurred due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Paragraph 1.2, Adjustments to Payments to Contractor.

1.1.4 The total fees paid will be reduced or increased pursuant to Paragraphs 2.1 through 2.11 of this Section.

1.1.5 The County's payment is subject to adjustment following audit as set forth in Paragraph 3.0.

1.2 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.

1.2.1 Such failure includes, but is not limited to, the following:

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

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

1.2.1.3 Excessive 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 Exhibit A, Section II, Paragraph 1.0.

1.2.1.4 Fines and/or administrative penalties assessed against the County due to the Contractor's failure to comply with the performance standard set forth in Exhibit A, Section II, 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 or were expressly approved or directed by an authorized County representative.

1.2.2 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to this Paragraph 1.2. 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 shall lose its right to dispute the assessment. The response shall include, but not be limited to, one or more of the following:

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

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

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

1.2.3 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 his/her appointed 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.

2.0 PERFORMANCE INCENTIVES

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

<u>Performance Index (%)</u>	<u>Incentive Payment (%)</u>
Less than 75%	Base Fee minus 4.5%
75% - 79%	Base Fee minus 1.5%
80% - 84%	Revenue neutral
85% - 89%	Base Fee plus 1.5%
90% - 94%	Base Fee plus 3.0%
95% or over	Base Fee plus 4.5%

2.2 The performance index shall be determined by random-sample audits commencing no later than the end of the second contract year and conducted at least annually thereafter by County Quality Assurance Evaluators for compliance with standards set forth in the Quality of Work Performance Requirement Summary described in Technical Exhibit VIII. The CCA may update the areas to be audited and the factors to be considered in determining the performance index.

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

2.4 Fee Reduction for Failure to Meet Staffing Levels

If Contractor staffing levels do not meet the requirements of Exhibit A, Section II, Paragraph 2.3, County shall reduce Contractor's monthly invoice by \$7,000.00 for each aggregate thirty calendar days a position is vacant.

2.5 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 Exhibit A, Section II, Paragraph 4.1.10 and the Quality Control Plan required in Exhibit A, Section II, Paragraph 6.1, are not developed and actively implemented and integrated into the County claims unit within 180 days of contract inception date, payments shall be reduced to Base Fee less 5% until these requirements are met.

2.6 Fee Reduction for Failure to Timely Forward Litigation File

For every litigation file received by County Counsel more than 45 days after receipt of the WCAB application as specified in Exhibit A, Section II, Paragraph 1.5.1.1, 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.

2.7 Fee Reduction for Failure to Timely Complete 30 Day Checklist

For every indemnity claim where the checklist specified in Exhibit A, Section II Paragraph 1.2.1.1 is not submitted to the QAE and the County Department within 30 days from the date of employer's knowledge of injury, County shall reduce Contractor's monthly invoice by \$300.00. This fee reduction shall not apply to indemnity claims where the date of employer's knowledge of the injury is more than 20 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.

2.8 Fee Reduction for Failure to Make a Liability Decision within 90 days or less as required by law of Date of Employer's Knowledge of Injury.

For every claim where the Contractor fails to make a liability decision within 90 days or less as required by law of the date of employer's knowledge pursuant to Exhibit A, Section II, Paragraph 1.2.2, County shall reduce Contractor's monthly invoice by \$1,000.00. This fee reduction shall not apply to indemnity 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.

2.9 The reduction in Paragraphs 2.4 through 2.8, inclusive, are separate and distinct from any reduction or increase provided for in Paragraphs 2.1 through 2.3, inclusive. This reduction shall be in addition to any adjustment under Paragraph 1.2. The provisions of Paragraphs 2.4 through 2.8, inclusive, are in effect through out the term of this Contract and are separate and distinct from the performance standards and performance index of Paragraphs 2.1 through 2.3, inclusive. All Contractor discrepancies and failure under Paragraphs 2.1 through 2.8, inclusive, will be processed pursuant to Paragraphs 6.3 and 6.4 of Section II.

2.10 Fee Increase for Subrogation Recoveries

For every claim initially identified by Contractor for subrogation recovery, and recovered within the contract period, Contractor shall receive five percent of the County net recovery, not to exceed \$1,000.00.

2.11 Fee Increase for Facilitation of Return to Work

The CCA, or designee, may award a bonus where, in the opinion of the CCA, the Contractor provides exceptional effort in the Return to Work process and that effort leads to an offer of modified work. In no event shall this bonus exceed \$250.00.

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

**EXHIBIT A – UNIT 4
STATEMENT OF WORK
SECTION IV - PAYMENT SCHEDULE**

175 ANNUAL CLAIM CASELOAD

County shall pay Contractor the following annual fee:

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1^{AD}	\$5,984,585.64	\$457,155.47
YEAR 2^{BCD}	[(CPI-W)(YEAR ONE)] + YEAR ONE	(YEAR 2)/12
YEAR 3^{BCD}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4^{BCD}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5^{BCD}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

- A. Start up costs of \$498,720.00 shall be billed and due January 1, 2006. Monthly fee (Year 1) payments will be reduced by \$41,560 per month.
- B. Denotes a cost of living adjustment capped at the lesser of:
- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12 months preceding the contract anniversary date; or
 - The general salary movement percentage for County employees for the 12 month period preceding the prior July 1st.
- C. The number of new indemnity claims submitted in calendar year 2004 for Unit 4 was 2,224. For any calendar year were the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 2,224 by 175, the County shall pay the contractor an additional \$42,240 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,224 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$84,480 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,224 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$126,720 within 60 days of the end of the calendar year, and etc.

- D. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 5,125 the monthly base fee shall be reduced by \$3,520. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 4,950, the monthly base fee shall be reduced by \$7,040. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 4,775, the monthly base fee shall be reduced by \$10,560, and etc.

8-30-05

g/amr/WC TPA RFP 2005/Statement of Work – Unit 4

**EXHIBIT B – UNIT 4
ACCLAMATION INSURANCE MANAGEMENT SERVICES, INC.
PRICING SCHEDULE**

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1^{AD}	\$5,984,585.64	\$457,155.47
YEAR 2^{BCD}	[(CPI-W)(\$YEAR ONE)] + \$YEAR ONE	(YEAR 2)/12
YEAR 3^{BCD}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4^{BCD}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5^{BCD}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

- A. Start up costs of \$498,720.00 shall be billed and due January 1, 2006. Monthly fee (Year 1) payments will be reduced by \$41,560 per month.
- B. Denotes a cost of living adjustment capped at the lesser of:
- The most recently published percentage change in the Bureau of Labor Statistics, Los Angeles-Riverside-Orange County, Consumer Price Index for Urban Consumers (CPI-U) for the 12 months preceding the contract anniversary date; or
 - The general salary movement percentage for County employees for the 12 month period preceding the prior July 1st.
- C. The number of new indemnity claims submitted in calendar year 2004 for Unit 4 was 2,224. For any calendar year were the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 2,224 by 175, the County shall pay the contractor an additional \$42,240 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,224 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$84,480 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2,224 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the contractor an additional \$126,720 within 60 days of the end of the calendar year, and etc.
- D. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 5,125 the monthly base fee shall be reduced by \$3,520. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 4,950, the monthly base fee shall be reduced by \$7,040. For any quarter where the Contractor's open indemnity caseload, administered by workers' compensation claims examiners, is equal to or less than 4,775, the monthly base fee shall be reduced by \$10,560, and etc.

8/10/05

g/amr/WC TPA RFP 2005/Contract –Unit 4 - Exhibit B – Pricing Schedule

EXHIBIT C - NOT APPLICABLE

PROPOSER'S EEO CERTIFICATION

Acclamation Insurance Management Services, Inc. (AIMS)

Company Name

10445 Old Placerville Road, Sacramento, CA 95827

Address

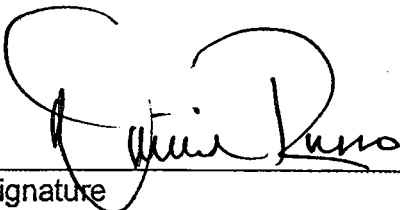
94-3105085

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer 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.

CERTIFICATION	YES	NO
1. Proposer has written policy statement prohibiting discrimination in all phases of employment.	(X)	()
2. Proposer periodically conducts a self-analysis or utilization analysis of its work force.	(X)	()
3. Proposer has a system for determining if its employment practices are discriminatory against protected groups.	(X)	()
4. When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	()


Signature

February 22, 2005

Date

Dominic Russo, President

Name and Title of Signer (please print)

EEO CERTIFICATION

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY RISK MANAGER:

Name: Rocky A. Armfield
Title: Assistant Administrative Officer, CAO Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
Telephone: (213) 351-5346
Facsimile: (213) 252-0405
E-Mail Address: rarmfield@cao.co.la.ca.us

COUNTY CONTRACT ADMINISTRATOR (CCA):

Name: Alex Rossi
Title: Chief Program Specialist, CAO Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010
Telephone: (213) 738-2154
Facsimile: (213) 252-0404
E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITOR(S):

Name: Maria (Lupe) Mikesell
Title: Program Specialist III, CAO Risk Management Branch
Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2238
Facsimile: (213) 252-0404
E-Mail Address: mmikesell@cao.co.la.ca.us

CONTRACTOR'S ADMINISTRATION

AIMS

CONTRACTOR'S NAME

CONTRACT NO. _____

CONTRACTOR'S CONTRACT MANAGER:

Name: **David Whiteside**
Title: **Vice President, TPA Division**
Address: **10445 Old Placerville Road**
Sacramento, CA 95827
Telephone: **(916) 563-1900**
Facsimile: **(916) 563-1919**
E-Mail Address: **dwhiteside@aims4claims.com**

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: **Dominic Russo**
Title: **President**
Address: **10445 Old Placerville Road**
Sacramento, CA 95827
Telephone: **(916) 563-1900**
Facsimile: **(916) 563-1919**
E-Mail Address: **drusso@aims4claims.com**

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

Notices to Contractor shall be sent to the following address:

Address: **10445 Old Placerville Road**
Sacramento, CA 95827
Telephone: **(916) 563-1900**
Facsimile: **(916) 563-1919**
E-Mail Address: **drusso@aims4claims.com**

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

- G1 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

- G2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

**CONTRACT FOR THIRD PARTY WORKERS'
COMPENSATION CLAIMS ADMINISTRATION SERVICES**

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(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, Confidentiality, and Copyright Assignment 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.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

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.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

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

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

**CONTRACT FOR THIRD PARTY WORKERS' COMPENSATION
CLAIMS ADMINISTRATION SERVICES**

**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(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, Confidentiality, and Copyright Assignment 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.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

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.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

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

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

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.

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

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

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.

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.

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.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

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.

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.

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.

SAFELY SURRENDERED BABY LAW

No shame. No blame. No names.

Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.



In Los Angeles County

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



State of California
Gov. Earl Warren

Health and Human Services Agency
Grandlund, Bureau Secretary

Department of Social Services
Rita Strain, Director



Los Angeles County Board of Supervisors

Clifford Melton, Supervisor, First District

Norma Balthazart Burke, Supervisor, Second District

Zev Yaroslavsky, Supervisor, Third District

Clifford Melton, Supervisor, Fourth District

Michael B. Antonovich, Supervisor, Fifth District

This initiative is also supported by First LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs 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, workers 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.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns 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?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

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

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts 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 nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 26, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernard no under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

Los recién nacidos pueden ser entregados en forma segura en la sala de emergencia de cualquier hospital o en un cuartel de bomberos del Condado de Los Angeles.



En el Condado de Los Angeles:

1-877-BABY SAFE
1-877-222-9723
www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
David and Lucile Packard Center
Grandlund Johnson, Secretario

Departamento de Servicios Sociales
(Departamento de Cuidado Social)
Luis Saenz, Director



Consejo de Supervisores del Condado de Los Angeles

Glenn Molina, Supervisor, Primer Distrito
Wonne Brattwalle Burke, Supervisor, Segundo Distrito
Zev Yaroslavsky, Supervisor, Tercer Distrito
Dana Knapp, Supervisor, Cuarto Distrito
Michael D. Antonovich, Supervisor, Quinto Distrito

Esta iniciativa también es apoyada por ERI-LSA y INFO LINE de Los Angeles.

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

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿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 del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un 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 brazalete y el padre/madre recibirá un brazalete igual.

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

Los padres que cambian de opinión pueden empezar el proceso de redamar 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 1-800-640-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llavan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entrega a su bebé a un empleado del hospital o de un cuartel de bomberos.

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

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían dónde recurrir para obtener ayuda. El abandono de un recién nacido pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 26 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

2.201.010 Findings.

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

2.201.020 Definitions.

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

- A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.
- B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.
- C. "Employer" means:
 - 1. An individual or entity who has a contract with the county:
 - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or
 - b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and
 - c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or
 - 2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.
- D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week. (Ord. 99-0048 § 1 (part), 1999.)

2.201.030 Prospective effect.

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

*Editor's note: Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

2.201.040 Payment of living wage.

- A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$8.32 per hour with health benefits, or \$9.46 per hour without health benefits.
- B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$1.14 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.
- C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. (Ord. 99-0048 § 1 (part), 1999.)

2.201.050 Other provisions.

- A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.
- B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.
- C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

Page 3 of 5

on the implementation and on-going administration of this Chapter. Such instructions may provide for the delegation of functions to other county departments.

- D. **Compliance Certification.** An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.
- E. **Contractor Standards.** An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

2.201.060 Employer retaliation prohibited.

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

2.201.070 Employee retention rights.

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

- A. A "retention employee" is an employee of a predecessor employer:
1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
 2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
 3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.
- B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

- C. A subsequent employer is not required to hire a retention employee who:
1. Has been convicted of a crime related to the job or his or her job performance; or
 2. Fails to meet any other county requirement for employees of a contractor.
- D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

2.201.080 Enforcement and remedies.

For violation of any of the provisions of this chapter:

- A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.
- B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:
1. Assess liquidated damages as provided in the contract; and/or
 2. Recommend to the board of supervisors the termination of the contract; and/or
 3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, not to exceed three years. (Ord. 99-0048 § 1 (part), 1999.)

2.201.090 Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.
- B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.
- D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:
1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

Page 5 of 5

2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

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

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

2.201.100 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)



**COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS**

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

(1) Name: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/>										Address: (Street, City, State, Zip) _____									
(2) Payroll No.: _____										(4) From payroll period: ___/___/___ to payroll period: ___/___/___									
(6) Department Name: _____										(5) For Month Ending: ___/___/___									
(7) Contract Service Description: _____										(8) Contract Name & Number: _____									
(9) Contractor Health Plan Name(s): _____										(10) Contractor Health Plan ID Number(s): _____									
(11) Employee Name, Address & Social Security Number	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Aggregate Hours	(15) Employee Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Social Security	(18) Gross Amount Paid (16+17)	(19) Aggregate Health Benefits Paid (18+19)							
		1	2	3	4	5													
Total (This Page)										Total Grand Total (All Pages)									
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.										Print Authorized Name:									
Authorized Signature:										Date: ___/___/___		Telephone Number (include area code) _____		Page: _____ of _____					



**COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS**

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

(1) Name: **Tough Guy, Inc.** Subcontractor Contractor Address: (Street, City, State, Zip) **1501 Torrance Blvd., Sre. 11A, Torrance, CA, 90503**

(2) Payroll No: **81600** (4) From payroll period: **8/1/00** to payroll period: **8/27/00** (5) For Month Ending: **August**

(6) Department Name: **OAAC** (7) Contract Service Description: **Security Services - LAX Airport** (8) Contract Name & Number: **LAX Security Services #95260**

(9) Contractor Health Plan Name(s): **PacificCare GreatLife** (10) Contractor Health Plan ID Number(s): **HS3567-06**

(11) Employee Name, Address & Social Security Number	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Aggregate Hours	(15) Employees Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employees Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (14x17)	(19) Aggregate Health Benefits Paid (14x18)
		1	2	3	4	5						
1 Del Real, Rafael 14821 Larch Avenue Lawndale, CA 90280 SS# 111-1-1111	Custodian	35	45	32	48	160	\$0.90	\$144.00	\$0.24	\$38.40	\$182.40	
2 Masterson, Philip 15567 Reeves Avenue Culver City, CA 90230 SS# 222-22-2222	Security Guard II	39	32	40	35	146	\$1.14	\$166.44	\$0.11	\$16.06	\$182.50	
3 Hernandez, Jaime R. 9404 Stanford Avenue South Gate, CA 90280 SS# 333-33-3333	Custodian I	40	40	40	40	160	0	0	N/A	0	N/A	
4 Palmer, Thomas 1711 Mazonow Road Long Beach, CA 90802 SS# 444-44-4444	Security Guard I	32	40	40	35	147	0	\$0.00	N/A	0	\$0.00	
5 Figueras, Arturo 5569 Via Marisol Los Angeles, CA 90042 SS# 555-55-5555	Security Guard-Supvr	40	46	40	48	174	0	0	N/A	0	N/A	
Total (this Page)		186	203	192	206	787		\$310.44			\$364.90	
Total (All Pages)		186	203	192	206	787		\$310.44		\$54.46	\$364.90	

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Authorized Name: **Mr. Tough Guy**

Date: 9/01/00 Title: Payroll Telephone Number (include area code) (213) 974-1393 Page: 1 of 1

COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM

PAYROLL STATEMENT OF COMPLIANCE

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

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____; (Company or subcontractor Name) (Service, Building or Work Site)
that during the payroll period commencing on the _____ day of _____, and (Calendar day of Month) (Month and Year)
ending the _____ day of _____ all persons employed on said work site (Calendar day of Month) (Month and Year)
have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of _____ (Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in directly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

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

3. That:

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

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

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

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

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title	Owner or Company Representative Signature:
----------------------	--

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.

LIVING WAGE ORDINANCE – PAYROLL REPORTING FORM
Instructions for completing and filing Living Wage Ordinance-Payroll Reporting form.

The Living Wage Ordinance-Payroll Reporting (Payroll) form is to be completed by each contractor (both prime and subcontractor) and signed by a responsible official of the company. The reports are to be filed by the 15th day of each month following the preceding reporting period, during the term of the contract, and shall include the total work hours for each employee working on a County contract. The prime contract shall submit a report for its aggregate work force and collect and submit reports for each subcontractor's aggregate work force to the contracting County department.

Clearly print in ink, type or indicate with a check mark (✓) all entries:

CONTRACTOR INFORMATION:

- 1) Contractor/Subcontractor: Indicate by a check (✓) in the applicable box to identify your status as a Contractor or Subcontractor.
- 2) Name: Enter your company's name.
- 3) Address: Enter your company's street address, city, state and zip code.
- 4) Contract Person: Print the name of the company representative responsible for responding to the County's questions regarding information provided on the form.
- 5) Telephone: Enter the contact person's telephone number, including area code and extension, if applicable.
- 6) Contract No.: Enter the County's Contract Number (from the signed contract).
- 7) Type of Service: Provide a brief description of service provided under the contract (e.g., custodial, ground maintenance or refer to the contract description).
- 8) Work Location(s): Indicate the County locations (addresses) serviced under the contract number indicated above.

PAYROLL INFORMATION:

- 9) Payroll Period: Enter the beginning and ending dates of the payroll period of this report.
- 10) Name/Address: For each employee, provide the surname and first name, followed by the employee's street address, city and zip code.
- 11) SS #: Enter the employee's Social Security number.
- 12) Full/Part: Check (✓) the applicable box to identify the named employee's work status with your company (i.e., Full = works for company full-time or works full-time for your company but provides part-time service to the County; or Part = only works part-time with County approval).
- 13) Health Ins.: Check (✓) the applicable box to acknowledge whether company provides any health benefits to the named employee.
- 14) Pos Title: Enter the named employee's work classification (position title) when performing County contract services (e.g., custodian, foreman, etc.).
- 15) Day and Date: Under the applicable date of the month within the reported Payroll Period, enter the hours worked by the named employee on the appropriate category line to indicate straight hours worked on County contract (County), overtime hours worked on County contract (first OT line), straight hours worked on non-County contract (Other Job) and/or overtime hours worked on non-County contract (last OT line).
- 16) Total Hours: Indicate the gross (total) hours worked in each category by the named employee during reported Payroll Period.
- 17) Pay Rate: Enter the actual hourly pay rate for each category in which hours were worked during reported Payroll Period (County straight paid, County OT, Other Job straight paid and/or non-County OT), Enter the named employee's rate of pay.
- 18) Gross: Enter the gross (grand) total of wages paid the named employee during reported Payroll Period (multiply entry 16 by entry 17 for each category in which employee worked. Grand total of computations equals Gross Earnings).

DEDUCTIONS:

Enter the applicable taxes and deduction amounts deducted from named employee's gross earnings during reported Payroll Period:

- 19) Medi-SS / FICA: The amount of Federal Insurance Contributions Act taxes deducted from named employee's gross earnings.
- 20) Fed Taxes: The amount of Federal Taxes deducted from the named employee's gross earnings.
- 21) State Taxes: The amount of California State Taxes deducted from the named employee's gross earnings.
- 22) Hlth. Ins.: The amount of the named employee's elected contribution to Health Insurance premium deducted from the named employee's gross earnings.
- 23) Other: Any additional withholdings not listed in entries 19 through 22. Please describe in section entitled Payroll Statement of Compliance
- 24) Total Deduct: The total of all deductions withheld during reported Payroll Period (total entries 19 through 23).
- 25) Net Wages: The net payment to the named employee (18 less 24 equals Net Wages).

NOTE: Complete upper right corner of Payroll Reporting form (page number and total number of pages) and the reverse side of the form prior to submitting to the awarding County department.

**COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM**

PAYROLL STATEMENT OF COMPLIANCE

I, Bruce Irons C.E.O.
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by
Tough Guy, Inc. on the Headquarters
(Company or subcontractor Name) (Service, Building or Work Site)
 that during the payroll period commencing on the 1st day of August 2000, and
(Calendar day of Month) (Month and Year)
 ending the 27th day of August 2000 all persons employed on said work site
(Calendar day of Month) (Month and Year)
 have been paid the full weekly wages earned, that no rebates have been or will be made either directly or
 Indirectly to or on behalf of Tough Guy, Inc.
(Company Name)
 from the full weekly wages earned by any person and that no deductions have been made either directly or
 directly from the full wages earned by any person, other than permissible deductions as defined in
 Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as
 amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

Deduction: Credit Union Savings Program (insert amount & frequency)

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

3. That:

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

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

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

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

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title Mr. Tough Guy, C.E.O.	Owner or Company Representative Signature:
--	--

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.



SAMPLE

CONTRACTOR SUBCONTRACTOR
 CONTRACT NO.: 12345
 TYPE OF SERVICE: Security Services - LAX Airport
 WORK LOCATION(S): LAX Airport
 CONTACT PERSON: T. Guy TELEPHONE: (213) 974-1393 PAYROLL PERIOD (Beginning and end dates): 08 / 08 / 00 - 08 / 21 / 00

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(13) DAY AND DATE	(14) Total Hours	(15) Pay Rate	(16) Gross Pay	(17) DEDUCTIONS				(18) Total Deduct	(19) Net Wages
							FICA	Medi-SS	Fed Tax	State Tax		
Del Real, Rafael 14821 Larch Ave. Lawndale, CA 90260	111-11-1111	County	10/01/00	8	13.50	1080.00	67.59	146.02	62.89	4.25	280.74	793.57
			10/02/00	8	13.50	1080.00	67.59	146.02	62.89	4.25	280.74	793.57

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(13) DAY AND DATE	(14) Total Hours	(15) Pay Rate	(16) Gross Pay	(17) DEDUCTIONS				(18) Total Deduct	(19) Net Wages
							FICA	Medi-SS	Fed Tax	State Tax		
Masterson, Philip 15567 Reeves Avenue Culver City, CA 90230	222-22-2222	County	10/01/00	8	9.46	756.80	49.56	67.41	26.97	25.00	168.94	618.84
			10/02/00	8	9.46	756.80	49.56	67.41	26.97	25.00	168.94	618.84

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(13) DAY AND DATE	(14) Total Hours	(15) Pay Rate	(16) Gross Pay	(17) DEDUCTIONS				(18) Total Deduct	(19) Net Wages
							FICA	Medi-SS	Fed Tax	State Tax		
Palmerl, Thomas 1711 Masontown Road Long Beach, CA 90802	333-33-3333	County	10/01/00	4	9.46	416.24	49.59	84.96	43.01	25.00	227.56	560.61
			10/02/00	4	9.46	416.24	49.59	84.96	43.01	25.00	227.56	560.61

(10) NAME / ADDRESS	(11) SS #:	(12) Position Title	(13) DAY AND DATE	(14) Total Hours	(15) Pay Rate	(16) Gross Pay	(17) DEDUCTIONS				(18) Total Deduct	(19) Net Wages
							FICA	Medi-SS	Fed Tax	State Tax		
Figueroa, Arturo 5569 Via Martisol Los Angeles, CA 90042	444-44-4444	County	10/01/00	8	9.46	624.36	48.39	99.57	44.31	84.17	295.18	473.95
			10/02/00	8	9.46	624.36	48.39	99.57	44.31	84.17	295.18	473.95

EXHIBIT M

INTENTIONALLY OMITTED

AGREEMENT CONTRACTOR'S OBLIGATIONS UNDER HIPAA

Under this Agreement, Contractor provides services to County and Contractor receives, has access to, and/or creates Protected Health Information, as defined below, in order to provide those services. County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated under HIPAA, including the "Standards for Privacy of Individually Identifiable Health Information" which are located in Title 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations mandate certain protections for the privacy and security of Protected Health Information. The Privacy Regulations also require County to enter into an agreement with Contractor in order to obtain satisfactory assurance from Contractor that Contractor will appropriately safeguard the Protected Health Information. Disclosure to or use of Protected Health Information by Contractor is prohibited if such an agreement is not in place. Therefore, the parties agree to the terms of this Exhibit N.

1.0 DEFINITIONS

- 1.1 "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 Contractor's internal operations, or to other than its employees.
- 1.2 "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).
- 1.3 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of County. 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 received by Contractor from or on behalf of County, or is created by Contractor, or is made accessible to Contractor by County.
- 1.4 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the

production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

- 1.5 "Services" has the same meaning as in this Agreement.
- 1.6 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor's internal operations.
- 1.7 Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Regulations.

2.0 OBLIGATIONS OF CONTRACTOR

2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sub-sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Exhibit N;
- (b) shall Disclose Protected Health Information to County upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
- (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

- 2.2 Adequate Safeguards for Protected Health Information. Contractor warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Agreement. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- 2.3 Reporting Non-Permitted Use or Disclosure. Contractor shall report to County each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement. The initial report shall be made by telephone call to the appropriate Department, within forty-eight (48) hours from the time the Contractor first becomes aware of the non-permitted Use or Disclosure, as follows:

Chief Information Office Privacy Officer
213-974-2166

The initial telephone report shall be followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure, and shall be sent to County's Chief Information Privacy Officer at:

Chief Information Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 493
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining County's compliance with the Privacy Regulations. Contractor shall immediately notify County of any requests made by the Secretary and provide County with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by County available to the Individual(s) identified by County as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from County. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from County.
- 2.7 Amendment of Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by County. Contractor shall make such amendment within ten (10) business days after receipt of request from County in order for County to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon County's request, Contractor shall provide to County an accounting of each Disclosure of Protected Health Information made

by Contractor or its employees, agents, representatives or subcontractors. However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services if such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Contractor under this Sub-section 2.8 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. For each Disclosure that could require an accounting under this Sub-section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to County, within ten (10) business days after receipt of request from County, information collected in accordance with this Sub-section 2.8 to permit County 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.

3.0 OBLIGATION OF COUNTY

3.1 Obligation of County. County shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

4.1 Term. Contractor's obligations under Sub-sections 2.1 (as modified by Sub-section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon County's knowledge of a material breach by Contractor, County shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation, and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by County; or
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination or cure are feasible, County shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- (b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make it infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

5.0 **MISCELLANEOUS**

- 5.1 No Third Party Beneficiaries. Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors receiving Protected Health Information from Contractor, or creating Protected Health Information for Contractor, on behalf of County, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Exhibit N.
- 5.3 Relationship to Agreement Provisions. In the event that a provision of this Exhibit N is contrary to any other provision of this Agreement, the provision of this Exhibit N shall control.
- 5.4 Regulatory References. A reference in this Agreement to a section in the Privacy Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits County to comply with the Privacy Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for County to comply with the requirements of the Privacy Regulations.

CHARITABLE CONTRIBUTIONS CERTIFICATION

Acclamation Insurance Management Services, Inc. (AIMS)

Company Name

10445 Old Placerville Road, Sacramento, CA 95827

Address,

94-3105085

Internal Revenue Service Employer Identification Number

N/A

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

CERTIFICATION	YES	NO
<p>Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.</p>	<p>(X)</p>	<p>()</p>
OR		
<p>Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.</p>	<p>()</p>	<p>()</p>

Signature

September 1, 2005

Date

Dominic Russo, President

Name and Title (please type or print)